H1 2024 Management Report

CPI Property Group

Contents

Zlatý Anděl, Prague, Czech Republic

Interactive PDF

This report has embedded bookmarks enabling quick and easy navigation.

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On the cover:
AQUA-Höfe, GSG Berlin *photo: © GSG Berlin*
Quadrio, Prague
myhive Warsaw Spire

A message from the CEO

Dear stakeholders,

I joined CPI Property Group in 2018 based on a strong belief in the Central and Eastern European story: a region with economies growing faster than the old guards of the West, where real estate markets are not oversaturated, and where governments are generally responsible and fiscally sound.

I am glad to report that all these attractive features remain compelling in 2024. While the last few years have been tougher, the long-term trend is still good.

If you know CPIPG well, you have heard this story a hundred times. For those of you reading for the first time: CPIPG was founded more than 30 years ago by Radovan Vítek and has a **long reputation as an astute real estate investor in the CEE region.** We believe the Group's real estate portfolio, which is rooted in **owning leading local platforms,** is ideally suited to take advantage of the region's potential.

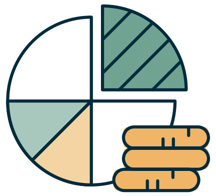
Today, the Group **owns €18.6 billion of real estate with contracted gross rent of €939 million.** Our portfolio includes offices in capital cities of Central and Eastern Europe, retail parks across the region, shopping centres, hotels, residential real estate, a small development pipeline and a large landbank. **The Group has grown in recent years through acquisitions** and has closed **€980 million of disposals** in 2024 as we seek to reduce leverage and maintain a high level of liquidity.

For those of you who are familiar with CPIPG, I want to **update you on several key topics that are important to the Group.**

Operational highlights

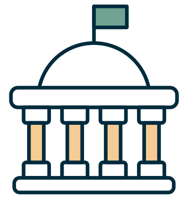
- The Group's **portfolio is stable,** with no fundamental problems
- **Rental income rose, even as occupancy declined slightly.** We attribute lower occupancy to a weaker economy, and specific challenges in some markets which our teams are addressing
- CPIPG **continues to invest in our portfolio,** which we believe is important to maintain value and enhance income
- We remain **highly focused on disposals** of less-core assets in order to reduce leverage
- **Simplifying the Group's corporate structure** remains a key priority in the months and quarters ahead

Capital structure



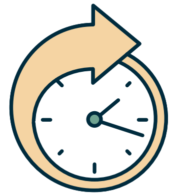
- Credit rating downgrades by Moody's and S&P were unfortunate and undesired; **we intend to regain BBB ratings**
- High level of **liquidity at €1.7 billion**
- **€250 million equity investment by Sona Asset Management** into the Group's Polish portfolio was a vote of confidence
- **Good progress on gross debt, net LTV, and net debt/EBITDA**
- ICR improved slightly in H1 as we **repaid our bridge financing** for the IMMOFINANZ and S IMMO acquisitions
- **Successful return to the bond market** with a €500 million transaction in May that was 6× oversubscribed

Governance



- **A short seller published several reports in H1 2024, to which we replied.** We are not eager to waste resources and time on further engagement
- **White & Case review** was extensive, covering approximately 2.4 million records including emails, documents, and interviews
- **Result of the investigation concluded no wrongdoing;** recommendations were made to further enhance our governance practices, which are easy to implement

Outlook



- **Investor sentiment appears to be improving,** particularly with the expectation of further ECB rate cuts and lower long-term rates
- **Continued focus on disposals** and reducing leverage
- **Proactive approach to loans, bonds, hybrids and liquidity**
- Focused on long-term **corporate and capital structure**

I imagine there are many other topics you would like to hear about, and I hope that our H1 report satisfies that need. We have a great portfolio, a long-term vision and steadfast shareholder support. We look forward to working with all of our stakeholders for a successful H2.

Sincerely,

David Greenbaum

Financial highlights for H1 2024

TOTAL ASSETS
€21.2
billion

PROPERTY PORTFOLIO
€18.6
billion

NET LTV
50%

CONTRACTED GROSS RENT
€939
million

H1 CONSOLIDATED ADJUSTED EBITDA
€395
million

H1 FUNDS FROM OPERATIONS (FFO)
€200
million

OCCUPANCY
91.3%

LIKE-FOR-LIKE RENTAL GROWTH
4.4%

UNENCUMBERED ASSETS
49%

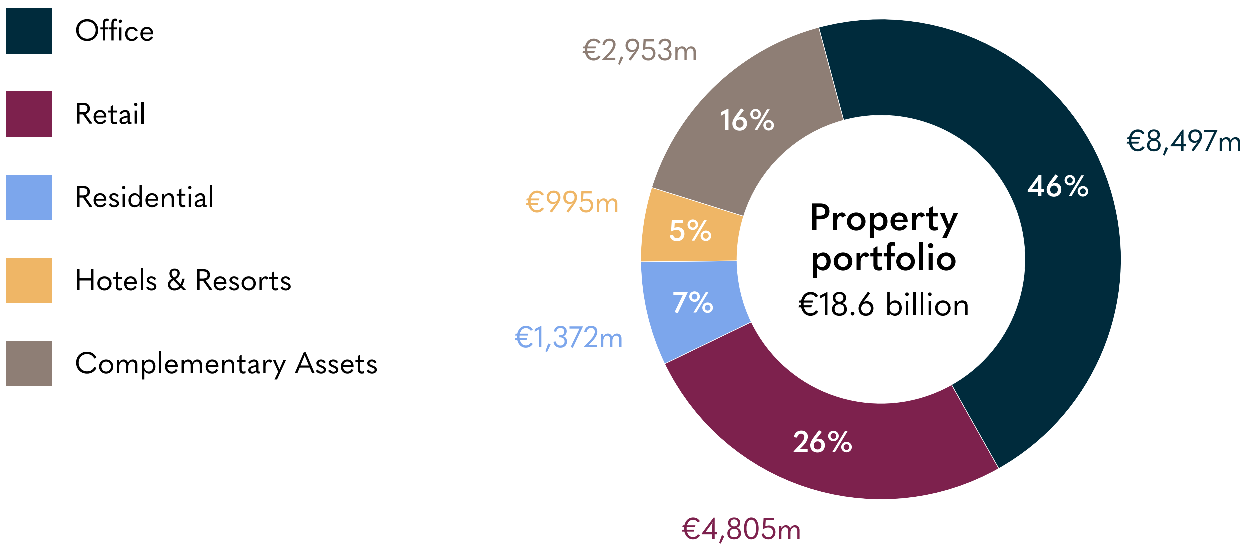
WAULT
3.4
years

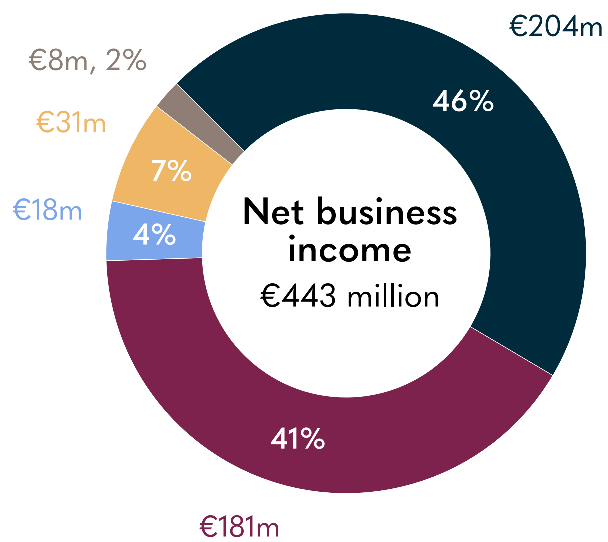
NET ICR
2.6×

EPRA NRV (NAV)
€6.8
billion

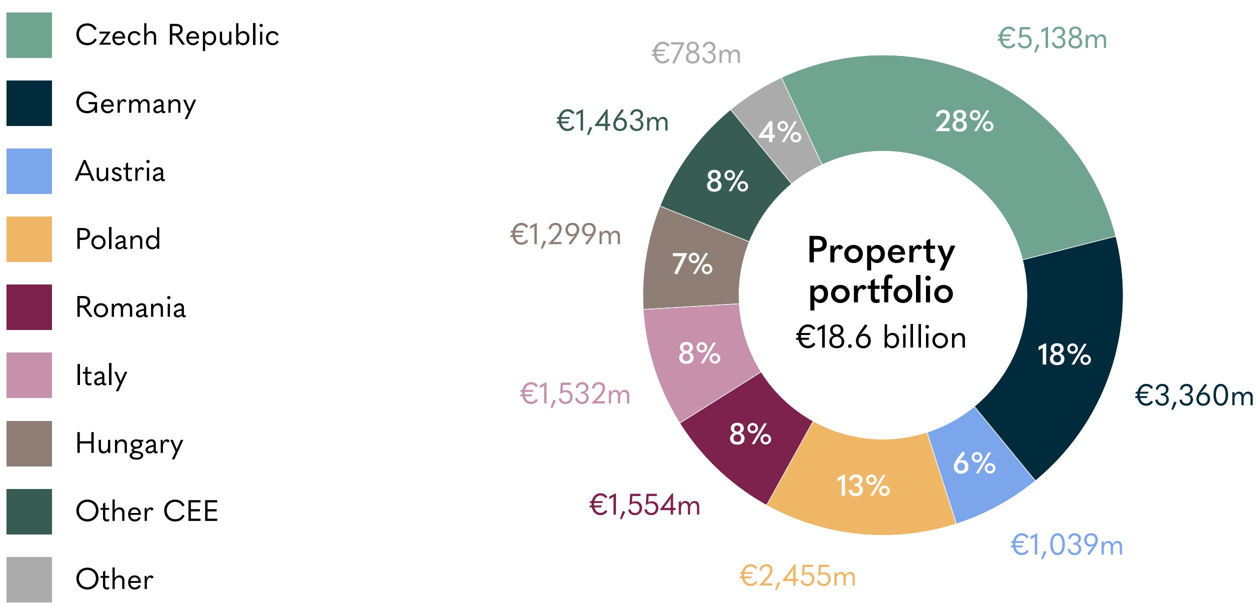
CPIPG's property portfolio

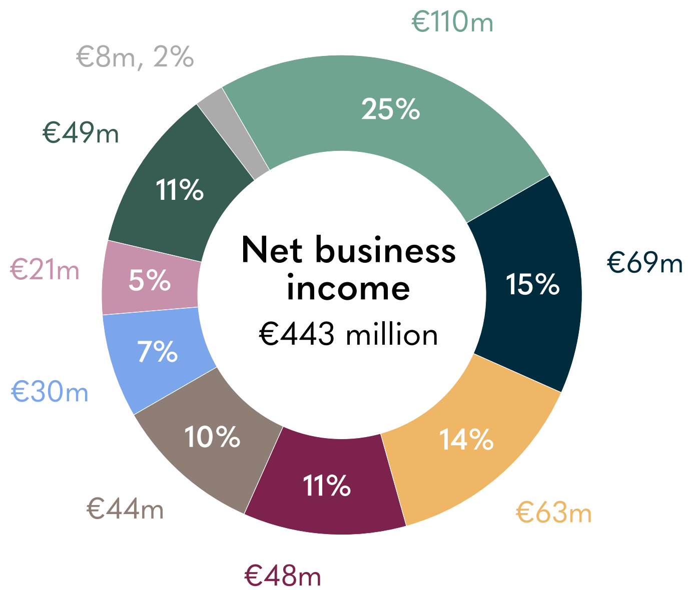
Property portfolio by segment (as at 30 June 2024)





Property portfolio by geography (as at 30 June 2024)





Property portfolio detail

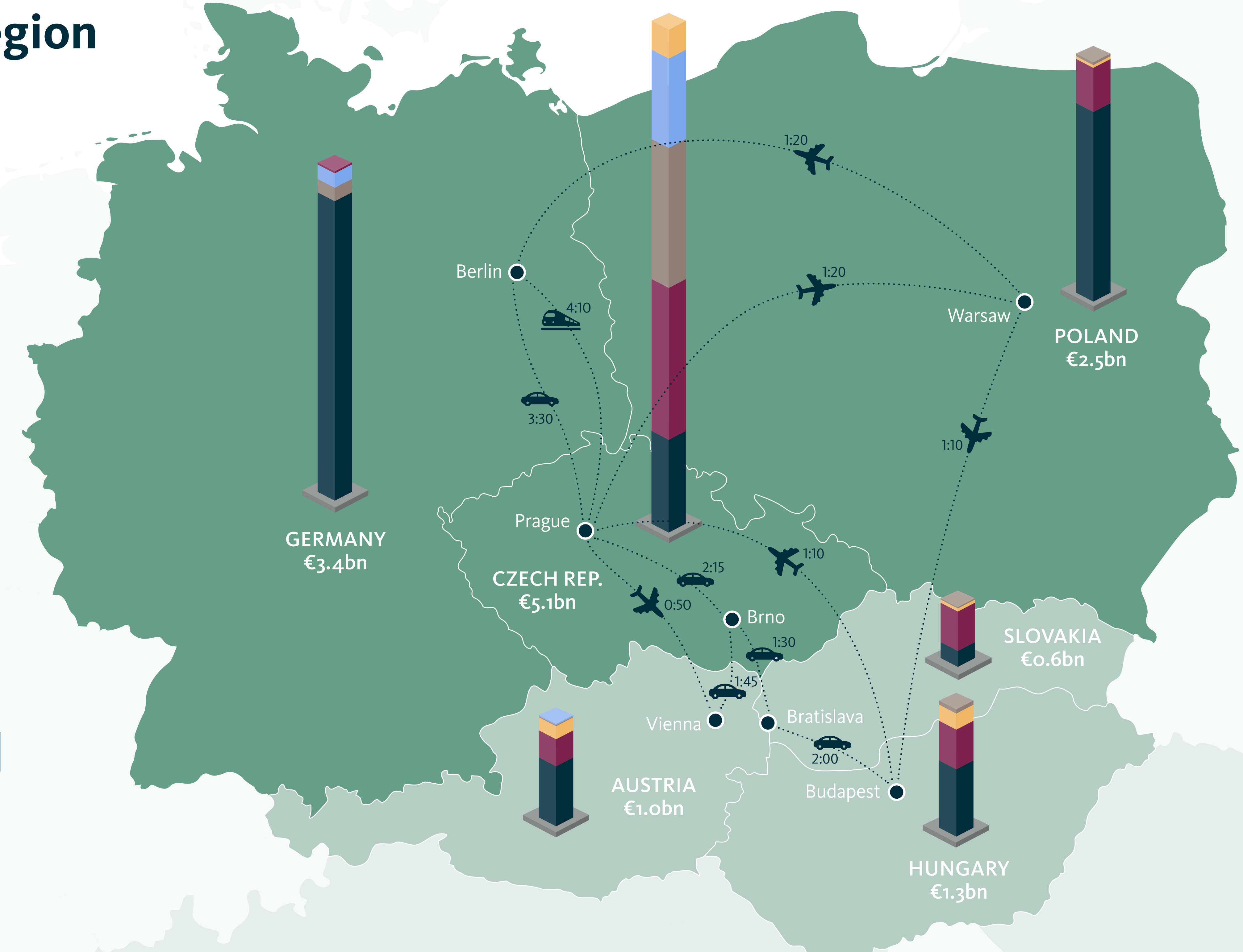
Segment	Country	€ million	Share of total
Office		**8,497**	**45.6%**
	Germany	3,046	16.4%
	Poland	1,608	8.6%
	Czech Republic	949	5.1%
	Hungary	687	3.7%
	Austria	609	3.3%
	Globalworth	590	3.2%
	Romania	565	3.0%
	Other	443	2.4%
Retail		**4,805**	**25.8%**
	Czech Republic	1,542	8.3%
	Italy	615	3.3%
	Romania	597	3.2%
	Poland	441	2.4%
	Hungary	401	2.2%
	Slovakia	399	2.1%
	Other	810	4.4%
Residential		**1,372**	**7.4%**
	Czech Republic	922	5.0%
	Germany	150	0.8%
	Other	300	1.6%
Hotels & Resorts		**995**	**5.3%**
	Czech Republic	287	1.5%
	Croatia	228	1.2%
	Other	479	2.6%
Complementary assets		**2,953**	**15.9%**
Landbank		1,913	10.3%
Development		753	4.0%
Agriculture		153	0.8%
Industry & Logistics		62	0.3%
Other		73	0.4%
Total		**18,623**	**100%**

Leading platforms in our region

Property portfolio value per segment:

Office | Retail | Residential | Hotels | Complementary

City | Travel time (hrs)

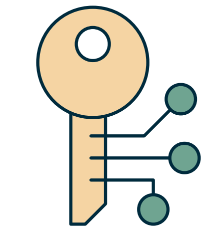


"CPIPG originated from the Czech Republic but is now recognised as a regional leader with ***unbeatable local knowledge.****"*

Zdeněk Havelka, Chief Operating Officer

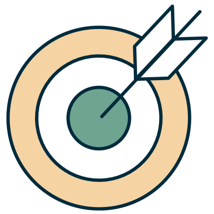
Includes pro-rata shares of assets owned by Globalworth.

CPIPG strategy and performance



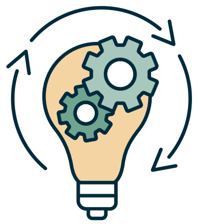
Key messages

- CPIPG is confident in the long-term positioning of our property portfolio
- **Real estate and economic fundamentals** in our region remain stronger than Western Europe and the USA
- The Group grew strategically through acquisitions in 2021 and 2022, which along with reduced property valuations have increased leverage
- Reducing leverage and **maintaining a high level of liquidity** are key priorities



What's working?

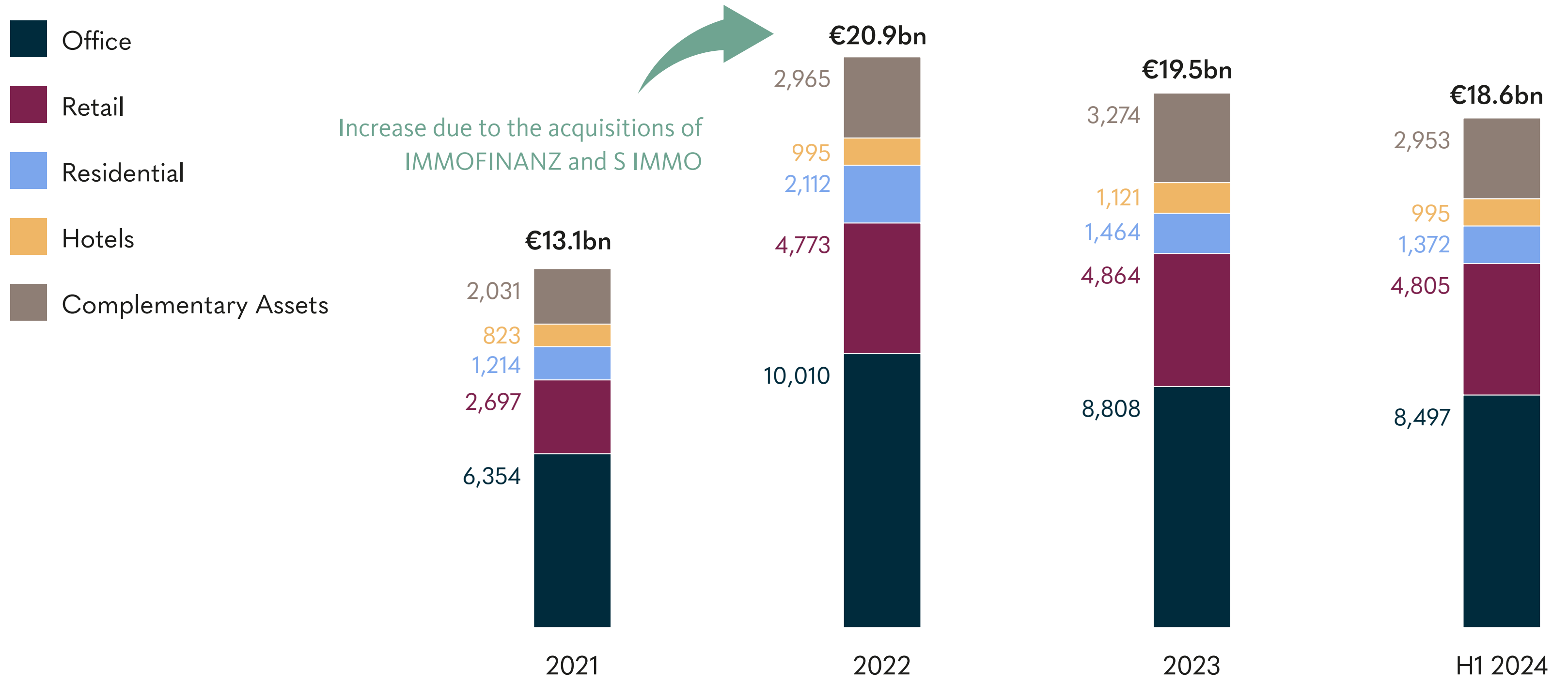
- **Like-for-like rental growth of 4.4%** in H1 2024
- **€980 million of disposal gross proceeds** year-to-date; close to €400 million signed and expected to close in the next 2-3 months
- **Gross debt reduced by €779 million** from year-end, net LTV declined by 2.3% to 50%, net debt/EBITDA declined to 11.8×
- **Consistent access to financing** with a €500 million unsecured bond and €57 million of secured financing signed in H1 2024



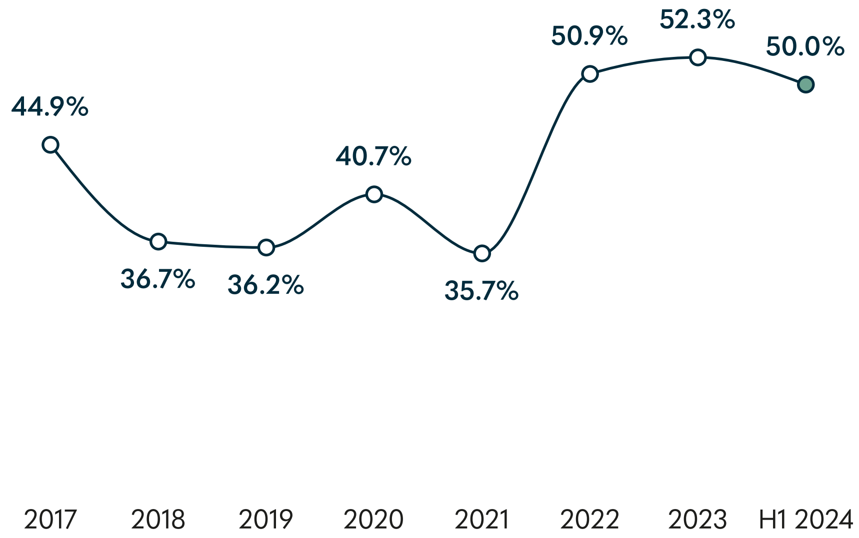
Work in progress

- **€156 million (0.8%) valuation drop was reflective of the broader market;** CPIPG believes we are at/close to the bottom in valuation declines
- Successful completion of **White & Case governance review;** all recommendations will be followed
- Efforts to **simplify the Group structure** are underway

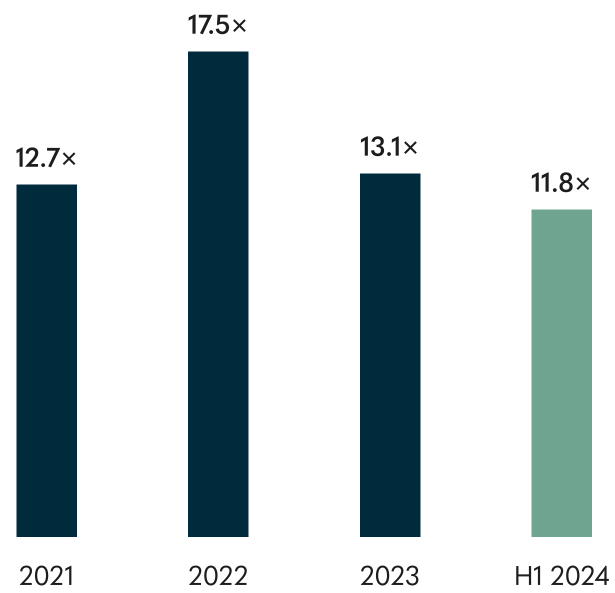
Property portfolio (€ million)



Net LTV evolution (%)

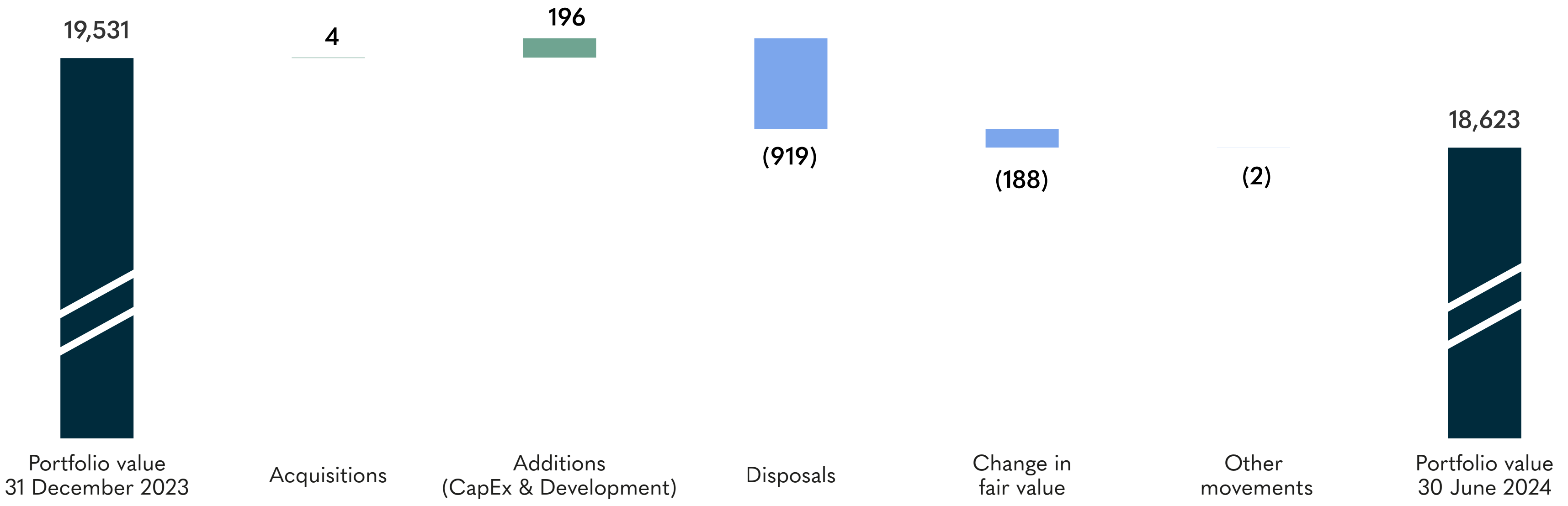


Net debt/EBITDA evolution

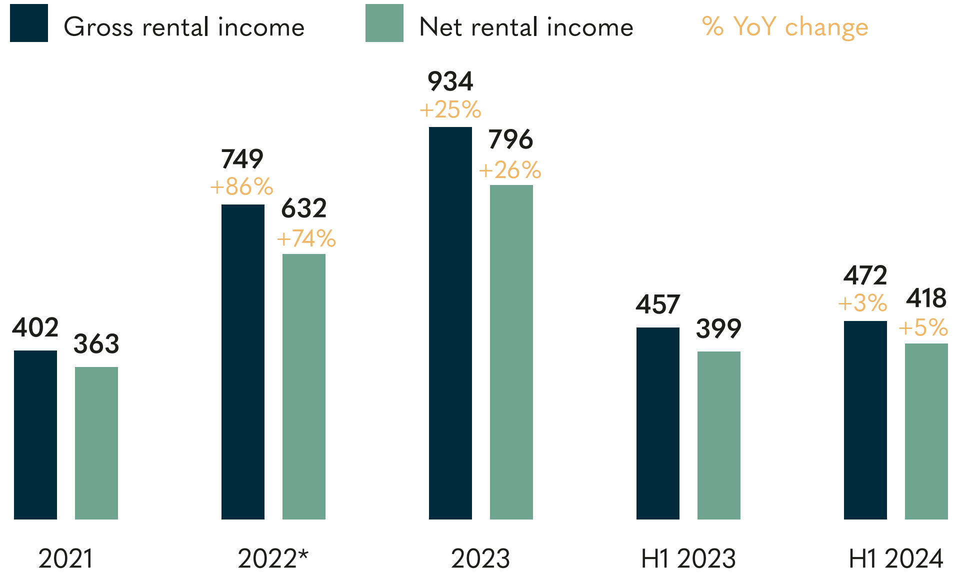


High-yielding portfolio with solid occupancy

Property portfolio in H1 2024 (€ million)



Gross and net rental income (€ million)



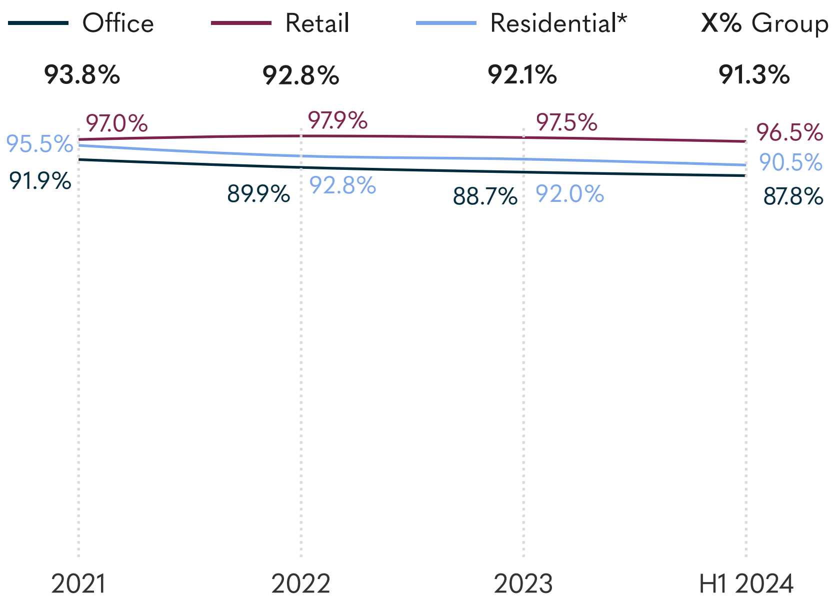
* *Rental income in 2022 reflects ten months of contribution from IMMOFINANZ and six months of contribution from S IMMO.*

CPIPG's property portfolio declined by €908 million in H1 due to disposals of €919 million in property value plus negative revaluations of €156 million (0.8% on the total portfolio). This was somewhat offset by €196 million of CapEx.

Occupancy remains solid at 91.3%. Office occupancy declined slightly in some cities due to tenant churn and a weaker economy, particularly in Germany. Retail occupancy remained high and is close to 100% in our retail parks.

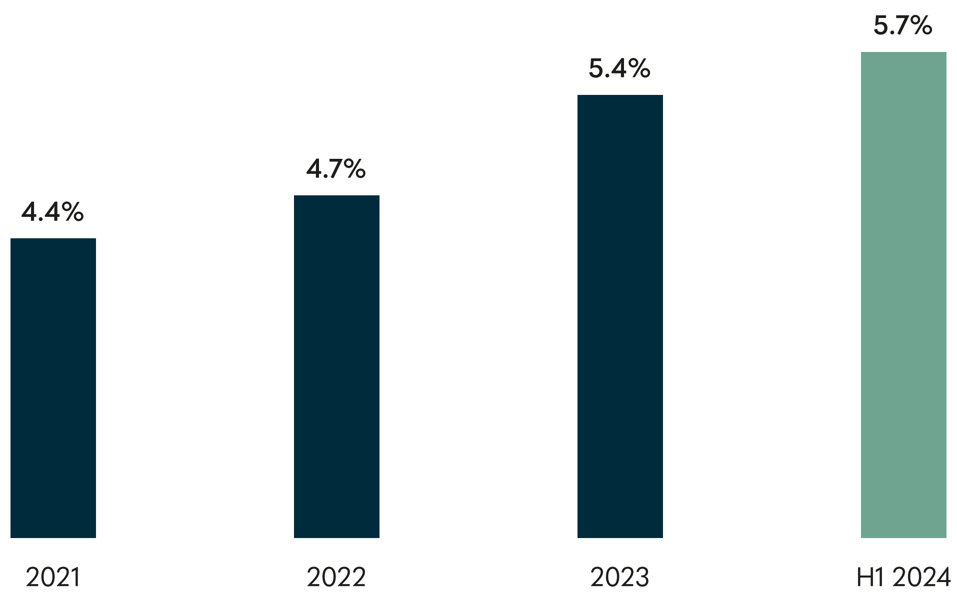
Net rental income increased by 5% to €418 million despite disposals because of **like-for-like rental growth of 4.4%** plus higher contributions from service charges. As a result, the **EPRA topped-up net initial yield increased to 5.7%.**

Occupancy (%)



* *Occupancy based on rented units.*

EPRA topped-up NIY (%)



Note: Annualised passing cash rents, less non recoverable property expenses adjusted for rent-free periods compared to the gross value of the properties.

Financing and liquidity

Key messages

- **€1.7 billion of liquidity** at H1 2024
- **Debt maturities are well-covered**
- Over **€1.4 billion of bonds and loans repaid** in H1 2024
- CPIPG is highly focused on nurturing our **strong bank and bondholder relationships**

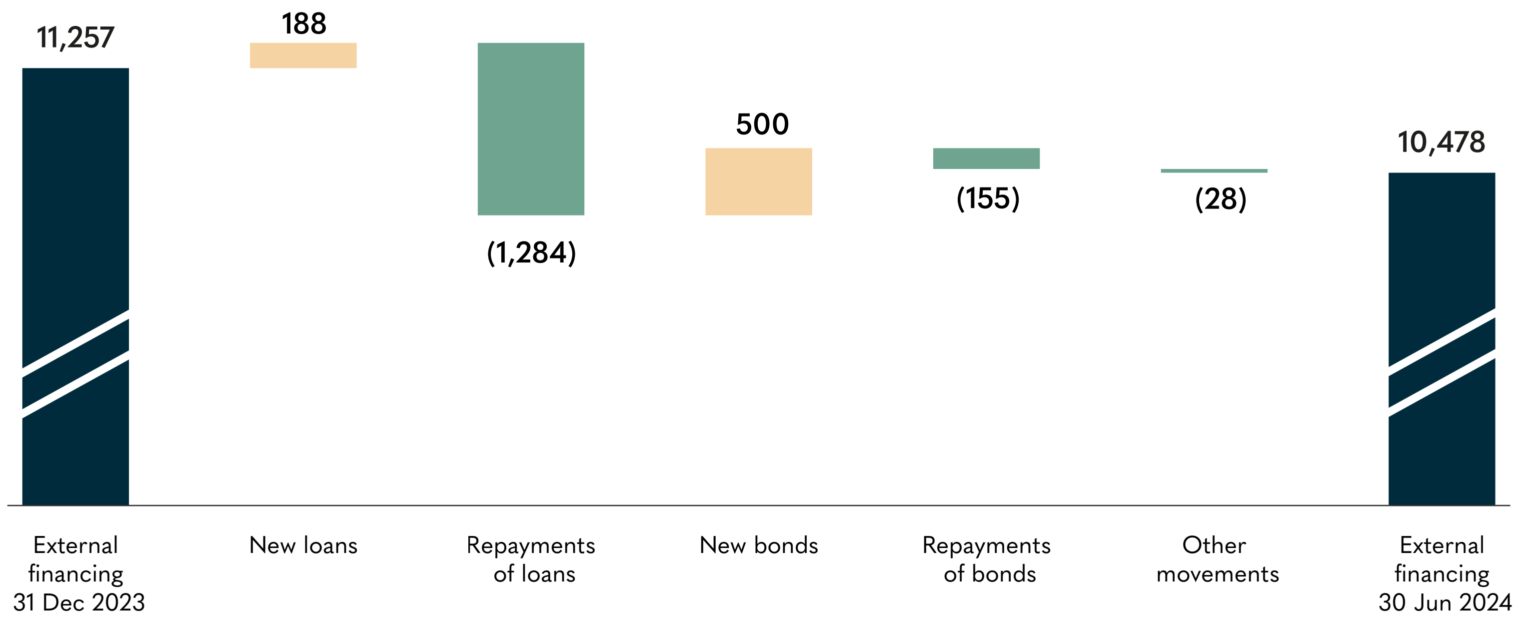
What's working?

- **Issued €500 million** of bonds in May after a two-year absence from the market; transaction received **€3 billion of demand**
- Signed new loans including €30 million for photovoltaic investments and €27 million for residential development in Prague
- **Fully repaid the acquisition bridge** financing for IMMOFINANZ and S IMMO
- **Gross debt reduced by €779 million**

Work in progress

- CPIPG's credit ratings were downgraded to high yield by **S&P** in H1 2024, and by **Moody's** in early H2 2024
- Through deleveraging and by simplifying our corporate structure, **CPIPG intends to regain our "BBB" rating**
- Downgrades have not materially impacted the Group's access to financing

Changes in external financing during H1 2024 (€ million)



Debt maturities coverage

CPIPG has ample liquidity (cash + disposal proceeds) to cover bond maturities over the next 2 years; banks have been extremely supportive of rolling over secured loans

Disposal pipeline on track

In March 2024, CPIPG announced a fresh disposal pipeline of €2 billion to be completed over the next 12 to 24 months.

This follows the **completion of CPIPG's first €2 billion pipeline,** which began in August 2022.

The Group **closed €980 million in gross disposals year-to-date.**

Nearly €400 million of disposals have been signed and are expected to close in the next 2-3 months, which will generate about €310 million of cash for debt repayment.

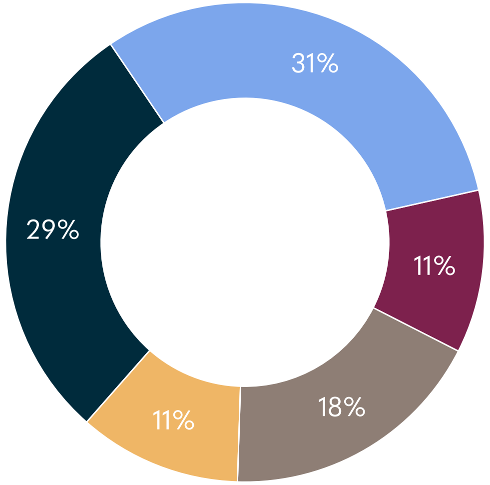
On average, disposals have been close to book value.

Diversification has benefited CPIPG and allowed us to scale transaction sizes to meet investor appetite; **disposals have ranged in size from €10 million to more than €200 million.**

Our pipeline includes a healthy share of residential assets, which are lower yielding. CPIPG is also selectively selling hotels, which have seen solid performance and investor demand. Less-core assets for sale are in Italy, Germany, Austria, the UAE and the UK.

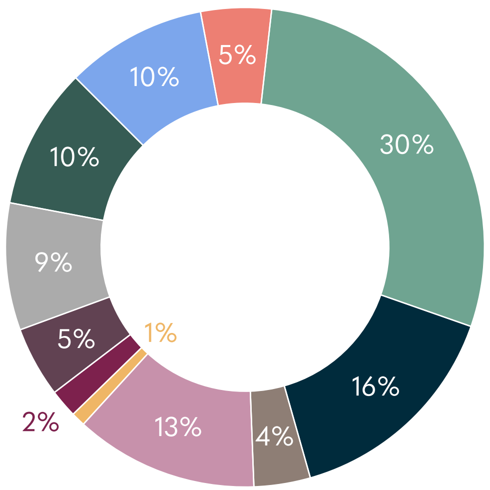
Disposal pipeline by segment

- Landbank/Development
- Hotel
- Office
- Residential
- Retail



Disposal pipeline by country

- Austria
- Croatia
- Czech Republic
- Germany
- Hungary
- Italy
- Poland
- Romania
- Slovakia
- UAE
- UK



Note: split based on main usage

Examples of completed disposals

Crans Montana Ski Resort, Switzerland

Adlerhof, Residential, Vienna, Austria

Victorei development, Bucharest, Romania

Mokotow 2-4, Office, Warsaw, Poland

Duplex Apartment, Address Sky View, Dubai

Grand Centre Zagreb, Croatia

photo: © Emaar Properties

Corporate governance update

Attack by a short-seller; White & Case review

What happened?

- Beginning in November 2023, **a short seller published multiple reports detailing alleged investigative research** regarding CPIPG, along with a short position in CPIPG's credit
- In essence, the short-seller alleged that **(a)** Mr. Vítek employed schemes to financially benefit himself to the detriment of CPIPG or bondholders **(b)** CPIPG exerted undue influence over valuation reports and/or was inaccurate in our reporting of occupancy rates and **(c)** that the board or management of CPIPG were unduly influenced and acted to the detriment of CPIPG or bondholders
- **CPIPG published detailed responses** to the short seller and believes we clearly demonstrated that the **claims were poorly researched, comical, and wrong**
- As part of our commitment to transparency for our stakeholders, **CPIPG engaged White & Case to perform an independent review** overseen by independent director Jonathan Lewis

Scope of White & Case review

- **White & Case focused on whether the allegations raised held true** from a factual perspective and whether any **"non-compliant behaviour"** occurred, and performed a legal analysis of whether CPIPG's directors and/or management violated their duties resulting in damages for stakeholders
- CPIPG was highly cooperative, as noted by White & Case, and **the investigation was large in scale:**
  - **Forensic review** covering 2,372,984 records/e-mails and 1,085.28 GB of data
  - **Extensive collection of documents** such as board minutes, board decks, due diligence reports, SPAs, internal and external legal memoranda, special audit/compliance reports, accounting records, compliance documentation, and valuation reports
  - **Rounds of interviews with CPIPG individuals,** including members of management, the board, and legal/compliance and finance departments

Results

- White & Case **did not** find evidence that would substantiate the short seller's allegations and **did not** in the course of the investigation make any incidental discoveries or find other indications of non-compliant behaviour
- There was **no indication that CPIPG concealed related-party transactions;** while some past transactions may appear unorthodox, they can be understood within the context of CPIPG's history as a family business
- **Enhancements to governance were suggested by White & Case and have/will be adopted by CPIPG,** including measures to reinforce separation between CPIPG and our founder's family office and sales of certain small assets to third parties or the family office

Kolbenova (Polygon BC) development

Summary of CPIPG's H1 2024 results

"CPIPG's income continues to grow even as we reduce leverage through disposals."

Pavel Měchura, Group Finance Director

Performance

		H1 2024	H1 2023	Change
Total revenues	€m	**811**	831	(2.3%)
Gross rental income (GRI)	€m	**472**	457	3.2%
Net rental income (NRI)	€m	**418**	399	5.0%
Net hotel income*	€m	**18**	29	–
Net business income (NBI)	€m	**443**	437	1.4%
Consolidated adjusted EBITDA	€m	**395**	394	0.3%
Funds from operations (FFO)	€m	**200**	209	(4.3%)
Net profit for the period	€m	**(3)**	(50)	94.5%

Assets

		30 Jun 2024	31 Dec 2023	Change
Total assets	€m	**21,231**	21,930	(3.2%)
Property portfolio	€m	**18,623**	19,531	(4.7%)
Gross leasable area	m²	**6,485,000**	6,462,000	0.4%
Share of green certified buildings[1]	%	**41.4%**	40.6%	0.8 p.p.
Occupancy	%	**91.3%**	92.1%	(0.8 p.p.)
Like-for-like rental growth[2]	%	**4.4%**	7.9%	(3.5 p.p.)
Total number of properties[3]	#	**665**	711	(6.5%)
Total number of residential units	#	**13,273**	13,630	(2.6%)
Total number of hotel rooms[4]	#	**6,845**	8,690	(21.2%)

1 *According to property portfolio value*
2 *Based on gross headline rent*
3 *Excluding residential properties in the Czech Republic*
4 *In 2023 including hotels operated, but not owned by the Group*

Financing structure

		30 Jun 2024	31 Dec 2023	Change
Total equity	€m	**8,432**	8,257	2.1%
EPRA NRV (NAV)	€m	**6,791**	7,033	(3.4%)
Net debt	€m	**9,312**	10,220	(8.9%)
Net loan-to-value (Net LTV)	%	**50.0%**	52.3%	(2.3 p.p.)
Net debt to EBITDA	×	**11.8×**	13.1×	(1.3×)
Secured consolidated leverage	%	**23.3%**	24.0%	(0.7 p.p.)
Secured debt to total debt	%	**47.1%**	46.5%	0.6 p.p.
Unencumbered assets to total assets	%	**48.9%**	47.8%	1.1 p.p.
Unencumbered assets to unsecured debt	%	**187%**	174%	13.0 p.p.
Net interest coverage (Net ICR)	×	**2.6×**	2.5×	0.1×

myhive am Wienerberg, Vienna, Austria

* *Due to the sale of a 50% stake in CPI Hotels, the hotel operating entity, income due from most hotel properties has been reclassified as rental income, as opposed to hotel income previously. Thus, the current hotel income figures are not comparable on a like-for-like basis to last year's figures.*

Economic review

Key 2024 macro forecasts for Group core geographies

	Annual GDP growth (%)	Annual inflation rate (%)	Unemployment rate (%)	Gross public debt (% of GDP)
Czech Republic	1.2	2.5	2.8	44.0
Germany	0.1	2.4	3.1	63.6
Poland	2.8	4.3	3.0	49.6
Romania	3.3	5.9	5.5	48.8
Hungary	2.4	4.1	4.5	73.5
EU average	**1.0**	**2.7**	**6.1**	**81.7**

Sources: European Commission Spring 2024 Economic Forecast, Trading Economics as of 8 August 2024
Gross public debt data as of FY 2023

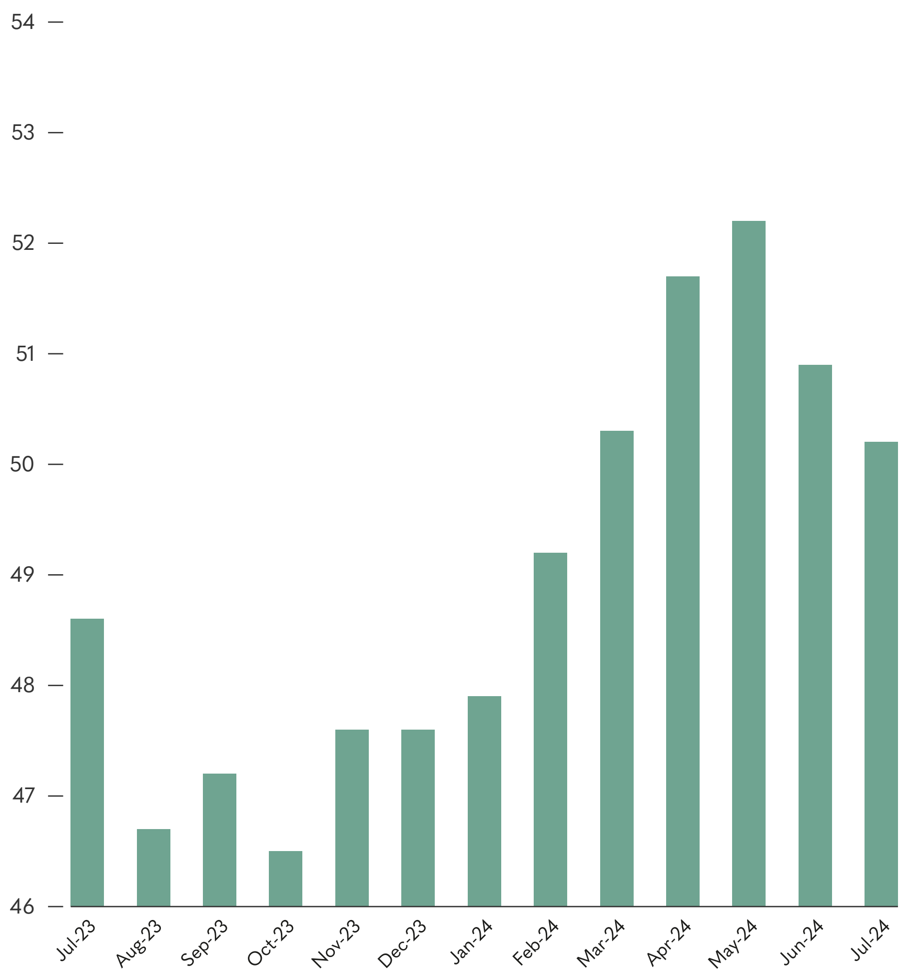
Eurozone

The Euro area economy grew by 0.6% YoY in the first half of 2024, with an expected GDP growth of 0.8% for 2024.

Within the Eurozone, GDP growth rates saw significant variation across countries. Germany, the largest economy in Europe with a strong focus on industrial production, saw GDP contracting in the second quarter with a -0.1% YoY change driven by lower investments in capital goods and buildings due to ongoing high interest rates as well as weaker demand from abroad for export-orientated products and services. On the other hand, southern European countries such as Spain, Greece, and Portugal, with more service-oriented economies, continued to benefit from growth in private consumption driven by tourism.

Beginning in July 2022, the European Central Bank (ECB) raised its key policy rate several times, up to 4.00%. In June 2024, the ECB lowered the interest rate for the first time in two years by 25 basis points to 3.75%. Market participants expect future rate cuts, but the exact speed will be subject to economic data such as inflation. Inflation has come down significantly from its peak in October 2022 of 10.6% to currently 2.6% as of July 2024 as a result of contractionary monetary policy. Nevertheless, in recent months, inflation has remained slightly higher than the 2% ECB target due to somewhat higher service inflation as part of rising wages, among other factors. Unemployment remains around historic lows, with 6.5% as of June, supporting consumption and wage growth.

HCOB Eurozone Composite PMI
(weighted average Service & Manufacturing PMI)



The HCOB Eurozone Services PMI stood at 51.9 in July 2024, signalling an expansion in services for the sixth consecutive time, while the pace is slowing down.

The HCOB Eurozone Manufacturing PMI stood at 45.8 in July 2023, indicating a contraction in manufacturing output. Aggregated levels for new orders continue to contract with order backlogs, which are used to avoid output declines.

Consequently, the weighted average of the service and manufacturing sector, the HCOB Eurozone Composite PMI, remained around neutral levels, with 50.2 in July, as the service sector's expansion offset the decline in manufacturing. Employment remained stable, while business confidence hit a six-month low.

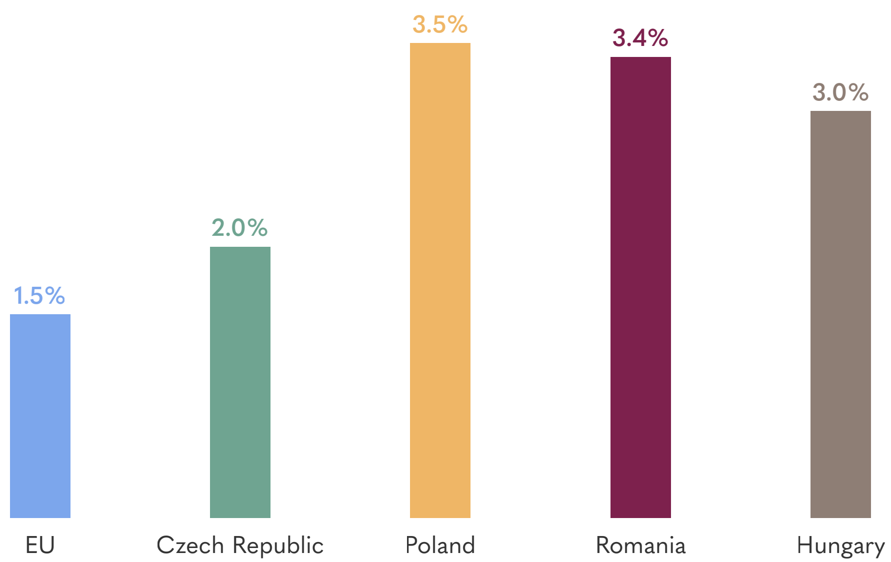
Sources: Trading Economics, European Central Bank, European Commission

Central and Eastern Europe

Over the last decade, CEE countries have benefited from solid fundamentals. Between 2013 and 2023, all CEE countries achieved GDP growth rates above the EU27 average, with Poland, Romania, and Hungary among the top ten fastest-growing economies in the EU27 bloc and the Czech Republic well above the average.

The trend is expected to continue for the current and next year, with growth rates in the CEE region above the EU average. As of Q1 2024, GDP expanded year-over-year in Poland by 2.0%, in Hungary by 1.5%, in Romania by 0.5%, and in the Czech Republic by 0.3%.

Average annual GDP growth 2013-2023



Unemployment continued to decline slightly from already low levels, with the unemployment rate falling in the first half of the year by -0.2% to 2.8% in the Czech Republic, by -0.3 % to 4.3% in Hungary, by -0.5 % to 4.9% in Poland, and by -0.1 % to 5.5% in Romania. Economists typically consider an unemployment rate of 4% to 5% as full employment.

Inflation has been considerably higher in the CEE region over the last 12 to 24 months. Consequently, central banks across the region raised interest rates several times, significantly decreasing inflation rates since their peaks between the end of 2022 and the beginning of 2023. In the Czech Republic, the annual inflation rate fell to 2.2% by July, in Poland to 4.2%, in Hungary to 4.1% and in Romania to 5.4%. The Czech Koruna has slightly depreciated compared to the Euro since the end of 2023. Countries in the region continue to benefit from low public debt-to-GDP ratios.

Sources: Trading Economics, Eurostat

High quality tenants and assets

CPIPG is proud of the **quality and diversity** of our assets, which host **more than 8,000 international and local tenants.** Our office properties host domestic companies, public sector entities, and multinational household names. CPIPG's largest tenant (LPP) accounts for just 1% of gross rental income spread across several leases and geographies, while our top 10 office and retail tenants represent only 9% of gross rental income.

CPIPG's asset portfolio is granular. The Group's top 10 most valuable assets account for only 12.7% of the total portfolio value. These assets are spread across capital cities in our region and include iconic assets such as the Warsaw Spire and Quadrio in Prague.

The Group's lease maturity profile is well balanced, with a WAULT of 3.4 years, which has been stable for the past six years; on average, 14% of our leases expire annually through 2028.

Top 10 income-generating assets

Asset	Value (€ m)	% Total	GLA m²	EPRA occupancy	Location
myhive Warsaw Spire	365	2.0%	72,000	96.3%	Warsaw, PL
SC Maximo	315	1.7%	60,000	99.7%	Rome, IT
Warsaw Financial Center	259	1.4%	50,000	91.0%	Warsaw, PL
Eurocentrum	226	1.2%	85,000	96.1%	Warsaw, PL
Quadrio	224	1.2%	25,000	96.2%	Prague, CZ
SC Sun Plaza	216	1.2%	82,000	98.5%	Bucharest, RO
Helmholtzstraße	197	1.1%	46,000	79.6%	Berlin, DE
Franklinstraße	191	1.0%	38,000	87.1%	Berlin, DE
FLOAT	190	1.0%	30,000	97.8%	Düsseldorf, DE
myhive am Wienerberg Twin Towers	182	1.0%	66,000	92.2%	Vienna, AT
Top 10 as % of total property value	**€2,366m**	**12.7%**	**554,000**		

Top 10 tenants by rental income

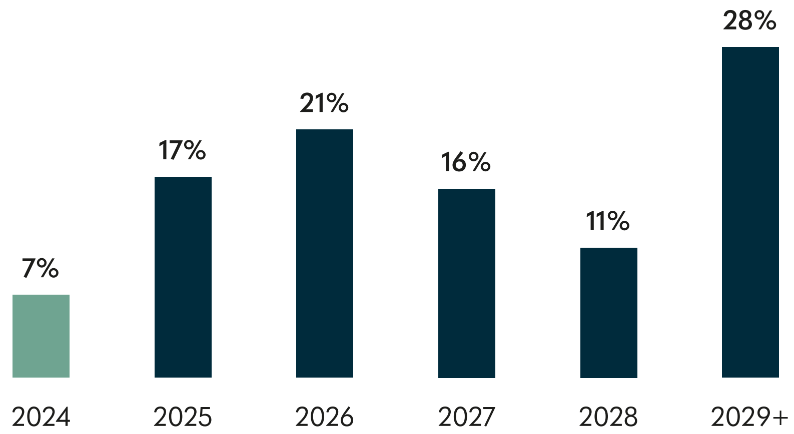
	€ million	Rent as % of GRI*	WAULT** (years)
LPP	9.9	1.1%	2.8
Ahold Delhaize	9.5	1.0%	5.8
dm	9.2	1.0%	3.4
kik	9.0	1.0%	2.5
TAKKO FASHION	8.8	0.9%	3.1
DEICHMANN	8.7	0.9%	3.0
uniper	8.5	0.9%	4.8
TESCO	8.0	0.8%	6.2
PEPCO	7.5	0.8%	3.1
SAMSUNG	6.9	0.7%	1.9
Total	**86.0**	**9.2%**	**3.7**

** Based on annualised headline rent. ** WAULT reflecting the first break option.*

"Active asset management and local teams drive our performance."

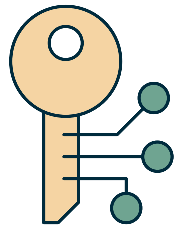
Tomáš Salajka, Director of Acquisitions, Asset Management & Sales

Lease maturity profile



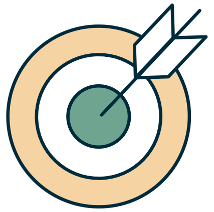
Excluding residential properties and reflecting the first break option.

Office portfolio: leader in CEE capital cities



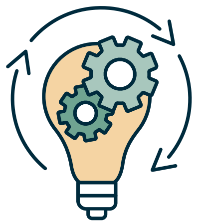
Key messages

- Prominent CEE office owner with more than **3 million m² of space across 170 properties**
- Focused on capital cities of **Berlin, Warsaw, Prague, Vienna, Bucharest and Budapest**
- **Local knowledge and experience,** plus owning the largest platforms in each city, is a distinct advantage



What's working?

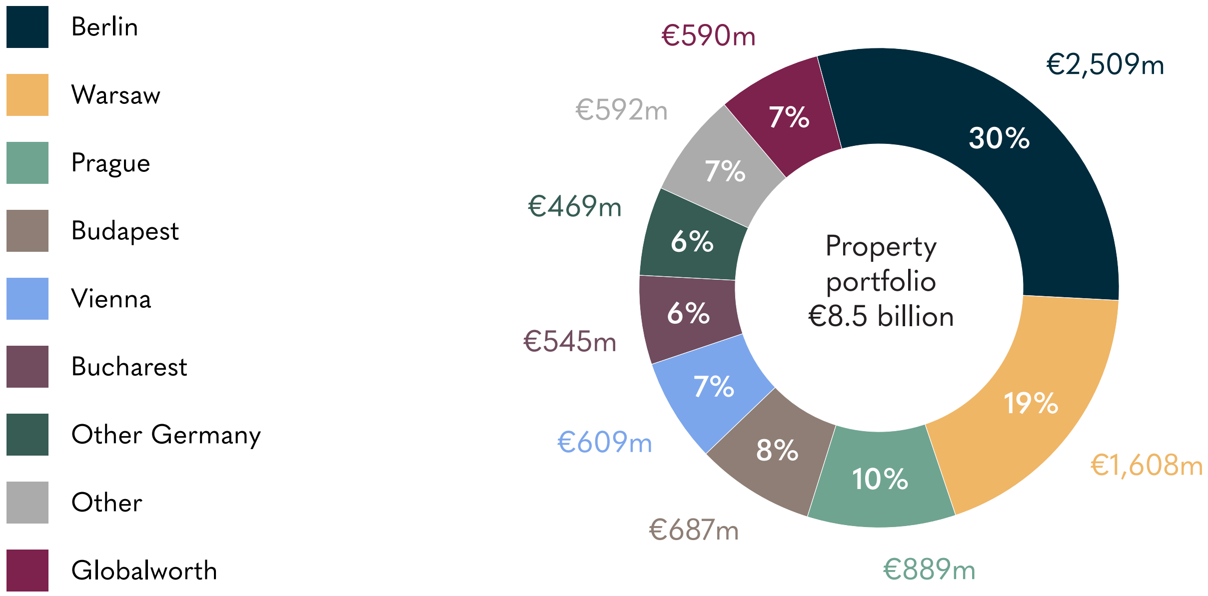
- **Like-for-like rental growth of 4.6%** in H1 2024
- **Market sentiment for office is improving** in Europe
- **Working from home is less of a factor** in the CEE region
- **Rents "affordable"** compared to Western Europe/USA



Work in progress

- **Small decline in occupancy to 88%** primarily due to Berlin, which is impacted by the weaker German economy
- **Localised challenges** in certain markets (e.g., Budapest)
- **Sale of less-core assets** (e.g., Düsseldorf) to be progressed in the coming quarters

Office property portfolio split by geography



Office segment summary in figures

	Office H1 2024				Office 2023			
	PP value (€ million)	Occupancy (%)	GLA (m²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (in m²)	No. of properties
Berlin	2,509	85.8%	886,000	43	2,585	88.7%	937,000	48
Warsaw	1,608	92.8%	504,000	19	1,663	94.3%	526,000	21
Prague	889	90.4%	301,000	19	926	90.9%	300,000	19
Budapest	687	82.4%	331,000	20	688	82.5%	326,000	20
Vienna	609	90.8%	218,000	17	728	92.4%	216,000	18
Bucharest	545	90.7%	299,000	13	516	89.2%	278,000	12
Düsseldorf	469	82.0%	88,000	3	468	77.6%	88,000	3
Other	592	84.3%	384,000	36	672	83.1%	428,000	42
Globalworth	590	–	–	–	563	–	–	–
Total	**8,497**	**87.8%**	**3,011,000**	**170**	**8,808**	**88.7%**	**3,097,000**	**183**

Prinzessinnen-Höfe, Berlin, Germany photo: © CHL

Sound tenant demand driving office income

Higher rents offset occupancy

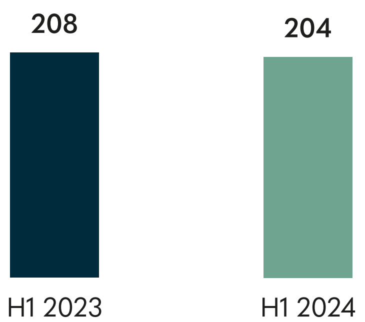
Like-for-like office rents increased by 4.6% due to indexation and positive rent reversion.

Overall, **H1 net rental income for the office segment decreased by 1.8% to €204 million** because of disposals of mostly smaller office properties in Germany, Poland, Austria and Croatia. The total number of office properties owned by the Group declined to 170 from 183 at year-end.

Occupancy decreased to 88%. The key driver for the decline was Berlin, where despite overall economic weakness, the average rent in our portfolio continued to grow. Due to normal tenant churn, some CEE cities also saw slight declines. However, CPIPG is confident that our asset quality and local teams will support higher occupancy in the future.

Our office tenants are well-diversified across industries. Public sector tenants are about 10% of headline rent, which has been a great opportunity in Warsaw and Vienna but a challenge in Budapest.

Office net rental income (€ million)



Solid market fundamentals

Office demand in Europe grew in the first half of 2024 with take-up increasing by 5%.

At the end of June, **the overall vacancy rate in Europe was around 8%, half of the global average and well below the 22% observed in North America.**

The differences in office demand and utilisation across countries and cities can be attributed to various social and economic factors.

Central European offices benefit from lower commuting times compared to other regions, **CPIPG's core cities, Berlin and Prague, have some of the best public transportation systems in the world.**

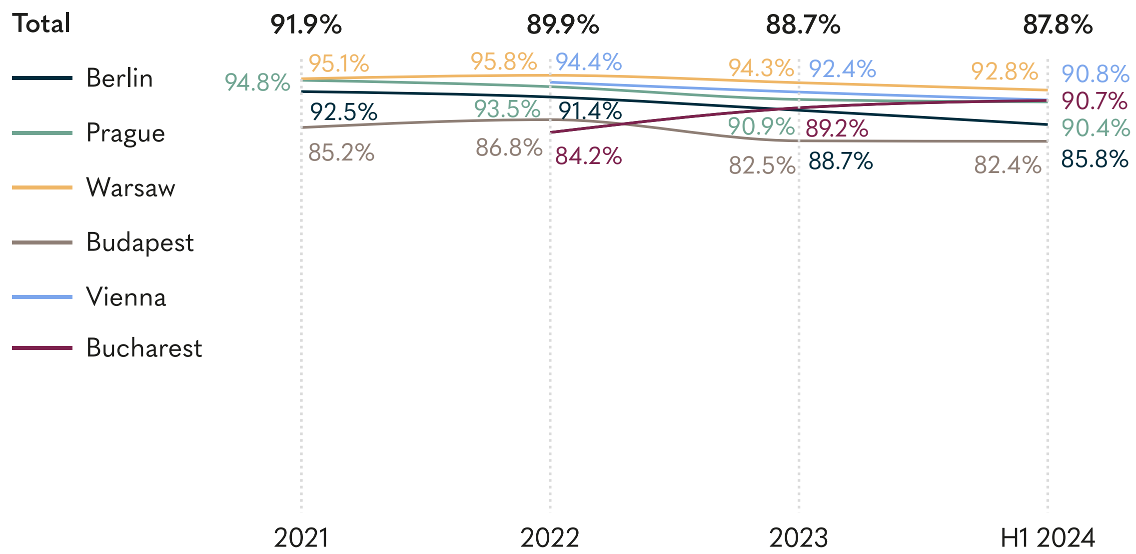
The separation of work and private life is also critical. Average dwelling size and housing quality in Europe, particularly in Central and Eastern Europe, is below other regions and countries, with the average number of rooms per person ranging from 1.1 in Poland to 1.8 in Germany, versus 2.4 in the US.

Office space is affordable in our region, with prime rents for offices in Central London at €149/m²/month or Paris at €92 compared to Berlin at €45 and even lower in CEE capitals with Prague and Warsaw at €29 and €27 respectively.

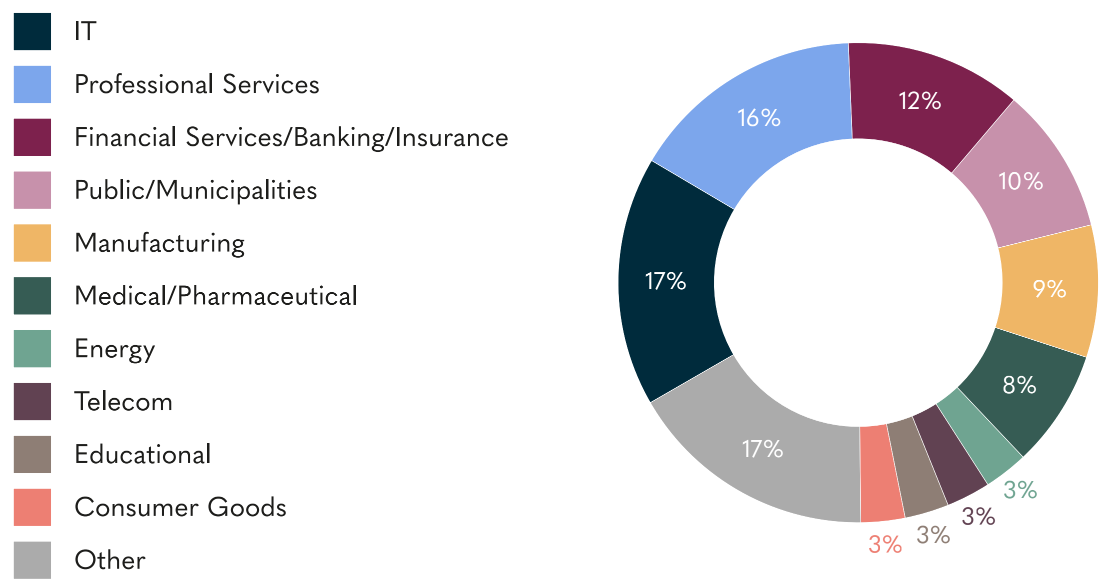
Finally, the supply of new properties in most CEE office markets is well below historical averages due to higher construction and financing costs.

Sources: Savills, JLL, CBRE, McKinsey Global Institute, Time Out Magazine, Oliver Wyman Urban Mobility Readiness Index, OECD Better Life Index, Stanford Institute for Economic Policy Research

Office occupancy rate by city (%)



Office tenants by type (according to headline rent)



Berlin office: delivering higher rents

Key messages

- **Portfolio valued at €2.5 billion,** offering 900,000 m² of space across 41 properties with more than 1,700 tenants
- **"Red brick" modernised historical properties** which appeal to Berlin's IT and creative sectors
- Berlin remains the **#1 city for startups** in Germany
- GSG is the **one of the largest producers of solar power** in Berlin

What's working?

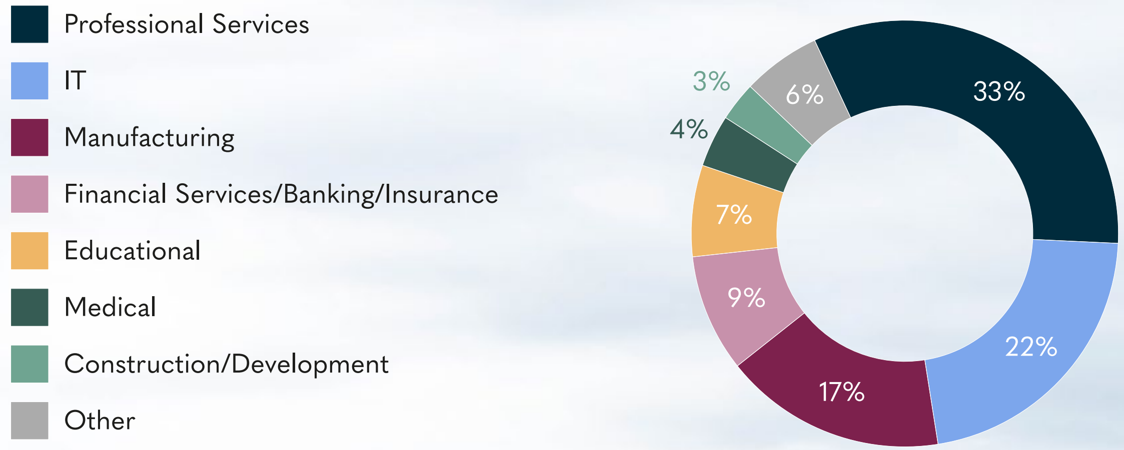
- **Net rental income increased by 6.4% to €51 million**
- **2.6% like-for-like growth** in rents
- GSG's **average monthly rent increased to €11.31/m²** but remains well below the Berlin average of €28/m²
- **29,000 m² of new leases** or prolongations signed in H1, with headline rents increasing 46% on average

Work in progress

- **Occupancy at 86% reflects a weaker economy,** but also the impact of space under development (c. 3%)
- Agreed on new brokerage agreements with key agents in the market to **generate higher traffic** of potential tenants
- **Further certification with WiredScore** for excellent connectivity with 18 assets currently certified

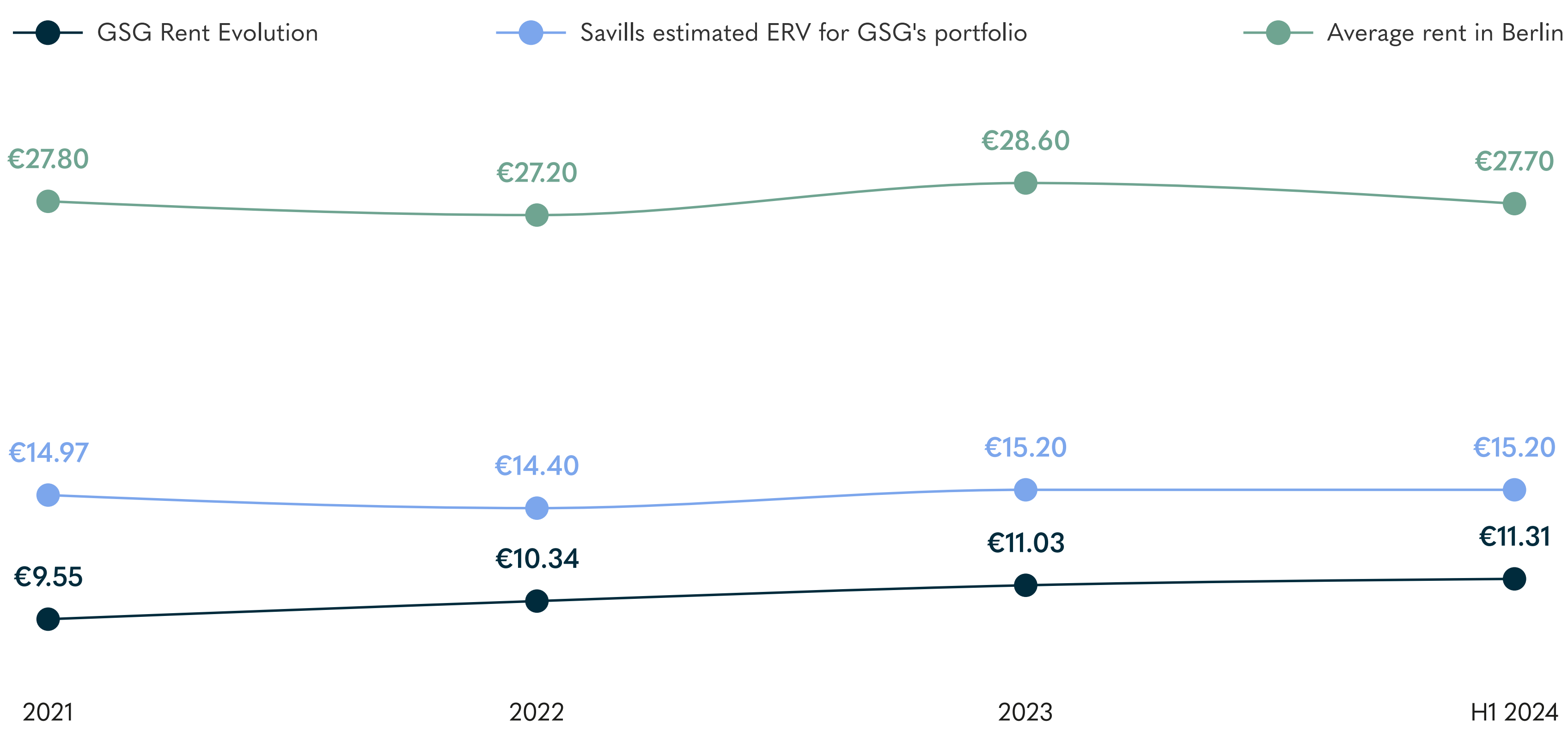
Schlesische Straße 26, Berlin, Germany photo: © CHL

GSG tenants by type (according to headline rent)



Berlin portfolio is well-positioned for growth

Average rents comparison (€/m²/month)



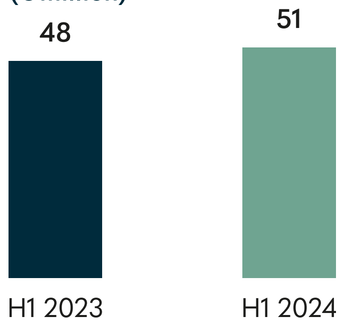
Sources: Savills, CPIPG

Higher rents across GSG sub-segments (€/m²)

	2021	2022	2023	H1 2024
Rest-West	9.43	10.31	10.94	11.28
Kreuzberg	15.43	17.23	18.39	19.00
econoparks	5.44	5.93	6.51	6.71
Total	**9.55**	**10.34**	**11.03**	**11.31**

GSG Berlin net rental income

(€ million)



Voltastraße 5, Berlin, Germany *photo: © CHL*

Berlin office market update

Office take-up in Berlin rose by 11.3% to 294,800 m² following declines in previous years while remaining below the long-term average. At the same time, most tenants predominantly prolonged their leases, avoiding the extra cost of moving in a more uncertain economic backdrop.

Market vacancy in Berlin increased to 5.2% from 4.4% during the first half of the year due to the completion of developments coupled with softer demand. Approximately 300,000 m² of new office space was delivered in the first half. Median rents remained unchanged at €26.00/m²/month, while prime and average rents decreased.

Despite only representing 4.4% of the German population and 4.7% of the national GDP, 31% of all German start-up investments were made in Berlin-based companies during the first half of 2024. In addition, Berlin benefits from the public and associated service sectors as stable anchor tenants.

The investment volume in commercial real estate reached €1.91 billion in the first half of the year. Office transactions accounted for €320 million.

Sources: Savills, CBRE, EY: Start-up-Barometer Deutschland, Cushman & Wakefield

Key office properties of GSG Berlin

photos: © CHL

Warsaw office: central locations, actively managed

Key messages

- **Portfolio of €1.6 billion** offering 500,000 m² across 19 properties
- **#1 office owner** in Warsaw
- Modern, mostly certified **green portfolio**
- **€250 million equity investment by Sona Asset Management** in part of our Polish portfolio was a strong vote of confidence

What's working?

- **Occupancy at 93%**, above the market average of 89%
- Like-for-like rents increased 3.4%
- **Over 52,000 m² of leases signed in H1 2024**
- Several lease transactions over 1,000 m² as larger companies plan for more time in the office

Work in progress

- **Net income declined to €44 million due to disposals and FX effects**
- Slight decline in occupancy because of tenant churn; team is highly focused on releasing empty spaces with parts already let and a matter of voids for fit-outs before new leases commence
- Development opportunities at Prosta 69, where we recently obtained a building permit and other assets such as Oxford Tower

myhive Warsaw Spire, Poland

Active leasing efforts driving Warsaw office income

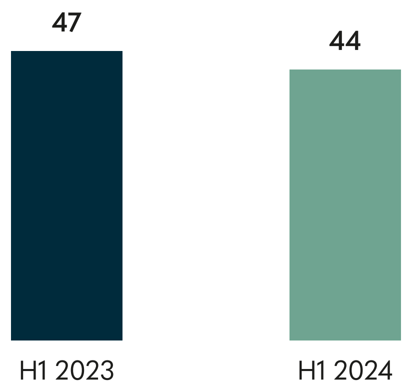
Right properties, right locations, right offering

Our strategy of actively managing a sizeable multi-tenant portfolio allows us to capture additional rental growth while keeping occupancy above market levels.

Through our full-service offering ranging from flexible spaces, serviced offices to individual spaces we are able to cater to both small and large tenants who want to be centrally located.

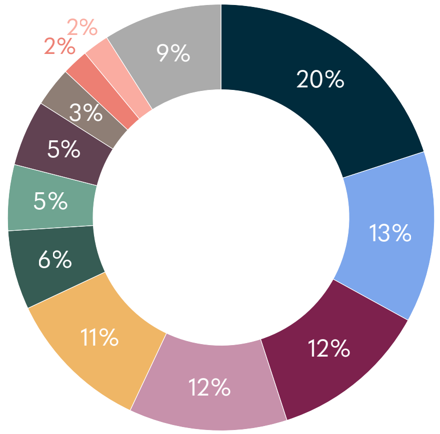
Public sector tenants represent 12% of the Warsaw office portfolio. These tenants have proven a solid source of growth for CPIPG in recent years.

Warsaw office net rental income (€ million)



Warsaw tenants by type (according to headline rent)

- Financial Services/Banking/Insurance
- IT
- Professional Services
- Public/Municipalities
- Medical/Pharmaceutical
- Telecom
- Manufacturing
- Consumer Goods
- Construction/Development
- Energy
- Legal
- Other



Solid market fundamentals

At the end of June, Warsaw's modern office stock was 6.26 million m². **New supply delivered in H1 was modest, only 63,700 m² across five projects with just 10,000 m² expected to be delivered for the rest of the year.**

Currently, there is only 256,000 m² of office space under construction between 2024 and 2026, around a third of previous years, with most of the supply expected in 2025. Leasing activity was stable, with over 316,360 m². Companies are also taking a more conservative approach to leasing, renegotiating existing leases (51% of total) rather than moving to new locations, which is particularly the case for larger tenants. **Tenants looking to increase space represented 10% of leasing volume, closer to pre-pandemic levels.**

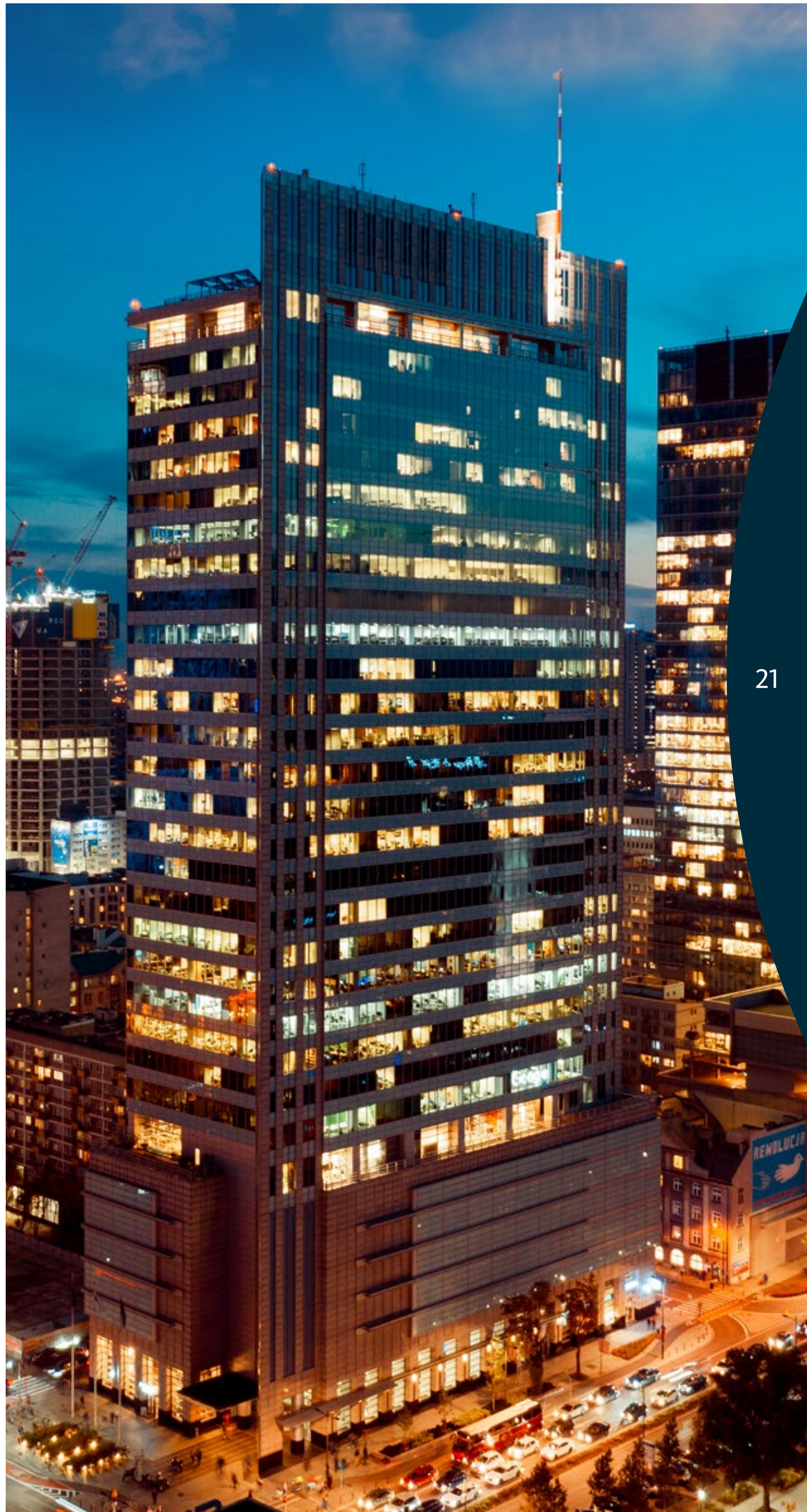
Warsaw market vacancy declined by 0.4% YoY to 10.9%. Vacancy in central zones was 9.1%.

Prime office property rents increased by 0.9% YoY to €27.00/m²/month in the city centre. Average rents remained stable at €20.64/m²/month following last year's 4.2% increase.

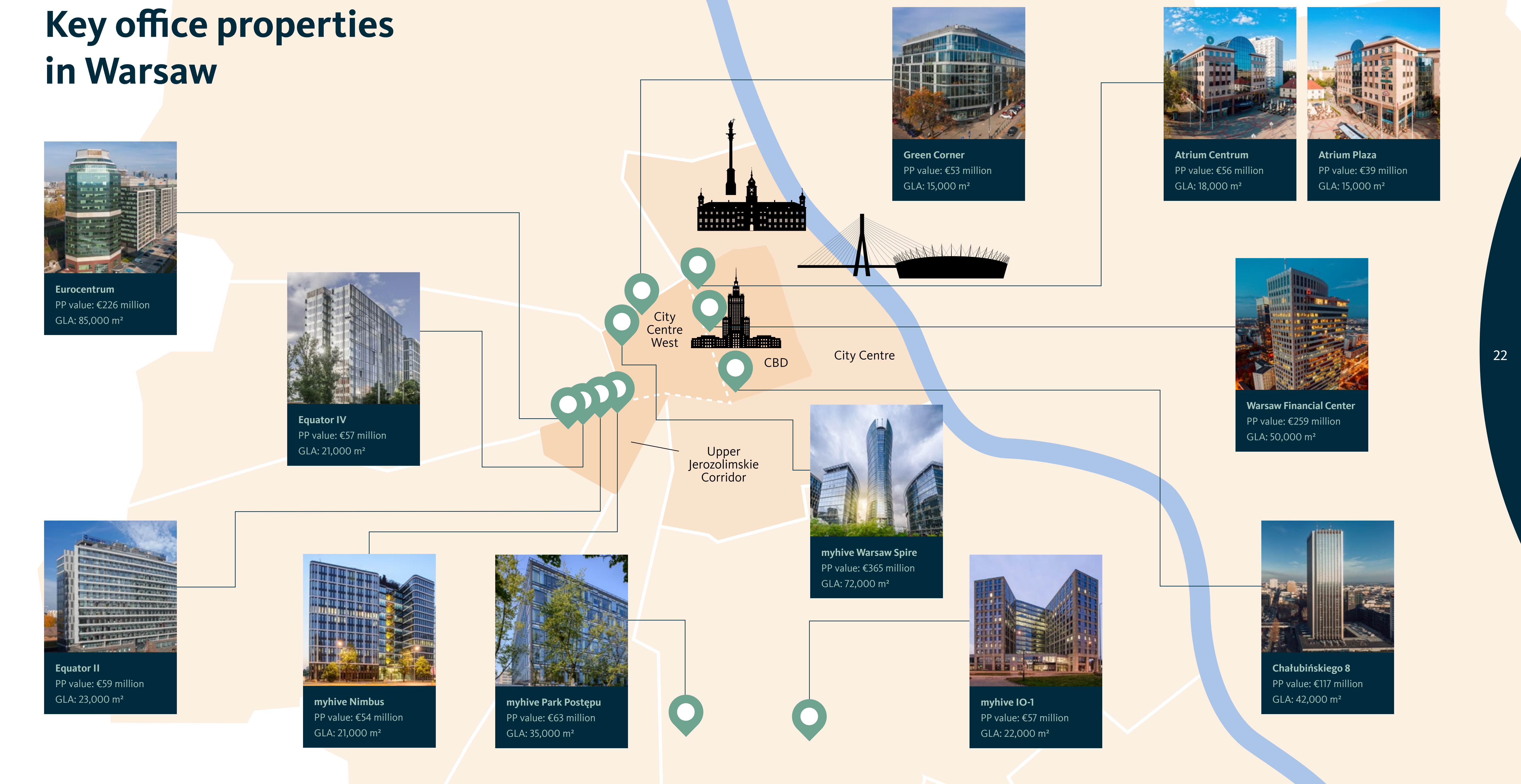
Office investments in Poland significantly picked up, with €800 million recorded across 22 transactions, compared to last year's total office investment volume of €429 million.

Sources: PINK, CBRE

Warsaw Financial Center, Poland



Key office properties in Warsaw



Eurocentrum
PP value: €226 million
GLA: 85,000 m²

Equator IV
PP value: €57 million
GLA: 21,000 m²

Equator II
PP value: €59 million
GLA: 23,000 m²

myhive Nimbus
PP value: €54 million
GLA: 21,000 m²

myhive Park Postępu
PP value: €63 million
GLA: 35,000 m²

Green Corner
PP value: €53 million
GLA: 15,000 m²

Atrium Centrum
PP value: €56 million
GLA: 18,000 m²

Atrium Plaza
PP value: €39 million
GLA: 15,000 m²

Warsaw Financial Center
PP value: €259 million
GLA: 50,000 m²

myhive Warsaw Spire
PP value: €365 million
GLA: 72,000 m²

myhive IO-1
PP value: €57 million
GLA: 22,000 m²

Chałubińskiego 8
PP value: €117 million
GLA: 42,000 m²

Prague office: market leader

Key messages

- **Portfolio of €889 million** with 300,000 m² across 19 properties
- Leading owner of offices in Prague with a **long operating history**
- Mix of historic properties and modern, green assets
- **Focused on central Prague locations**

What's working?

- **Occupancy at 90.4%** with a WAULT to first break of **4.2 years**
- **Like-for-like rents grew 3.9%**
- Overall **leasing volume is up 5%** with 48,000 m² signed in H1 2024
- Tenants prefer to extend instead of finding and paying for a new lease; expansions of space were 7% of leases concluded in H1 2024

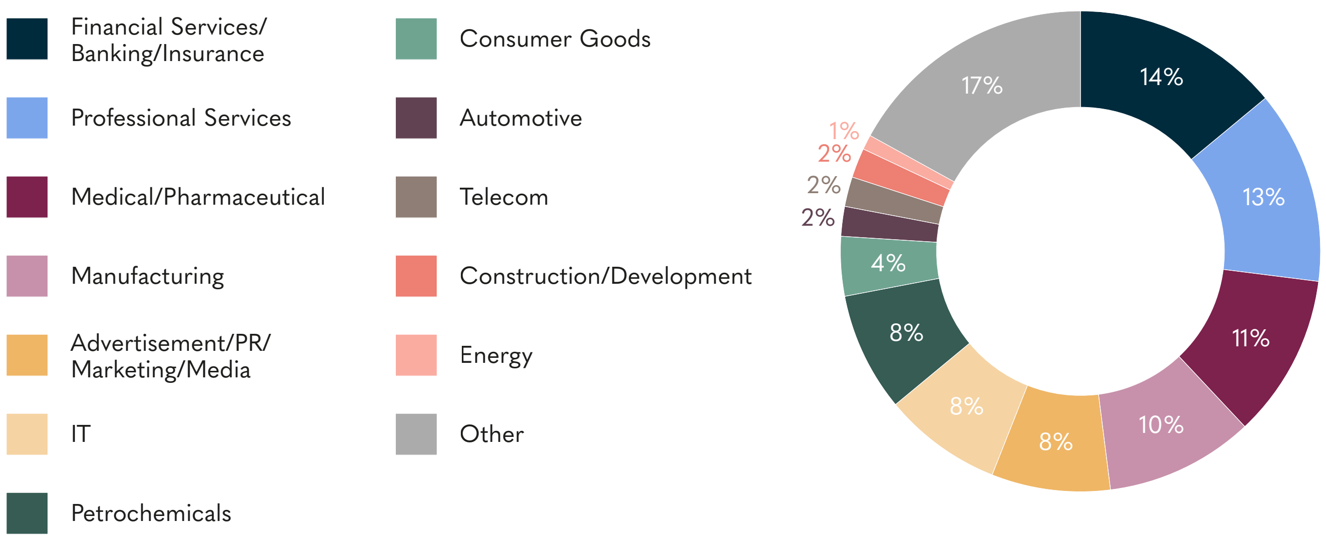
Work in progress

- **Vacancy is mainly attributable to Tokovo office,** which is being refurbished after the move-out of key tenants
- **Net rental income decreased by 13%** to €24 million due to disposals

Bubenská 1, Prague, Czech Republic

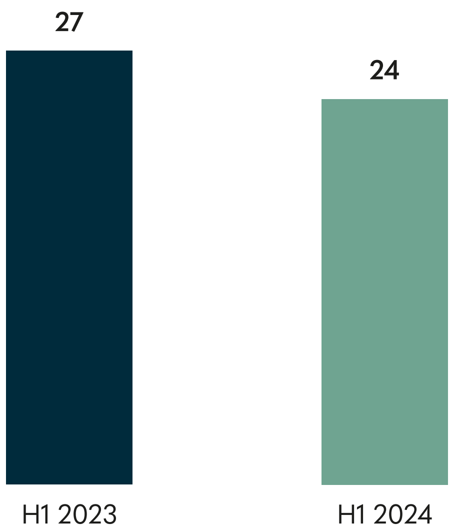
Stable market, limited supply in central Prague

Prague office tenants by type (according to headline rent)



Prague office net rental income

(€ million)



myhive Pankrác House, Prague, Czech Republic

Prague office market

At the end of June, Prague's total modern office stock stood at 3.95 million m² with 65,600 m² of new stock added to the market. **This is well below the long-term annual average** of approximately 130,000 m² over the last years. Currently, 166,000m² of office space is under construction for completion between 2027 and 2027.

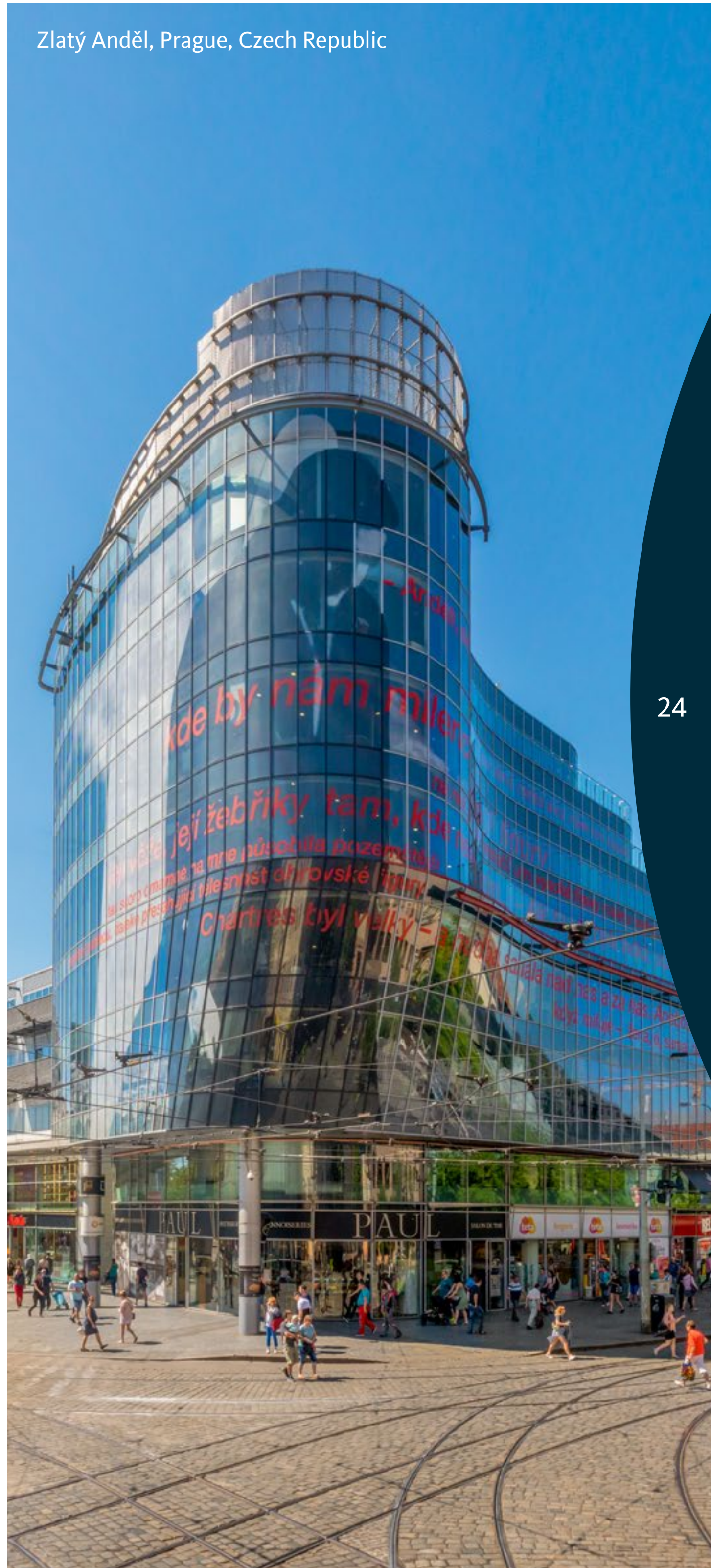
Gross take-up reached 329,300 m² during the first half, **up 4% YoY,** with a particularly strong Q2. Tenants from the finance industry (43%) and the IT sector (15%) were the main drivers of demand. New leases and expansions accounted for 38% take-up; renewals represented 58%, and subleases accounted for 4%.

Due to new deliveries, **the vacancy rate increased to 7.9%,** while at the same time, the total occupied office space increased. The variation across sub-markets remains substantial, with the lowest vacancy rate in Prague 2 (2.6%) and the highest in Prague 3 (18.7%).

Prime rents increased from €27.00 to 27.50/m²/ month at year-end to €28.00 to €29.00/ m²/month, and average rents at good locations ranged from €18.00 to €19.00/m²/month. New developments require rents that are still about 20% higher than current market rents, reflecting increased construction costs.

The investment volume for Prague offices was €216 million in H1 2024.

Sources: Prague Research Forum, Cushman & Wakefield



Zlatý Anděl, Prague, Czech Republic

Key office properties in Prague

Vienna office: good assets, stable performance

Key messages

- Through our **IMMOFINANZ and S IMMO acquisitions,** CPIPG became **a leading office owner in Vienna**
- **Portfolio valued at €609 million,** or 7% of CPIPG's total office exposure, and includes prominent buildings such as the myhive am Wienerberg Twin Towers
- Generally considered a **less-core location for the Group**

What's working?

- **Two assets were sold during the first half of 2024,** including City Tower in Vienna, for over €150 million
- **Occupancy declined slightly to 91%,** mainly due to the sale of fully occupied buildings
- **High share of public and municipality tenants** (31%), which have good credit quality and tend to be stickier

Work in progress

- **Net rental income was unchanged at €17 million**
- Ongoing reletting of refurbished central office locations

Vienna office market

At the end of June, the office market in Vienna had 6.1 million m² of modern space. **Take-up was high, with 84,676 m² in the second quarter of the year.** Only **one new office building was completed,** with c. 10,000 m². The **vacancy rate declined to 3.5%, an all-time low,** while prime rents remained stable at an all-time high of €28.00/m²/month.

Sources: Vienna Research Forum, CBRE

myhive Urban Garden, Vienna, Austria

Budapest office: challenging market, good assets and a great team

Key messages

- **Portfolio valued at €687 million**, or 8% of CPIPG's total office exposure, across 20 properties
- **Modern and sustainable assets** in central locations
- **Highly experienced** local team

What's working?

- **Stable WAULT of 3.4 years**
- **Nearly 18,000 m² of new leases signed in H1,** an increase of 12% YoY, of which **2/3 were renewals** and **1/3 were new leases** or expansions
- Internal energy management company ensures a stable supply of renewable energy and is already operating profitably

Work in progress

- **Occupancy stable at 82.4%, below market average**
- **High share of public and municipality tenants (36%),** which have been encouraged by the government of Hungary to relocate to government-owned properties
- **Focus on ESG initiatives** and service offers as a differentiator to competitors, such as e-charging concepts for our parking management

Budapest office market

Modern office stock in Budapest reached 4.4 million m² at the end of June. There were approximately 78,300 m² of new completions during the first half, with parts of the new stock being owner-occupied. The expected new office supply for 2024 amounts to 158,000 m². **Demand was strong in the first half, with a total leasing activity of 238,400 m², an increase of 21%** compared to the same period in the previous year. **Net absorption turned positive in Q2 with 32,400 m².**

The office vacancy rate increased to 13.9%, representing a 0.4% increase since the end of 2023 due to new completions. The vacancy significantly varies by submarket, with 10.4% in the CBD and 33.2% in the periphery. **Average rents increased by 2.3% YoY to €14.6/m²/month,** and prime rents remained unchanged at €25/m²/month. The transaction volume in the Hungarian commercial real estate market was €140 million in H1 2024.

Sources: Budapest Research Forum (BRF), CBRE

Gateway Office Park, Budapest, Hungary

myhive Átrium Park, Budapest, Hungary

Bucharest: delivering solid performance

Key messages

- **13 properties valued at €545 million,** representing 6% of CPIPG's office portfolio
- Combined with our investment in Globalworth, **CPIPG is one of the largest owners of offices in Bucharest**

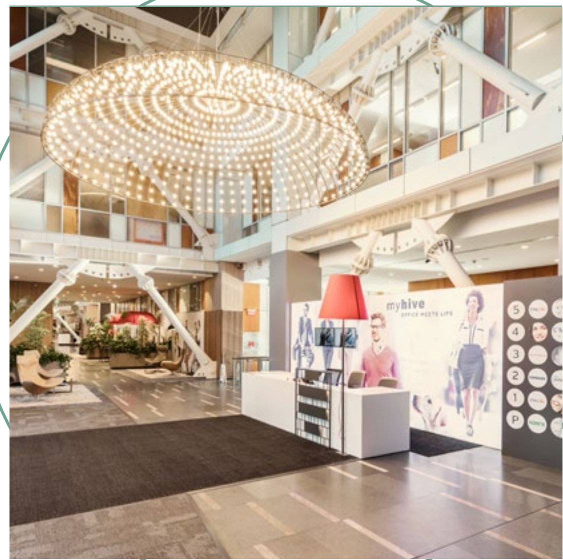
What's working?

- **Net income rose from €17 to €19 million**
- **High WAULT of 4.6 years**
- **Occupancy increased to 90.7%** from 89.2% at year-end 2023 and 84.2% in 2022
- **Over 34,000 m² in leases signed** during H1 2024, representing about 20% of the total market volume
- **High retention rate of 90%** for lease expiries, with the remaining 10% immediately replaced by new tenants

Work in progress

- **Achieving 100% in renewable energy** used in the portfolio with green lease memorandums under way for the majority of leases
- **Working on additional new leases** for the second half of the year that could further increase occupancy such as our Sun offices in southern Bucharest

myhive S-Park, Bucharest, Romania



Bucharest office market

The modern office stock in Bucharest was unchanged versus year-end at 3.41 million m² with only 16,100 m² expected to be delivered this year across one project and only 14,000 m² for 2025.

Total leasing activity reached 171,000 m², a 9% decline YoY, while the **vacancy rate decreased to 13.2% from 14.7% at year-end.** Average rents remained stable at €15.70/m²/month while prime rents increased by 3.8% YoY to €20.75/m²/month.

Source: CBRE

The Mark, Bucharest, Romania

Retail portfolio: focused on CEE retail parks and shopping centres

Key messages

- **CPIPG is a leading retail landlord in CEE** owning 160 retail parks, 30 shopping centres, hypermarkets, DIY shops, and other properties
- **€4.8 billion in total value,** or 26% of CPIPG's portfolio
- Footprint expanded with the acquisitions of IMMOFINANZ and S IMMO, which owned assets including STOP SHOP retail parks and VIVO! shopping centres
- **Limited construction and competition** around the region

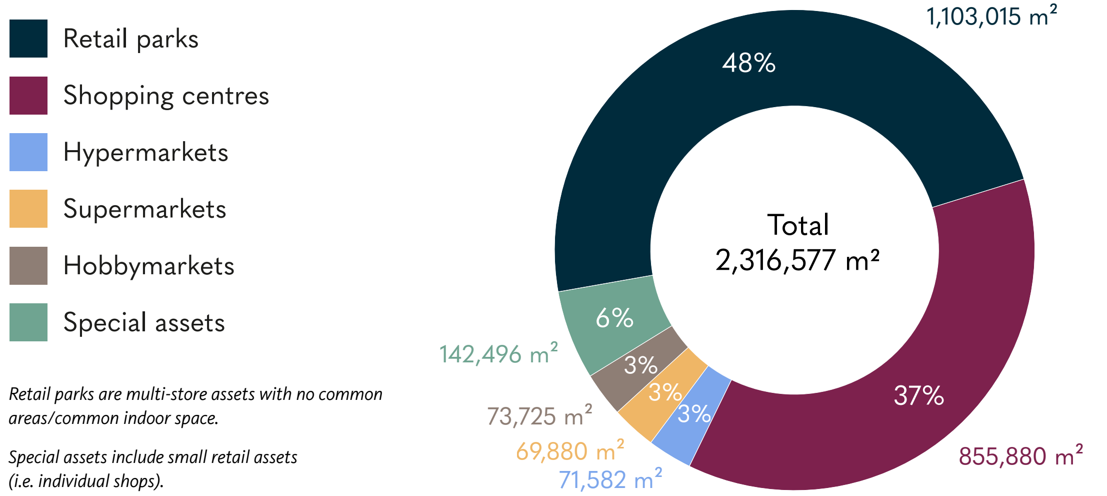
What's working?

- **High and stable occupancy at 96.5%**
- **Net rental income increased by 6%**
- Like-for-like **rental growth of 3.8%**
- Positive contributions from **retail park developments** (e.g, Serbia, Croatia)
- The scale of our portfolio means that CPIPG is the "first call" for tenants who are looking to expand in the region

Work in progress

- Continued **investments in portfolio quality** (e.g., food courts)
- While sales are up significantly, **footfall continues to lag 5-10% behind pre-COVID levels**
- Slight decline in occupancy from a very high level

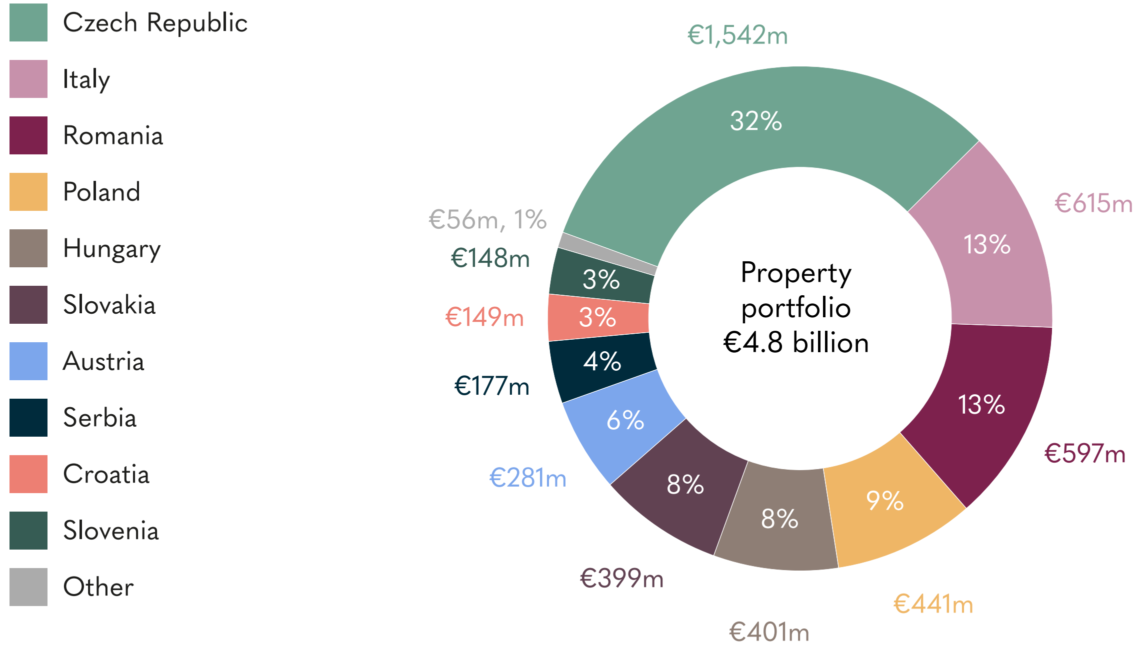
Retail assets by type (according to GLA)



Retail parks are multi-store assets with no common areas/common indoor space.

Special assets include small retail assets (i.e. individual shops).

Retail property portfolio by country

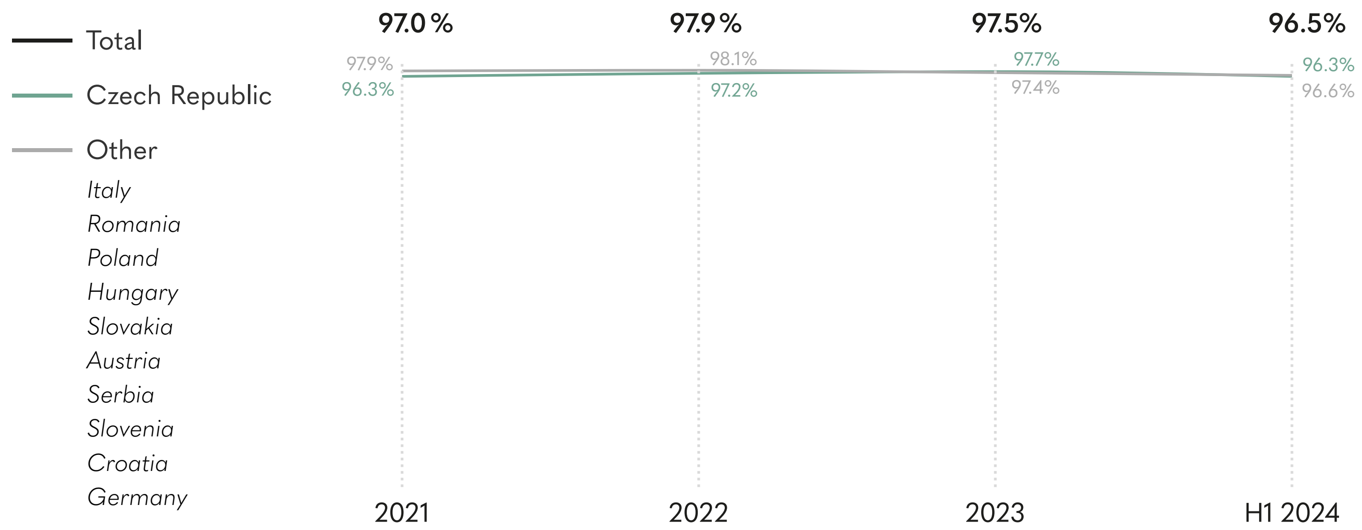


Retail portfolio: solid performance continues

Maximo Shopping Centre, Rome, Italy

Net rental income (€ million)

Retail occupancy rate by country (%)



Retail segment summary in figures

	Retail H1 2024				Retail 2023			
	PP value (€ million)	Occupancy (%)	GLA (m²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (in m²)	No. of properties
Czech Republic	1,542	96.3%	653,000	132	1,581	97.7%	665,000	133
Italy	615	97.9%	197,000	20	610	97.9%	198,000	20
Romania	597	95.6%	245,000	8	598	98.3%	245,000	8
Poland	441	97.8%	260,000	23	440	98.9%	260,000	23
Hungary	401	95.6%	256,000	19	425	96.3%	274,000	21
Slovakia	399	95.7%	250,000	34	397	95.9%	249,000	34
Austria	281	98.7%	107,000	17	294	98.8%	112,000	20
Serbia	177	100.0%	126,000	14	175	100.0%	126,000	14
Croatia	149	100.0%	99,000	13	133	100.0%	90,000	12
Slovenia	148	99.8%	95,000	14	146	100.0%	95,000	14
Germany	22	41.4%	28,000	4	32	49.3%	34,000	6
Globalworth	34	–	–	–	32	–	–	–
Total	**4,805**	**96.5%**	**2,317,000**	**298**	**4,864**	**97.5%**	**2,348,000**	**305**

Czech shopping centres

Rents in our Czech shopping centres **grew by 1.9% on a like-for-like basis,** driven by inflation indexation. Leasing activity, primarily lease prolongations by five years, reached nearly 27,600 m².

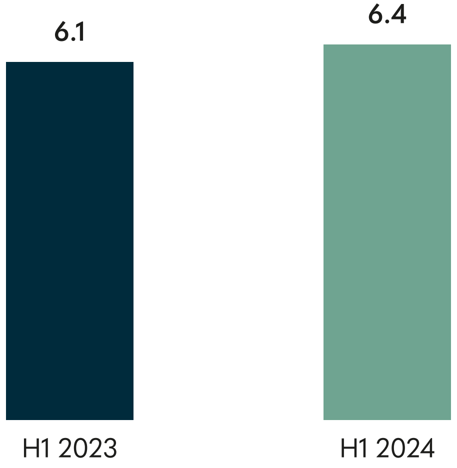
Retail sales for CPIPG increased by 3.8% on a like-for-like basis in H1 2024. Footfall rose by 1% across the portfolio except for our recently refurbished shopping centre OC Nisa in Liberec, where the refurbishment of a new food court led to a 14.8% increase in footfall. The trend of lower footfall and larger average basket sizes from previous years continues with the overall footfall somewhat below pre-pandemic levels, particularly for inner-city shopping centres where the impact of hybrid work lowered the footfall.

Occupancy remained high at 96.3%, with shopping centres virtually full except for one or two units that are under negotiation with new tenants or currently in preparation ahead of the new lease start.

High occupancy also reflects our investments in existing properties, such as the refurbishment of the food court in Futurum Hradec Králové and the refurbishment of areas at OC Nisa and OC Quadrio.

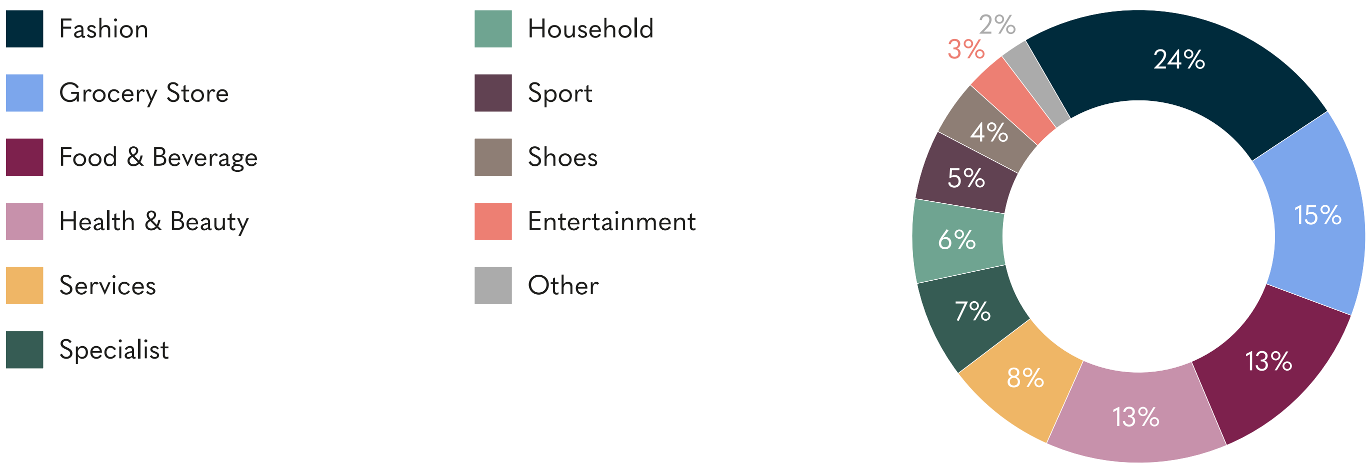
Our shopping centres continue to benefit from being **highly competitive and attractive for our tenants, with an affordability ratio of 11% (vs 12% in 2019),** despite rising rents and labour costs. Aside from increasing sales, a positive impact on tenants' costs was due to the ease of supply chains, more stable energy markets and the overall decline in inflation.

Increase in tenant sales
(billion CZK)



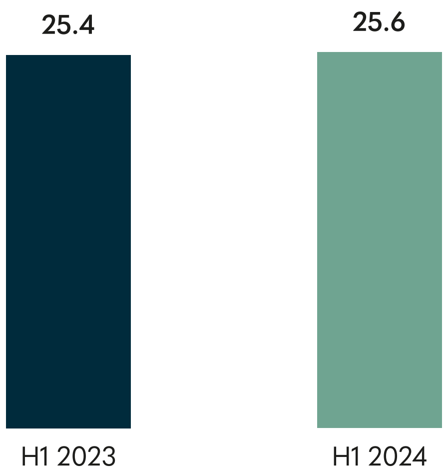
3.8% increase in tenant sales on a LfL basis

Czech Shopping Centre tenants by type (according to headline rent)



Note: Specialist include Books and Stationery, Toys, Presents and E-commerce.

Increase in footfall (million)

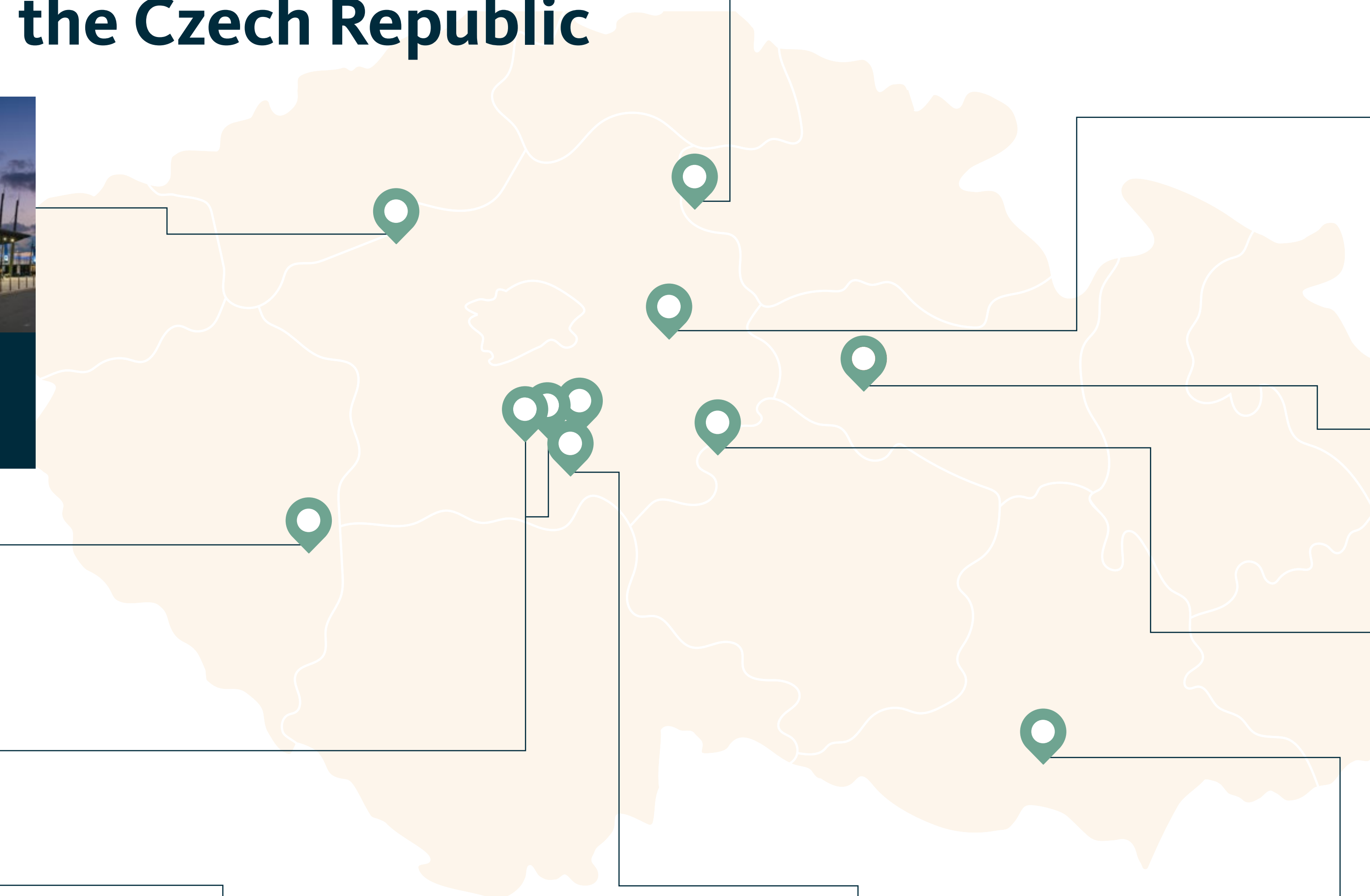


1% increase in footfall on a LfL basis

Affordability ratio **11%**
rent, service & marketing charges as a % of turnover

Shopping centres in the Czech Republic

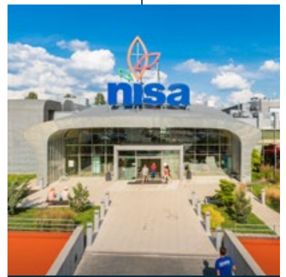
Shopping centres



Olympia Teplice
City: Teplice
PP value: €63 million
GLA: 29,000 m²

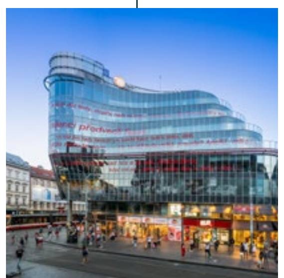
Olympia Plzeň
City: Plzeň
PP value: €159 million
GLA: 41,000 m²

Olympia Mladá Boleslav
City: Mladá Boleslav
PP value: €56 million
GLA: 21,000 m²

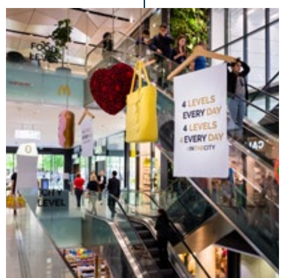


Nisa
City: Liberec
PP value: €95 million
GLA: 47,000 m²

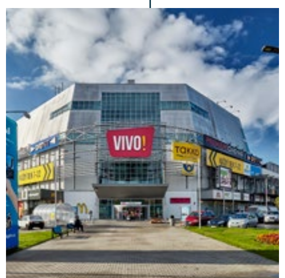
Futurum Hradec Králové
City: Hradec Králové
PP value: €129 million
GLA: 39,000 m²



Zlatý Anděl
City: Prague
PP value: €82 million
GLA: 7,000 m²



Quadrio
City: Prague
PP value: €108 million
GLA: 8,000 m²



VIVO! Hostivař
City: Prague
PP value: €46 million
GLA: 23,000 m²

Spektrum
City: Čestlice
PP value: €24 million
GLA: 7,000 m²

Královo Pole
City: Brno
PP value: €71 million
GLA: 27,000 m²

Futurum Kolín
City: Kolín
PP value: €34 million
GLA: 10,000 m²

Retail parks

The discount-focused and convenience-oriented retail park format is a star performer in CPIPG's portfolio. **Our retail park concepts are highly efficient in keeping occupier costs low** and have proven resilient in times of higher inflation as our tenants provide customers with day-to-day essentials. Some of the largest tenants include brands such as dm drug stores, Deichmann and Pepco.

CPIPG's retail park portfolio spans the CEE region with more than 1.1 million m² of GLA, making the Group the largest retail park landlord in the region. The portfolio's footprint and reach make the Group a preferred landlord for leading national and international retailers.

Retail parks are branded with our well-known STOP SHOP and CityMarket brands, which provide price-conscious "smart shoppers" with a consistent and attractive mix of everyday products. Together with excellent accessibility and plenty of parking spaces, our retail parks are the dominant retail concept in secondary and tertiary cities in the regions. **Occupancy in the Group's retail parks was 98% at the end of June, while we also see increased interest from tenants who previously only considered shopping centres.**

Hypermarkets and supermarkets

Hypermarkets and supermarkets represent a highly stable part of the Group's retail segment, as demonstrated during the pandemic.

Turnovers in hypermarkets, supermarkets, and DIY markets continued to grow throughout the pandemic and 2023 into 2024, albeit at a slower pace. This can be attributed to the essential nature of food retailers passing on inflation to consumers and the trend of higher spending on home improvements over the last years, albeit slowing. In light of the buoyant activity over the last years, the portfolio remained practically **100% occupied.**

STOP SHOP Gmünd, Austria *photo: © Christian Stemper*

Group retail parks

Retail parks

STOP SHOP

The STOP SHOP brand for retail parks in Central and Eastern Europe are pleasant, practical neighbourhood shopping centres with a catchment area of 30,000 to 150,000 residents and offer a wide range of everyday products.

Characterised by attractive price-performance ratios, the concept is particularly suited to secondary and tertiary cities in regions with comparatively lower incomes.

With their good transport links and extensive parking, these locations appeal to price-conscious "smart shoppers" who value easy accessibility. STOP SHOPs also offer their customers impressively consistent quality standards.

photo: © Christian Stemper

STOP SHOP Langenrohr
Langenrohr, Austria

CityMarket Svitavy
Svitavy, Czech Republic

CityMarket

Our CityMarket brand of retail parks can be found in almost every region of the Czech Republic as well as in Slovakia, Poland and Hungary. They all boast excellent locations and accessibility, high-quality tenants and parking spaces in abundant supply.

Our CityMarket retail parks continue demonstrating resilient, stable performance, with occupancy close to 100%.

AT – Austria
HR – Croatia
CZ – Czech Republic
HU – Hungary
IT – Italy
PL – Poland
RO – Romania
RS – Serbia
SI – Slovenia
SK – Slovakia

Olympia Plzeň Shopping Centre, Pilsen, Czech Republic

Czech retail market

The Czech retail market benefits from **growing consumer spending** as real wages and the economy return to growth, albeit slower than CEE peers. Czech retail sales, in nominal terms, increased by 4.7% YoY as of May, with retail spending expected to grow by 4.5% and 3.8% in 2024 and 2025, respectively.

Supply from new developments is limited, with 37,400 m² delivered in H1 2024, and currently 134,400 m² are under construction, which will be completed in 2024 and 2025. Vacancy rates remain low for shopping centres, at around 3.6%. Total shopping centre density is low at 251 m² per 1,000 inhabitants, with the total stock at 2.64 million m² and an overall retail stock including retail parks and outlets of 3.96 million m².

Prime rents for shopping centres in Prague remained stable at €142/m²/month and €225/m²/month for high street retail. Retail park rents were also stable at €13.5/m²/month during H1 2024, following significant growth in the previous year.

Retail remains a preferred segment in the investment markets due to attractive yields and limited supply in the Czech Republic. Total transactions in the Czech Republic reached €862 million, of which retail accounted for €280 million across five transactions.

Sources: Cushman & Wakefield, CBRE, Oxford Economics

Polish retail market

Retail sales grew by 5% YoY in May 2024 as the economy expanded again, boosted by private consumption.

Supply remains dynamic, with 206,000 m² delivered in the first half of 2024 and an additional 250,000 m² expected to be delivered in the second half. Most of the new supply stems from retail parks. The total retail stock in Poland reached 16.4 million m² at the end of June.

All retail segments recorded positive YoY rental growth driven by indexation.

Source: Cushman & Wakefield

Romanian retail market

Romania's retail market remains robust, with retail sales growing by 1.6% during 2023.

Total modern retail stock reached 4.45 million m², with around 107,000 m² delivered. Of this, 61% represented shopping centres and 39% retail parks. Vacancy rates remain very low, at around 2 to 3%.

Prime rents for shopping centres remained stable at €80/m²/month after increasing by 7% in 2023. The total transaction volume in Romania reached €442 million in the first six months, of which retail represented around half of the transactions.

Source: Cushman & Wakefield

Slovak retail market

The Slovak retail market is split by shopping centres in Bratislava and other larger cities, representing around two-thirds of the total retail area. Retail parks dominate outside Bratislava. Retail sales developed well in the first half of 2024, with sales up by 5.2% YoY, and several retailers expanded their footprint.

Currently, 44,800 m² of new spaces are under construction, with nearly 80% representing retail parks. Shopping centre density remains low, with 281 m² per 1,000 inhabitants.

Rents for shopping remained stable at around €65/m²/month, while retail parks' prime rents increased to €11.50 m²/month from €10.50/m²/month at year-end.

Source: Cushman & Wakefield

Hungarian retail market

The Hungarian retail market is picking up again following the ease of inflation and return to more dynamic economic growth. Retail sales grew by 2.7% YoY in May.

Development activity remains muted and focused on small-scale projects with two retail parks of 8,200 m² delivered in the first half of 2024 and 30,900 m² to be delivered in H2 2024 versus a total stock of c. 3 million m².

Headline rents remained stable in the first half following previous years' growth, with €95/m²/month for Budapest prime shopping centres and €13.5/m²/month for retail parks.

Source: Cushman & Wakefield

Italian retail market

The Italian retail sector saw a mixed first half of the year, with retail sales declining by 1.0% YoY in June. However, shopping centres can capture opportunities with an increased focus on leisure and entertainment, with cinema ticket sales increasing and food courts becoming more relevant.

Rents for prime shopping centres and retail parks remained stable at around €1,000/m²/year and €200/m²/year, respectively.

Italy recorded €465 million in retail transactions in the first six months.

Sources: Cushman & Wakefield, Trading Economics

VIVO! Pitesti Shopping Centre, Pitesti, Romania

Residential portfolio: in-demand asset class

Key messages

- Residential assets represent around 7% of the Group's portfolio with a **total value of €1.4 billion**
- **Most residential assets are located in the Czech Republic** (67%), where CPIPG is the second-largest residential property owner through our subsidiary CPI BYTY

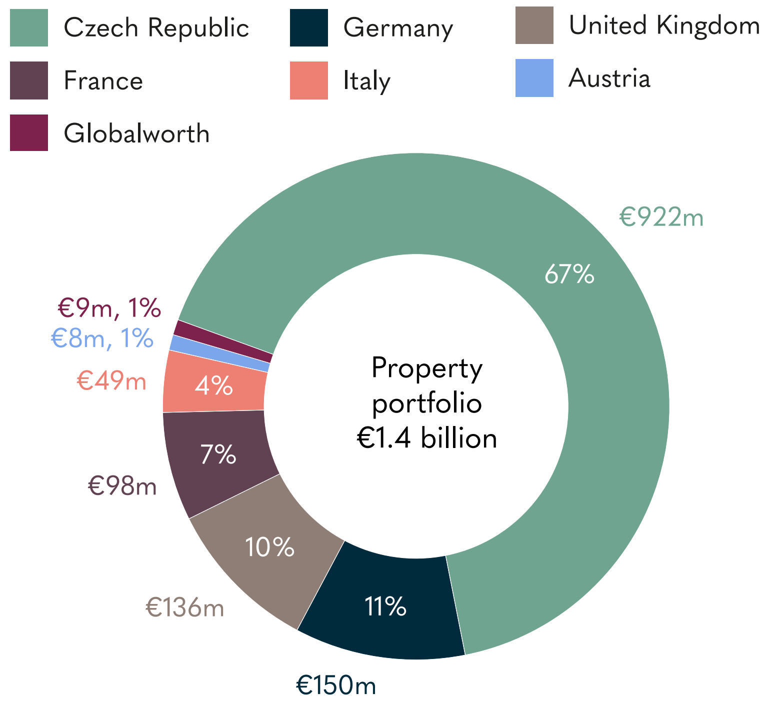
What's working?

- Continued strong **like-for-like rental growth with 5.5%** supported by ongoing supply-demand imbalance for housing
- Ongoing disposal success for German, Austrian and UK residential assets; with a total of nearly €157 million signed year-to-date (€85 million closed in the first half)
- **Occupancy is high in the Czech Republic at 91.9%,** with most of the vacancies related to units currently under refurbishment

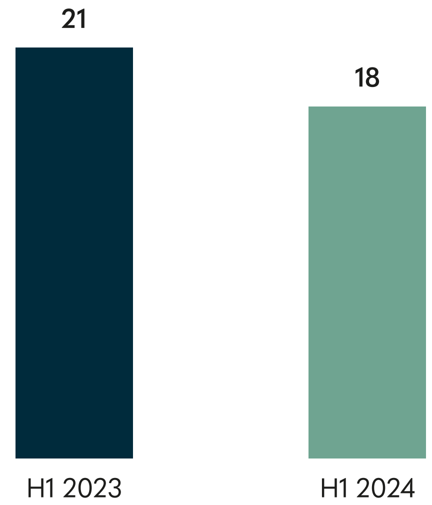
Work in progress

- **Net rental income decreased** due to disposals
- Residential **properties in Germany and the UK are gradually being sold**
- **Exiting markets** where we lack the scale to have best-in-class operations
- **Low-yielding** segment

Residential property portfolio by country



Group residential net rental income (€ million)

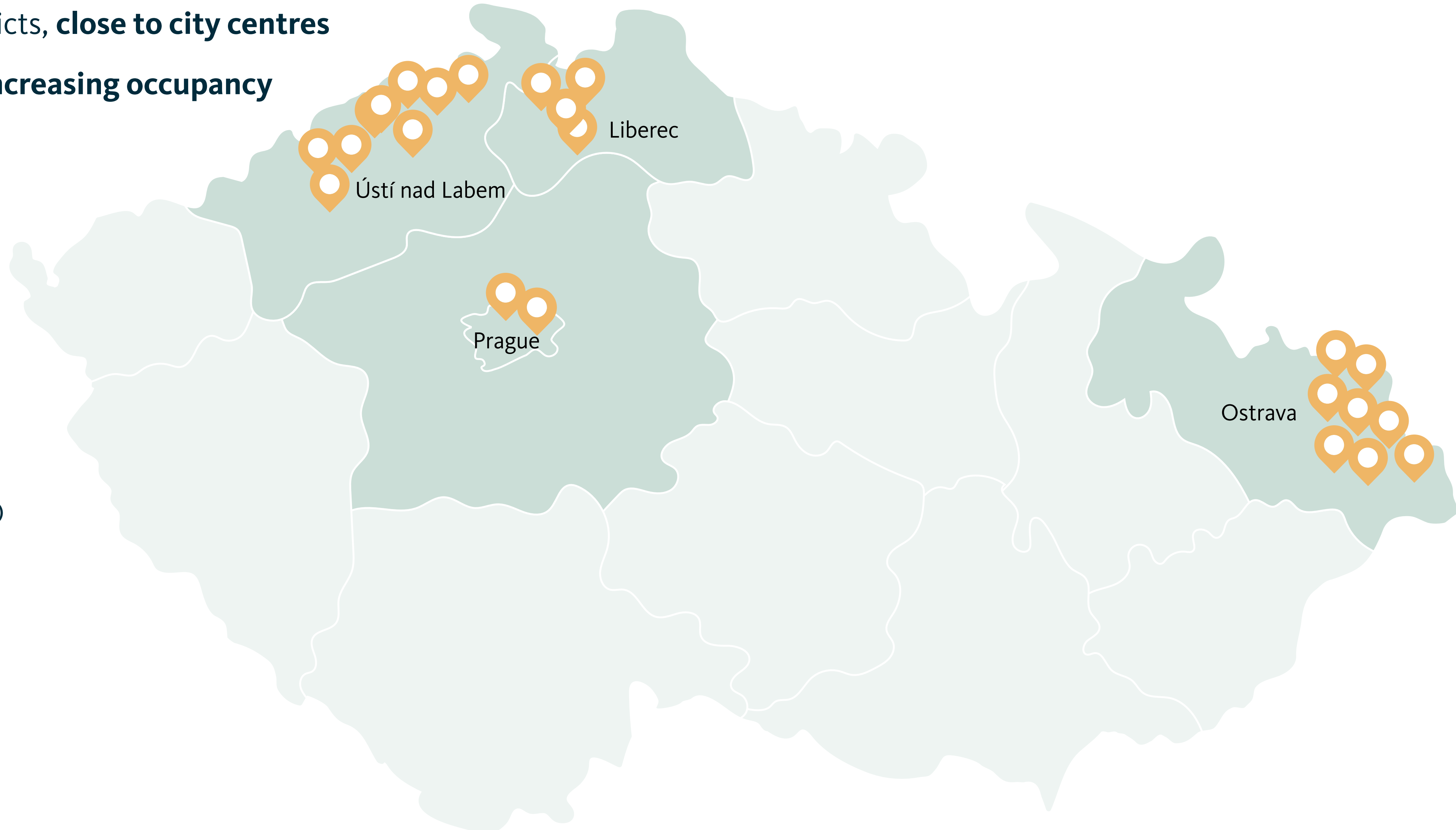


CPI BYTY, Ústí nad Labem, Czech Republic

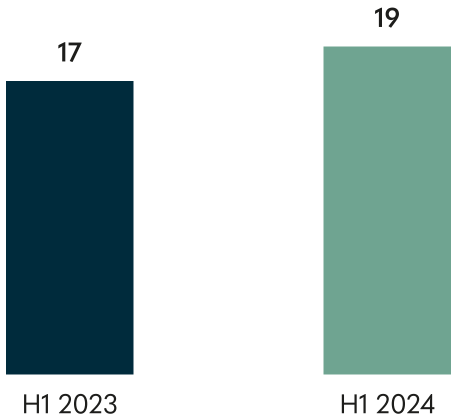
CPI BYTY’s leading regional platforms

- 2nd largest rental residential property owner in the Czech Republic
- Long-term rental strategy with **significant upside potential**
- **High diversification** of rental income
- Located in popular districts, **close to city centres**
- Strong track record of **increasing occupancy and rental prices**

= cca 500 units



Czech residential gross rental income (€ million)

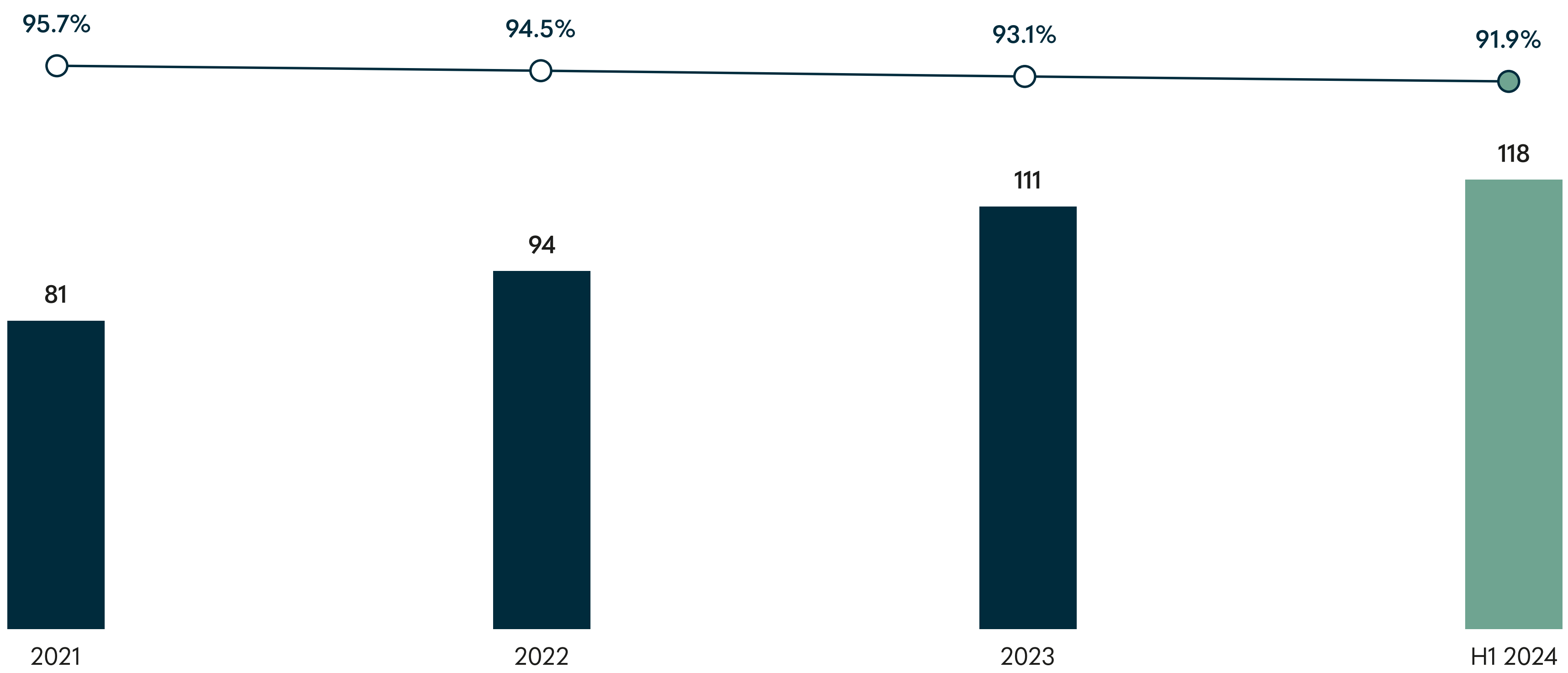


11,656 units in **14** cities

695,914 m² area of flats

CPI BYTY, Český Těšín, Ostrava

CPI BYTY portfolio occupancy (based on rented units) and average in-place rent (CZK/m²/month)



Czech residential summary in figures

	Czech residential H1 2024				Czech residential 2023			
Region	**PP value (€ m)**	**Occupancy* (%)**	**No. of units**	**No. of rented units**	**PP value (€ m)**	**Occupancy* (%)**	**No. of units**	**No. of rented units**
Prague	108	94.6%	463	438	109	91.8%	463	425
Ostrava region	304	89.7%	4,132	3,706	307	92.1%	4,134	3,809
Ústí region	323	91.7%	4,971	4,560	326	92.5%	4,981	4,609
Liberec region	177	95.7%	2,017	1,930	178	96.6%	2,016	1,947
Central Bohemia	10	98.7%	77	76	10	98.7%	77	76
Total	**922**	**91.9%**	**11,660**	**10,710**	**930**	**93.1%**	**11,671**	**10,866**

** Occupancy based on rented units.*

Czech residential market overview

Market rents have been rising in Prague and major regional cities for several years, buoyed by economic factors such as low unemployment, rising wages, and inflation. In addition, **residential development has not kept pace with population growth** in recent decades, especially in regional cities.

Czech residential property values have grown consistently since 2014, with a temporary decrease recorded between Q4 2022 and Q3 2023, while prices have returned to their growth trajectory since Q4 2023. In Q1 2024, prices grew by 4% versus year-end, average sale prices increased by 160% since 2014 to CZK 99,300/m² at the end of Q1 2024.

The country's lack of affordable housing underpins the Czech residential rental market. In 2023, the Czech Republic had the **second lowest housing affordability** among 21 countries participating in a survey conducted by Deloitte, with an average of 13.3 gross annual salaries required to purchase a standardised dwelling of 70 m² size.

Rental growth across the Czech Republic picked up again in Q2 2024, with the overall price change at 3.4% following the previous two quarters with stagnating to declining rents. Prague remains the most expensive city with an average rent of CZK 408/m²/month, equivalent to about €16.2/m²/month.

The total transaction volume across development projects, brick houses and prefabricated apartment volumes reached around CZK 36.5 billion in Q1 2024, with Prague accounting for around 65% of the transactions.

Source: Deloitte Czech Republic

Hotels portfolio: hospitality leader in our region

Key messages

- CPIPG is **one of the largest hotel owners in Central Europe** and operates in several segments, primarily in congress & convention centres as well as boutique and long-stay residential hotels
- As an **owner-operator,** we benefit from **local knowledge,** scale, and the ability to **control costs**
- Almost **€1 billion in total value,** or 5% of CPIPG's portfolio
- A **core segment in our portfolio** that provides diversification

What's working?

- **Sustained recovery in travel demand** supporting performance
- Strong **average daily rate (ADR) growth of 16% YoY**
- Promising future outlook as **corporate travel and meetings, incentives, conferences and exhibitions (MICE) business returns** in force; a further **increase in foreign guests** from Asia is expected
- Closed several hospitality disposals in H1 2024, including a 50% stake in a JV owning hotels in the Czech Republic and the sale of our mountain resort in Crans Montana

Work in progress

- Portfolio **occupancy remains below pre-pandemic levels** but is expected to **recover gradually**
- Continuous **cost optimising efforts** to improve profitability as input costs, particularly energy costs and payrolls, are increasing
- **Investor appetite for hotels is strong,** and we expect to progress on several disposal projects in the coming months

Clarion Congress Hotel Bratislava, Slovakia

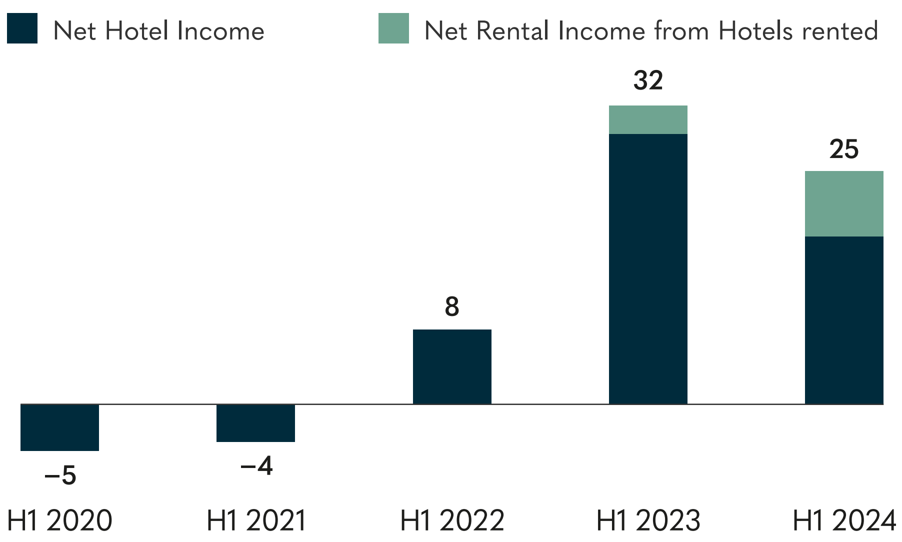
Hotels segment summary

The Group continues to view hotels as **a core strategy, adding diversification to our property portfolio.** Within this segment, the Group **focuses on hotel properties in Central and Eastern European cities, particularly conference and convention centres,** as well as boutique and long-stay residential hotels.

In March 2024, the Group completed the formation of a joint venture with Best Hotel Properties ("BHP"), a well-respected Slovak hotel investor and operator. Concurrently, the Group disposed of a 50% stake in a portfolio of eight hotel properties in the Czech Republic and CPI Hotels, the hotel operator. As part of the transaction, **the remaining hotel properties operated by CPI Hotels have been reclassified to Hotels Rented, and such incomes will be reported as rental income instead of hotel income.**

Furthermore, **CPIPG closed the disposal of our mountain resort in Crans Montana** in May 2024. The sale of our portfolio of resort hotels located on the island of **Hvar, Croatia is still pending completion,** now expected in Q4.

Net hotel income (€ million)



Hotels segment summary in figures

	Hotels H1 2024			Hotels 2023*		
	PP value (€ million)	Hotel rooms	No. of properties	PP value (€ million)	Hotel rooms	No. of properties
Hotels operated	**517**	**2,828**	**13**	**1,121**	**8,019**	**46**
Croatia	228	1,107	7	220	1,107	7
Hungary	113	364	1	169	704	4
Austria	95	328	1	95	328	1
Italy	59	688	2	83	752	4
Romania	22	257	1	22	257	1
Other	0	84	1	0	84	1
Czech Republic	–	–	–	389	4,459	24
Poland	–	–	–	26	106	2
Slovakia	–	–	–	13	222	1
Switzerland	–	–	–	104	0	1
Hotels rented	**408**	**4,017**	**28**	**157**	**671**	**7**
Czech Republic	217	2,882	18	55	171	2
Hungary	56	340	3	–	–	–
Slovakia	43	377	2	31	202	1
Austria	37	201	1	37	201	1
Italy	31	111	2	25	97	1
Poland	24	106	2	–	–	–
Germany	–	–	–	9	–	2
Hotel JV**	**70**	**–**	**–**	**–**	**–**	**–**
Total	**995**	**6,845**	**41**	**1,278**	**8,690**	**53**

** In 2023, Czech Republic and Slovakia include hotels operated, but not owned by the Group.*

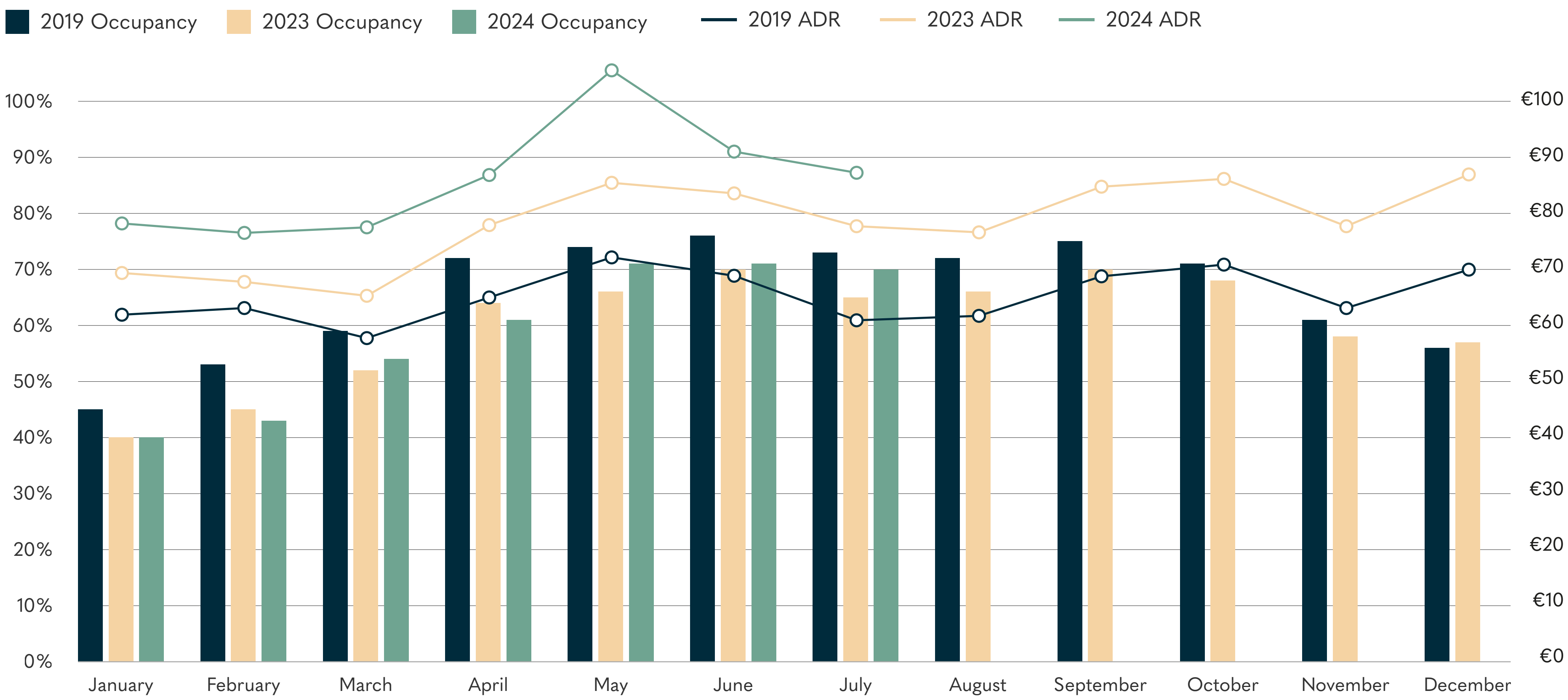
*** Hotel JV refers to the 50% stake in a joint venture with Best Hotels Properties, which owns a portfolio of eight hotel properties in the Czech Republic with a total of 1,556 rooms and CPI Hotels a.s., the hotel operator. Note that property portfolio amount reflects the pro-rated share of the JV's net asset value.*

Hotel performance

Net income from hotels operated and hotels rented amounted to €25 million. Due to the 50% stake sale of CPI Hotels, the hotel operating entity, income due from the hotel properties operated by CPI Hotels has been reclassified as rental income, as opposed to hotel income previously. Further, the decline in total income derived from hotels compared to last year is due to the hotel JV stake sale and disposal of smaller hotel assets in Germany.

The average occupancy of the portfolio during H1 2024 improved slightly to 58%, compared to 57% in H1 2023. Occupancy still remains below pre-pandemic levels of 63% (e.g. H1 2019), but **the average daily rate (ADR) grew to €87.3 in H1 2024. This represents an increase of 16% vs last year and 41% vs 2019.** Demand was driven by the gradual recovery of corporate travel and strong business from the MICE segment. Further support came from the increase in foreign guests, with tourists from China to the Czech Republic increasing significantly compared to last year, while events such as the Ice Hockey World Championships (held in Prague in May 2024) contributed to growth.

Hotel portfolio average occupancy and ADR*



* Excluding hotels leased or not operated by CPI Hotels, and Hvar resort hotels that are seasonally operated.

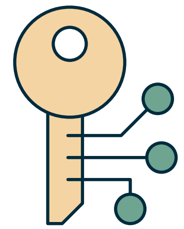
Market overview

During the first half of 2024, the **CEE capital cities outperformed the European region** with Revenues per available room **(RevPAR) growing 8% YoY** versus 5.3%. Notably, Prague is again the leader in RevPAR growth among the six CEE capital cities (Sofia, Prague, Budapest, Warsaw, Bucharest, and Bratislava), reaching 14.8% YoY. Hotel occupancy in the CEE region was 67% for the first six months of 2024, above last year's level albeit below pre-pandemic levels in all cities except for Warsaw. Looking ahead, ADR growth is forecasted to moderate, while occupancy is expected to continue its recovery trend. **The return of MICE and corporate business travel is expected to drive future growth.**

Investment volumes for H1 2024 in Europe are up 10% versus H1 2023, driven by activity in the hotel and living sectors. Investors are focused on value-add and opportunistic strategies, and with sentiment improving, there is plenty of undeployed capital looking for yield. While resorts remain in vogue, city centre locations are gaining prominence, reflecting changing demands and the return of corporate travel post-pandemic. Transaction volumes in the hotel sector for the CEE region reached €122 million in H1 2024, lower than last year. However, several properties are in various stages of the disposal process. Furthermore, with continued performance growth, improved access to capital financing, and rising investor interest, transaction volume in the coming 12 months is expected to increase.

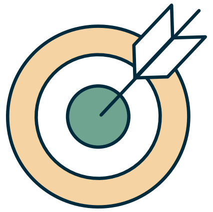
Sources: JLL, CBRE, Oxford Economics, Cushman & Wakefield, Czech Statistical Office

Complementary assets: long-term strategic investments



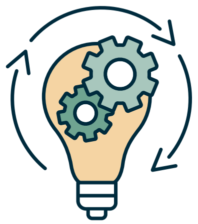
Key messages

- Portfolio consists primarily of **landbank in the Czech Republic, Berlin and Italy**
- Much of the landbank was **acquired over a long period of time** at very attractive prices
- When CPIPG chooses to develop land, we **typically develop to hold** except for residential assets



What's working?

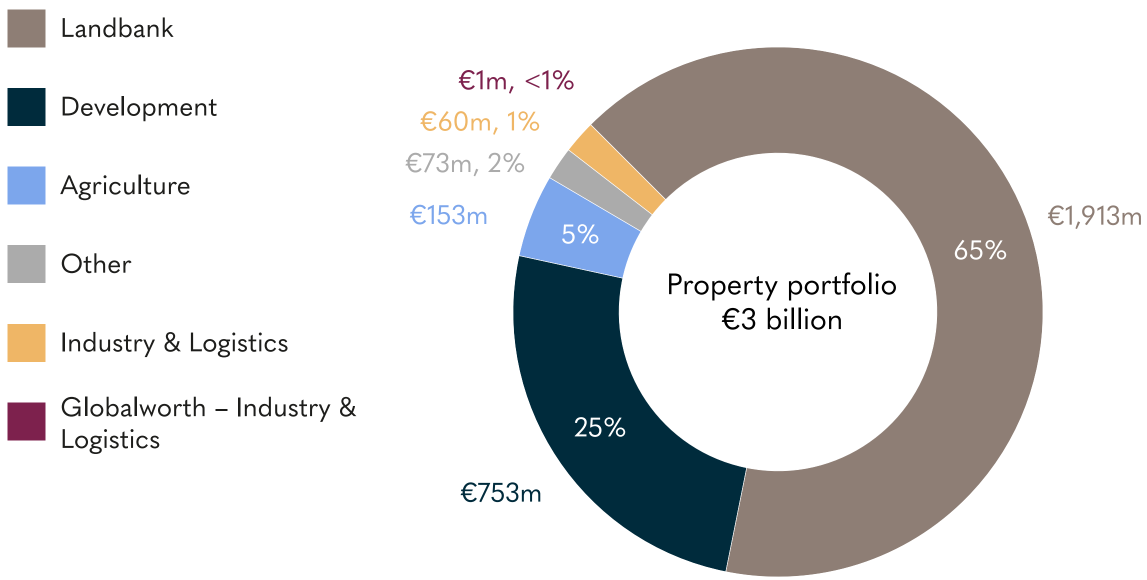
- CPIPG is in **no rush to develop land** and has enjoyed much success **holding land plots for the long-term**
- **Land assets tend to appreciate** over time due to their finite character
- The process of **obtaining building permits,** while intensive, **contributes significantly to both value and marketability for sale**
- Development and sale of residential properties in the Czech Republic generates **attractive profits on costs**
- Development of **high-quality retail park properties** and offices in Croatia and Berlin add yield and quality to the portfolio



Work in progress

- **Sales of land and development assets are an ongoing priority** for the Group
- **Possible JVs being explored** with partners to develop certain land plots

Complementary assets portfolio



Žižkovské zahrady residential development visualisation, Prague, Czech Republic

Landbank

In the Czech Republic, the majority of the landbank is in Prague, mainly relating to **Bubny, a 201,000 m² area strategically located close to the CBD.** Most of the remainder of the Czech landbank relates to Nová Zbrojovka – one of the largest brownfield redevelopments in Brno. In 2022, the Group sold a smaller land plot in Prague at a meaningful premium to its book value, reflecting the scarcity of available land.

In Berlin, the Group owns **landbank in attractive areas, often adjacent to existing assets.** This provides opportunities for low-risk extensions and developments. Over recent years, GSG Berlin has completed several small office developments, where we have been **able to attract blue-chip tenants at prime-level rents.**

The majority of the landbank in Italy is primarily located in the periphery of Rome and has superb potential for holistic mixed-use (residential and commercial) development. These land plots offer **significant upside,** having been **purchased at exceptional discounts** to fair value through acquisitions of non-performing loans.

Development pipeline

The Group's development pipeline mainly relates to **extensions of existing properties or small-scale new developments,** often on adjacent land plots that will create value for incumbent assets. Ongoing developments to hold are predominantly small-scale office developments in Berlin and retail parks in Croatia.

A significant part of the ongoing developments include residential developments for sale in the Czech Republic, which utilise the Group's existing land and are carried out in stages, benefiting from pre-sales alongside development financing. In addition, the Group owns residential units in Dubai which are intended to be sold upon completion.

STOP SHOP visualisation, Dugo Selo, Croatia

Zossener Straße visualisation, Berlin, Germany

Complementary segment summary in figures

	Complementary assets H1 2024							Complementary assets 2023						
	PP value (€ million)	Occupancy (%)	GLA (m²)	Potential GLA (m²)	Potential GSA (m²)	Land area (m²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (m²)	Potential GLA (m²)	Potential GSA (m²)	Land area (m²)	No. of properties
Landbank	1,913	–	–	–	–	29,860,000	–	1,979	–	–	–	–	29,751,000	–
Development	753	–	–	140,000	68,000	–	28	806	–	–	152,000	68,000	–	32
Agriculture	153	–	–	–	–	230,929,000*	–	155	–	–	–	–	239,555,000*	–
Other	73	–	–	–	–	–	2	70	–	–	–	–	–	2
Industry & Logistics	60	90.4%	89,000	–	–	–	4	60	96.8%	87,000	–	–	–	4
Globalworth – Industry & Logistics	1	–	–	–	–	–	–	47	–	–	–	–	–	–
Total	**2,953**	**90.4%**	**89,000**	**140,000**	**68,000**	**260,789,000**	**34**	**3,117**	**96.8%**	**87,000**	**152,000**	**68,000**	**269,306,000**	**38**

** Includes farmland operated, but not owned by the Group.*

EPRA performance

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide, available on EPRA's website (www.epra.com).

EPRA earnings

A rationale for using EPRA Earnings is that unrealised changes in valuation, gains or losses on disposals of properties and certain other items do not necessarily provide an accurate picture of the company's underlying operational performance. EPRA Earnings measures the underlying operating performance of an investment property company excluding fair value gains, investment property disposals, and limited other items that are not considered to be part of the core activity of an investment property company.

€ million	H1 2024	H1 2023
Earnings per IFRS income statement	**(3)**	**(50)**
Adjustments to calculate EPRA Earnings, exclude:		
Changes in value of investment properties, development properties held for investment and other interests	(154)	(217)
Profits or losses on disposal of investment properties, development properties held for investment and other interests	(15)	(1)
Profits or losses on sales of trading properties including impairment charges in respect of trading properties	1	0
Tax on profits or losses on disposals	0	0
Negative goodwill / goodwill impairment	(0)	(0)
Changes in fair value of financial instruments and associated close-out costs	23	(15)
Acquisition costs on share deals and non-controlling joint venture interests	0	0
Deferred tax in respect of EPRA adjustments	16	3
Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(21)	(5)
Non-controlling interests in respect of the above	0	0
EPRA Earnings	**146**	**186**
Weighted average number of shares	8,552,522,791	8,637,850,259
EPRA Earnings per Share (EPS) (in €)	**0.017**	**0.022**
Company specific adjustments:		
Impairments	2	(10)
Amortisation, depreciation	(18)	(25)
Net foreign exchange gain – unrealised	5	48
Net foreign exchange loss – unrealised	5	(105)
Deferred tax in respect of Company specific adjustments	(1)	1
Company specific Adjusted Earnings	**154**	**277**
Company specific Adjusted EPS	**0.018**	**0.032**

EPRA NAV Metrics

The EPRA NAV set of metrics makes adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company under different scenarios.

In October 2019, the European Public Real Estate Association (EPRA) published new Best Practice Recommendations (BPR). EPRA Net Asset Value (NAV) and EPRA Triple Net Asset Value (NNNAV) are replaced by three new Net Asset Valuation metrics: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV).

EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity.

EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

EPRA NDV represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

€ million	EPRA NRV		EPRA NTA		EPRA NDV	
	H1 2024	2023	H1 2024	2023	H1 2024	2023
IFRS Equity attributable to owners	**5,372**	**5,568**	**5,372**	**5,568**	**5,372**	**5,568**
Include/Exclude:						
Hybrid instruments	0	0	0	0	0	0
Diluted NAV	**5,372**	**5,568**	**5,372**	**5,568**	**5,372**	**5,568**
Include:						
Revaluation of IP (if IAS 40 cost option is used)	0	0	0	0	0	0
Revaluation of IPUC (if IAS 40 cost option is used)	0	0	0	0	0	0
Revaluation of other non-current investments	0	0	0	0	0	0
Revaluation of tenant leases held as finance leases	0	0	0	0	0	0
Revaluation of trading properties	0	0	0	0	0	0
Diluted NAV at Fair Value	**5,372**	**5,568**	**5,372**	**5,568**	**5,372**	**5,568**
Exclude:						
Deferred tax in relation to fair value gains of IP	(1,577)	(1,601)	(1,543)*	(1,577)*		
Fair value of financial instruments	115	93	115	93		
Goodwill as a result of deferred tax	43	43	43	43	43	43
Goodwill as per the IFRS balance sheet			3	54	3	54
Intangibles as per the IFRS balance sheet			35	33		
Include:						
Fair value of fixed interest rate debt					855	1,233
Revaluation of intangibles to fair value	0	0				
Real estate transfer tax	0	0	0	0		
NAV	**6,791**	**7,033**	**6,720**	**6,922**	**6,182**	**6,704**
Fully diluted number of shares	8,552,522,791	8,552,522,791	8,552,522,791	8,552,522,791	8,552,522,791	8,552,522,791
NAV per share (in €)	**0.794**	**0.822**	**0.786**	**0.809**	**0.723**	**0.784**

* *(1.) The Company classifies Assets held for sale and Inventories as a part of the portfolio which is intended to be sold. (2.) The Company assumes disposals of Assets held for sale and Inventories through asset deals. (3.) The Company considers local tax legislation and incorporation of the "Directive on the Common System of Taxation Applicable in the Case of Parent Companies and Subsidiaries of Different Member States". (4.) The Company considers disposals of material properties.*

EPRA vacancy rate

The EPRA vacancy rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole property portfolio (including vacant spaces).

The rationale for using the EPRA vacancy rate is that it can be clearly defined, should be widely used by all participants in the direct real estate market and comparable from one company to the next.

(€ million)	H1 2024	2023
Estimated rental value of vacant space	87	80
Estimated rental value of the whole portfolio	1,000	1,020
EPRA Vacancy Rate	**8.7%**	**7.9%**

myhive S-Park, Bucharest, Romania

EPRA net initial yield and EPRA "topped-up" net initial yield

The EPRA NIY (Net Initial Yield) is calculated as the annualised rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. The EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent-free periods and step rents).

EPRA NIY and EPRA "topped-up" NIY are aimed at encouraging the provision of comparable and consistent disclosure of yield measures across Europe. These two yield measures can be clearly defined, widely used by all participants in the direct and indirect European real estate market and should be largely comparable from one company to the next and with market evidence.

(€ million)	H1 2024	2023
Investment property – wholly owned*	17,154	17,546
Investment property – share of JVs/Funds	0	0
Trading property (including share of JVs)	0	0
Less: developments	**2,717**	**2,839**
Completed property portfolio	14,436	14,707
Allowance for estimated purchasers' costs	98	101
Gross up completed property portfolio valuation	**14,534**	**14,808**
Annualised cash passing rental income	899	882
Property outgoings**	114	128
Annualised net rents	**785**	**754**
Add: notional rent expiration of rent free periods or other lease incentives	39	46
Topped-up net annualised rent	**824**	**801**
EPRA NIY	**5.40%**	**5.09%**
EPRA "topped-up" NIY	**5.67%**	**5.41%**

* *Including income producing Investment properties reclassified to Assets held for sale.*

** *Annualised.*

EPRA cost ratio

EPRA cost ratio is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administrative expenses as a percentage of gross rental income.

The EPRA cost ratios are aimed at providing a consistent base-line from which companies can provide further information around costs where appropriate.

(€ million)	H1 2024	H1 2023
Include:		
Administrative/operating expense line per IFRS income statement	146	142
Net service charge costs/fees	(24)	(19)
Management fees less actual/estimated profit element	0	0
Other operating income/recharges intended to cover overhead expenses less any related profits	0	0
Share of Joint Ventures expenses	0	0
Exclude (if part of the above):		
Investment property depreciation	0	0
Ground rent costs	1	1
Service charge costs recovered through rents but not separately invoiced	0	0
EPRA Costs (including direct vacancy costs)	**121**	**122**
Direct vacancy costs	7	6
EPRA Costs (excluding direct vacancy costs)	**114**	**116**
Gross Rental Income less ground rents – per IFRS	**471**	**456**
Less: service fee and service charge costs components of Gross Rental Income (if relevant)	0	0
Add: share of Joint Ventures (Gross Rental Income less ground rents)	0	0
Gross Rental Income	**471**	**456**
EPRA Cost Ratio (including direct vacancy costs)	**0.26**	**0.27**
EPRA Cost Ratio (excluding direct vacancy costs)	**0.24**	**0.25**

Oranienstraße 6, Berlin, Germany

Indexation and inflation

More than 90% of our lease contracts are subject to indexation and are reflected in the Group's like-for-like rental growth. Increased costs from service charges are passed on as incurred to tenants.

Yields

Nearly 90% of our leases are EUR-denominated, with offices in CEE markets most frequently transacted in Euros, with pricing following similar trends to Western Europe. The underlying risk-free rate is therefore based on German government bonds.

The spread for each property is then individually determined based on factors such as geography, segment, location, asset quality, tenants and lease maturities.

The Group's net equivalent yield increased from year-end by 0.2% to 6.3%. Yields range between 3.5% for Czech residential assets up to 8.4% for retail outside of the Czech Republic.

Portfolio net yields

	EPRA Net Initial Yield	EPRA Topped-up Net Initial Yield	Net Equivalent Yield
Office	**5.0%**	**5.4%**	**5.8%**
Germany	4.1%	4.2%	4.9%
Poland	5.1%	6.8%	6.2%
Czech Republic	5.7%	5.8%	5.7%
Hungary	6.2%	6.2%	8.0%
Austria	3.9%	3.9%	5.0%
Romania	6.7%	7.0%	7.8%
Retail	**7.2%**	**7.3%**	**7.9%**
Czech Republic	6.6%	6.7%	6.8%
Other	7.4%	7.6%	8.4%
Residential	**3.1%**	**3.1%**	**3.5%**
Czech Republic	2.9%	2.9%	3.3%
Total	**5.4%**	**5.7%**	**6.3%**

The table compares yields across various business segments and countries of the Group. The EPRA NIY (Net Initial Yield) is calculated as the annualised rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. The EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent-free periods and step rents). The Net Equivalent Yield is calculated as a weighted average of the net initial yield and the reversionary yield, representing the return a property will produce. The reversionary yield is based on the ERV (Estimated rental value) of vacant areas stated by appraisers for each property. The relatively lower EPRA "Topped-up" Yields compared to Net Equivalent Yields are mainly due to excluding income on vacant spaces.

On a Group basis, our portfolio's EPRA Net Initial Yield increased from 5.1% at the end of 2023 to 5.4% at the end of H1 2024.

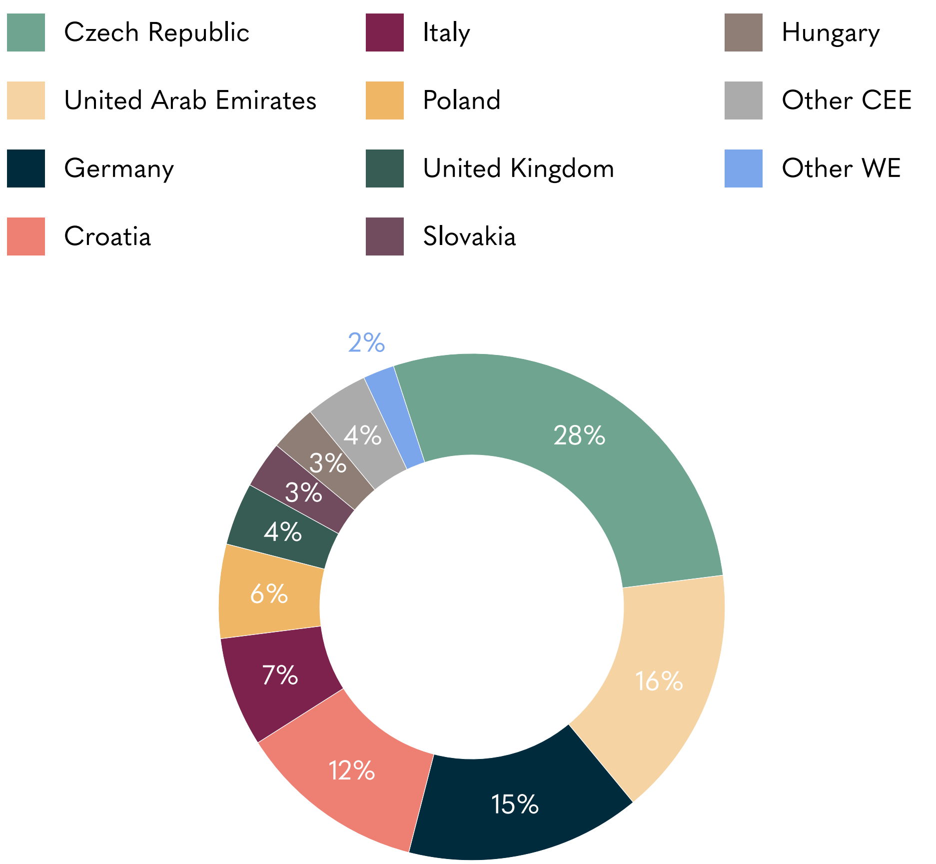
Focus on value enhancing CapEx

Additions by type (€ million)

	H1 2024	H1 2023
Maintenance-related CapEx	**59**	**43**
Refurbishment and redevelopment	**41**	**32**
New development / additional leasable area	**96**	**79**
Total	**196**	**155**

The Group has substantial flexibility to reduce discretionary CapEx as required in the future.

Additions by country



Changes to the property portfolio in H1 2024

- Capital expenditure and development of €196 million;
- Disposals of €919 million, including primarily the sale of a ski resort in Crans Montana; Czech hotels; S IMMO's office and residential buildings in Germany; and office properties in Vienna, Warsaw and Zagreb;
- Decrease in fair value of €188 million, driven mainly by negative revaluation and a slightly negative FX impact of CZK vs EUR;
- Other movements include other transfers and the change in value of equity accounted investees.

Change in portfolio fair value (€ million)

Investment property revaluation	(154)
Hotels / PP&E revaluation and depreciation	(2)
Total valuation impact	**(156)**
FX impact	**(32)**
Total	**(188)**

Investment property includes office, retail, residential, landbank, industry & logistics and development. Other PP&E includes mountain resorts and agriculture.

Visualisation of Nová Zbrojovka development, Brno, Czech Republic

Capital structure and financial policy

Key messages

- Downgrades by **S&P and Moody's have not changed the Group's priorities:** liquidity, leverage, and reputation
- **Liquidity is strong, close to €1.7 billion,** and together with signed disposal proceeds provides ample **coverage for debt maturities**
- **Governance review** by White & Case, following attacks by a short seller, is now complete

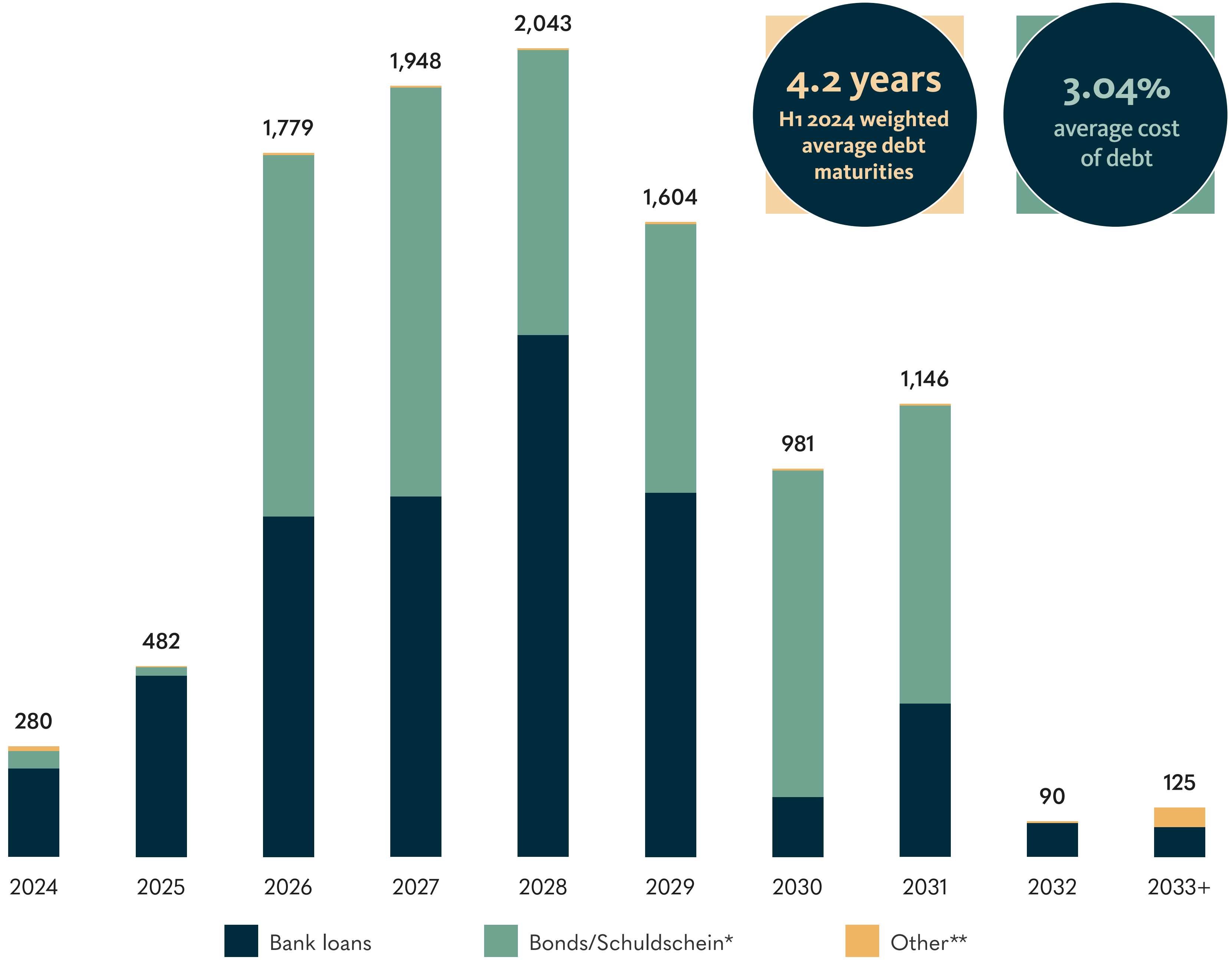
What's working?

- **Net LTV declined to 50%, a decline of 2.3%** vs year-end
- **Net ICR improved slightly to 2.6×**
- **Gross debt reduced by €779 million** vs year-end
- **Bridge financing** for IMMOFINANZ and S IMMO **repaid**
- **€250 million minority equity investment from Sona Asset Management** closed in June

Work in progress

- **Net LTV at 50%** is above our historical target of 40%
- CPIPG is now **focused on repaying 2026/2027 debt maturities**
- Potential **beneficial outcomes for hybrid bonds being explored**
- Shareholder **distributions for 2024 expected to be dramatically reduced** vs distribution policy

CPIPG's debt maturity profile



4.2 years H1 2024 weighted average debt maturities

3.04% average cost of debt

** Bonds/Schuldschein 2024 include also accrued interest payable in 2024.*

*** Other debt comprises non-bank loans from third parties and financial leases.*

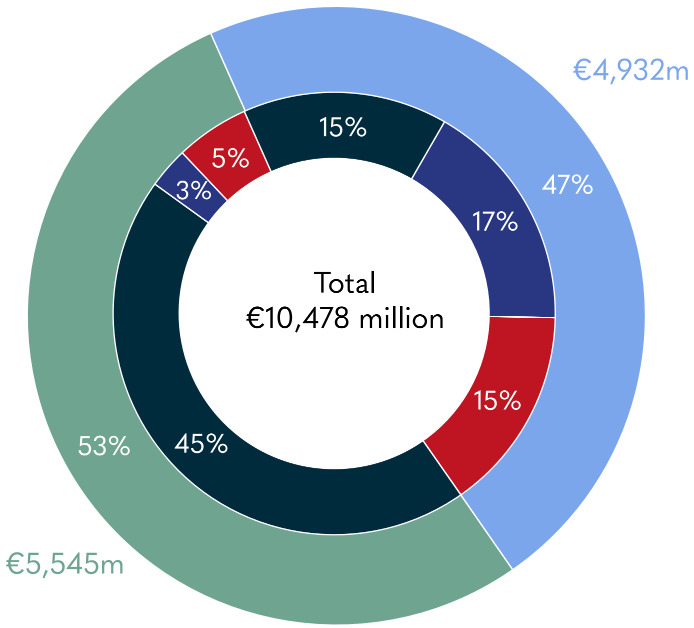
Unsecured versus secured financing

During H1 2024, the split between unsecured and secured debt remained stable compared to the year-end, at 53% and 47%, respectively. S IMMO and CPIPG repaid two maturing bonds. In addition, part of the drawn RCF was repaid. In May 2024, CPIPG issued a benchmark 5-year green bond for €500 million with the proceeds being used to repay the remaining bridge facility. The Group also repaid several secured loans attached to disposed assets.

The largest portion of the Group's secured loans (28%) relate to Germany, followed by the Czech Republic (23%) and Poland (16%). The Group has secured loans from 27 banks. Of the total secured loans, 92% are with nine leading banks in our region.

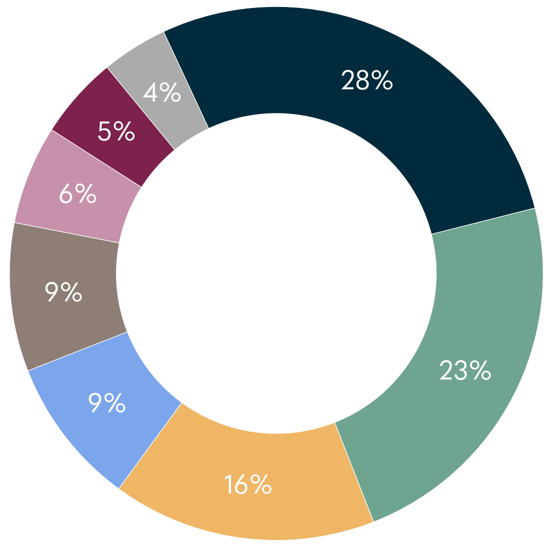
Split of secured versus unsecured debt

- Secured
- Unsecured
- CPIPG
- IMMOFINANZ
- S IMMO



Secured bank debt by geography

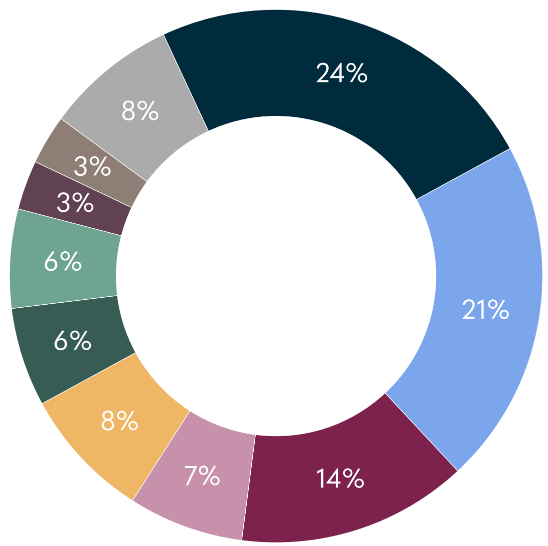
- Germany
- Czech Republic
- Poland
- Austria
- Hungary
- Slovakia
- Romania
- Other

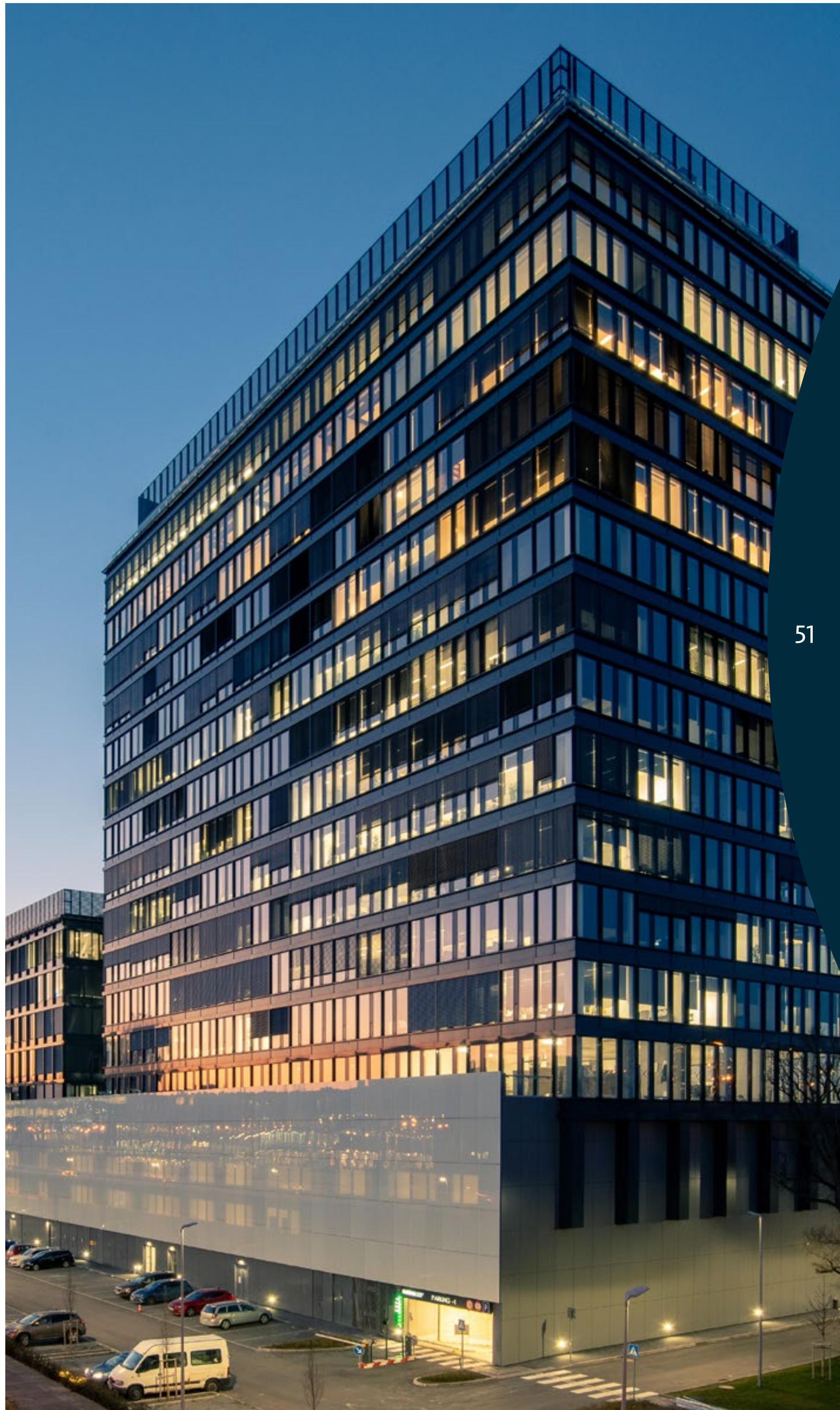


Note: Countries represent location of the pledged properties.

Secured bank debt by bank

- UniCredit Group Bank
- Berlin Hyp AG
- Erste Group
- Helaba
- Raiffeisen
- ČSOB
- Aareal Bank AG
- Deutsche Pfandbriefbank AG
- Société Générale Group
- Other (eighteen banks)



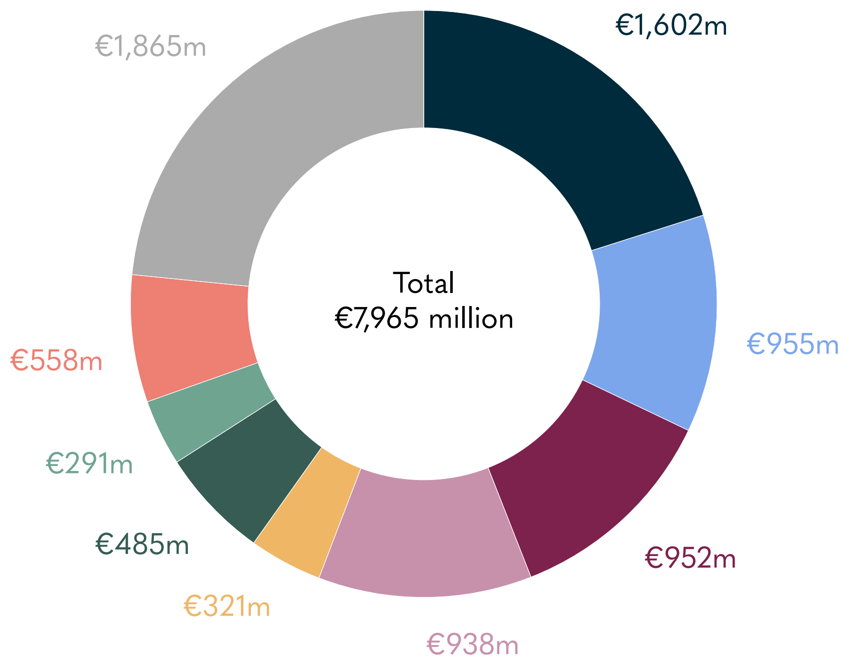


Einsteinova, Bratislava, Slovakia

myhive Jindřišská, Prague, Czech Republic

Composition of unencumbered asset portfolio

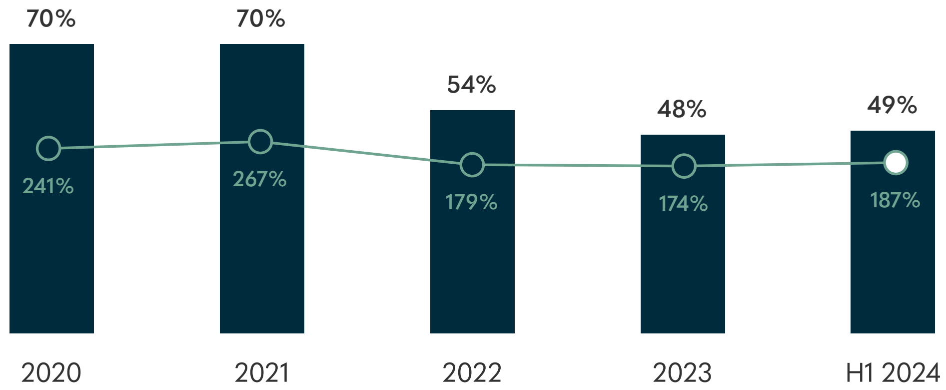
- Income generating – CZ
- Income generating – PL
- Income generating – IT
- Income generating – RO
- Income generating – HU
- Income generating – Other CEE
- Income generating – Other WE
- Landbank & Development – Prague
- Landbank & Development – Other



Solid level of unencumbered assets

The Group's unencumbered assets to total assets ratio slightly increased to 49% due to the Group's disposal success and increase in liquidity. Unencumbered assets primarily consist of office properties in the Czech Republic and Poland, Czech retail, and well-located landbank and residential assets across Europe. **Most of the unencumbered asset portfolio is at the CPIPG level with €6.4 billion,** while IMMOFINANZ and S IMMO have a predominantly pledged asset basis.

Unencumbered assets as a % of total assets
Unencumbered assets to unsecured



The ratio of unencumbered assets to unsecured debt increased to 187% as the Group repaid unsecured debt. The ratio is expected to improve over time as the Group will repay further unsecured financing with disposal proceeds.

While the Group prefers senior unsecured financing, secured bank markets have provided substantially better pricing. Hence, **CPIPG is focused on balancing our unsecured versus secured funding mix while optimising the cost of funding.**

Strong liquidity (€ million)

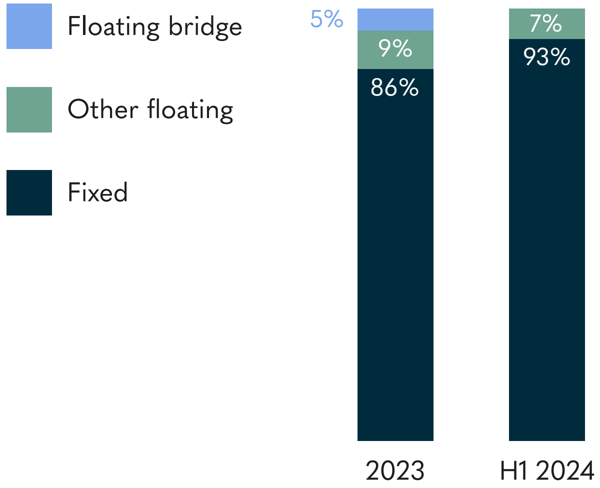
Cash as at 30 June 2024*	1,166
(+) RCF – undrawn amount	490
(+) Other undrawn lines	14
Total liquidity as at 30 June 2024	1,670

** Incl. cash held by assets held for sale.*

At the end of June, the Group had close to €1.7 billion of available liquidity between cash and revolving credit facilities. The Group's liquidity is supported by a €700 million committed revolving credit facility that expires in 2026 and by a €100 million revolving credit facility at the IMMOFINANZ level.

Fixed versus floating rate debt

During H1 2024, the portion of fixed-rate debt further increased to a high 93% (vs 86% at the end of 2023), as the Group repaid the outstanding portion of the floating rate bridge facility as well as part of the drawn RCF. The high share of fixed-rate debt provides a high degree of protection against interest rate volatility. If interest rates on our variable-rate debt increased by 1 p.p., the Group's external debt cost would rise only by 0.07 p.p. In addition to our bonds, which carry fixed coupons, many of the Group's loan agreements utilise interest rate swaps to convert the loan to a fixed-rate obligation. The Group is also able to carefully make use of a variety of hedging instruments as required to manage the level of fixed and floating-rate debt.



Average interest rate sensitivity (% p.a.)

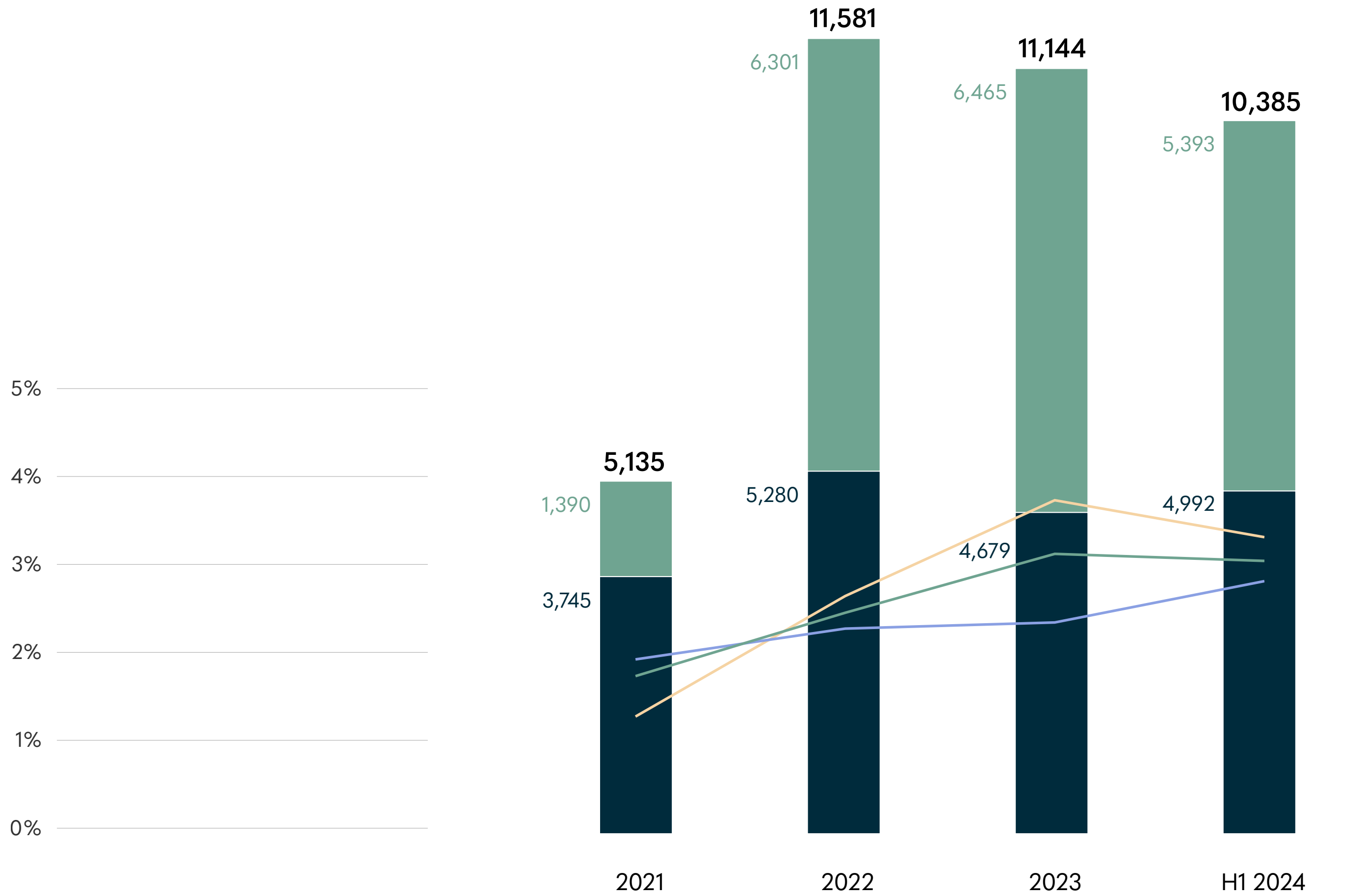
Type of liability	Share of external debt	Average interest rate as at 30 Jun 2024	if market interest rate +1 p.p.	if market interest rate +2 p.p.	if market interest rate +3 p.p.
Bank loan	51%	3.31%	3.43%	3.55%	3.66%
Bonds/Schuldschein	48%	2.81%	2.83%	2.85%	2.87%
Leasing	1%	0.01%	0.01%	0.01%	0.01%
Non bank loan	0%	1.53%	1.53%	1.53%	1.53%
Total	**100%**	**3.04%**	**3.11%**	**3.18%**	**3.25%**

Note: Includes the impact of contracted interest rate swaps.

Warsaw skyline with Oxford Tower, Poland

Structure of external debt and average interest rates (€ million)

At the end of H1 2024, the Group's average cost of debt stood at 3.04%.



	2021	2022	2023	H1 2024
Bank loans	1,390	6,301	6,465	5,393
Corporate bonds/Schuldschein	3,745	5,280	4,679	4,992
Avg. bank loan interest rate	1.27%	2.64%	3.73%	3.31%
Avg. bond/Schuldschein interest rate	1.92%	2.27%	2.34%	2.81%
Total average interest rate	**1.73%**	**2.45%**	**3.12%**	**3.04%**

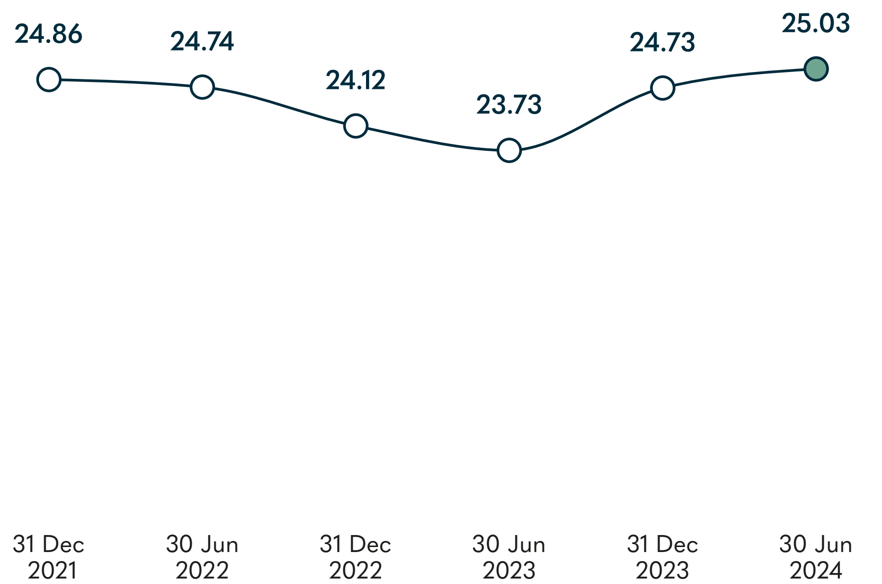
Franz Kafka statue, Quadrio, Prague, Czech Republic

Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies, primarily the Czech Koruna (CZK). The impact of foreign exchange is mostly unrealised (non-cash). It arises whenever there is a mismatch between the currency in which a property is valued and the functional currency of the entity into which the property is consolidated. 13% of the property portfolio is valued in CZK and consolidated through sub-holdings into CPIPG, which is a Euro functional currency company. To a lesser extent, there is also an effect related to intra-group loans.

In addition to the non-cash effects, the Group is exposed to foreign currencies (primarily CZK) through rental income and expenses. During H1 2024, 8% of the Group's gross rental income was received in CZK. However, 23% of the Group's property operating expenses and 15% of administrative expenses were also denominated in CZK, providing somewhat of a natural hedge. As a result, the remaining net exposure to CZK is limited.

Stable level of CZK vs EUR since 31 December 2021



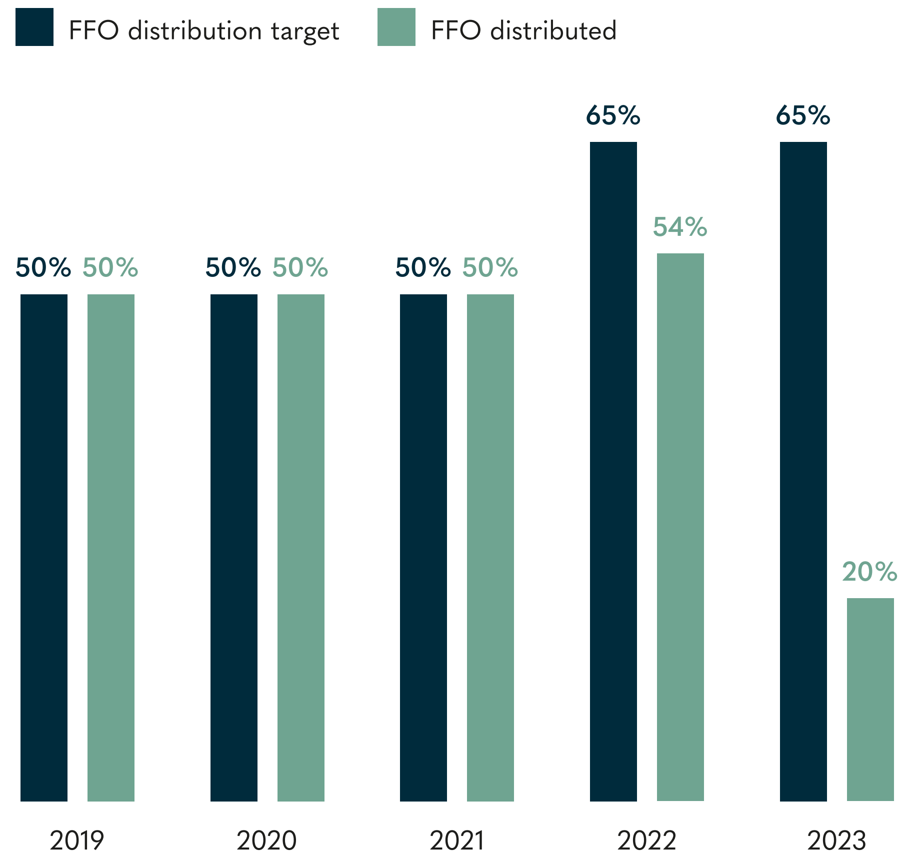
Note: The Group's exposure to other currencies is limited since 98% of the Group's annualised headline rent at the end of 2023 was denominated in EUR or CZK.

FX sensitivity (CZK depreciation against EUR)

	5%	10%	15%	20%	25%
Net LTV	+0.3 p.p.	+0.6 p.p.	+0.9 p.p.	+1.2 p.p.	+1.4 p.p.
Net ICR	(0.01×)	(0.01×)	(0.02×)	(0.03×)	(0.03×)
EBITDA	(€2.5m)	(€4.8m)	(€6.8m)	(€8.7m)	(€10.5m)

FFO distribution policy

Unlike many of our peers, the Group has retained a substantial portion of our FFO every year. In connection with the investment by Apollo in 2021 via a capital increase, CPIPG raised our payout ratio from 50% to the still-modest 65%. **During 2022 and 2023, CPIPG cut our annual distributions to reduce leverage and preserve cash.**



Results & net assets

Net rental income grew by 5% to €418 million, versus €399 million in H1 2023.

The positive development in net rental income was driven by an increase in our gross rental income and stable property operating expenses.

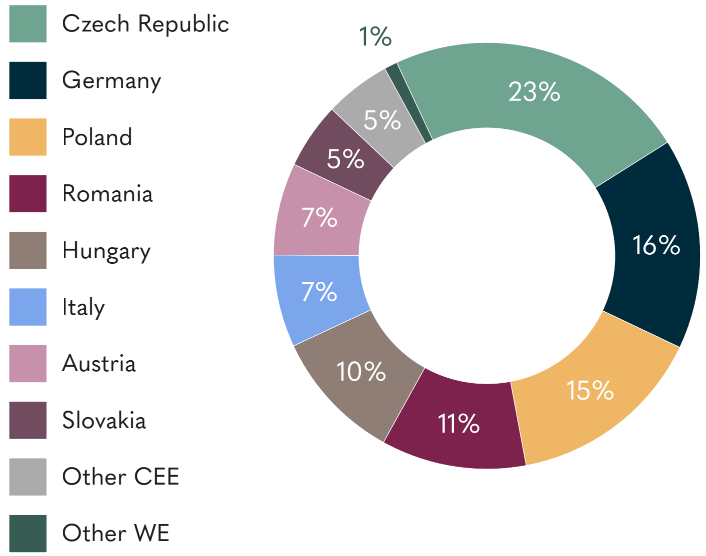
Net hotel income was €18 million, versus €29 million in H1 2023, reflecting the sale of a 50% stake in a portfolio of eight hotel properties in the Czech Republic, including CPI Hotels, the hotels' operator. As part of the transaction, the remaining hotel properties operated by CPI Hotels have been reclassified to hotels rented, and such income will be reported as net rental income instead of net hotel income.

Income statement (part 1)

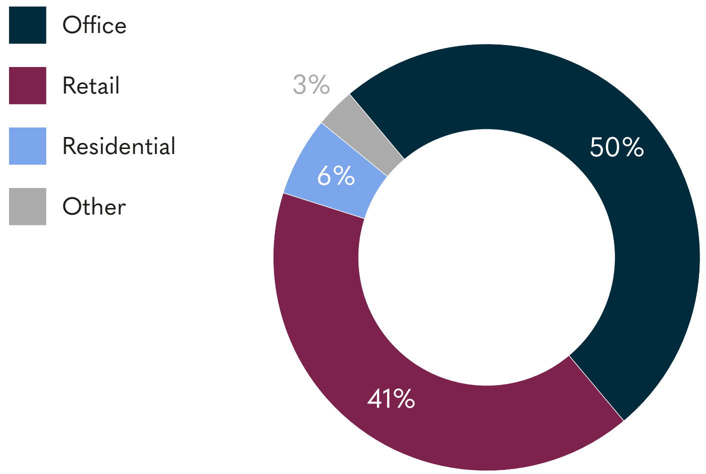
€ million	H1 2024	H1 2023
Gross rental income	472	457
Service charge and other income	216	219
Cost of service and other charges	(192)	(200)
Property operating expenses	(78)	(78)
Net rental income	**418**	**399**
Development sales	13	0
Development operating expenses	(11)	(0)
Net development income	**1**	**0**
Hotel revenue	69	103
Hotel operating expenses	(51)	(74)
Net hotel income	**18**	**29**
Other business revenue	42	51
Other business operating expenses	(37)	(42)
Net other business income	**5**	**9**
Total revenues	**811**	**831**
Total direct business operating expenses	**(368)**	**(394)**
Net business income	**443**	**437**
Administrative expenses	(68)	(64)
Consolidated adjusted EBITDA (excl. other effects)	**374**	**372**

In H1 2024, the Group generated gross rental income of €472 million, representing a YoY increase of 3% compared to €457 million in H1 2023, reflecting the contribution from rent indexation and the resilient performance of the Group's rental properties, partially offset by slightly lower occupancy.

Gross rental income by country



Gross rental income by segment



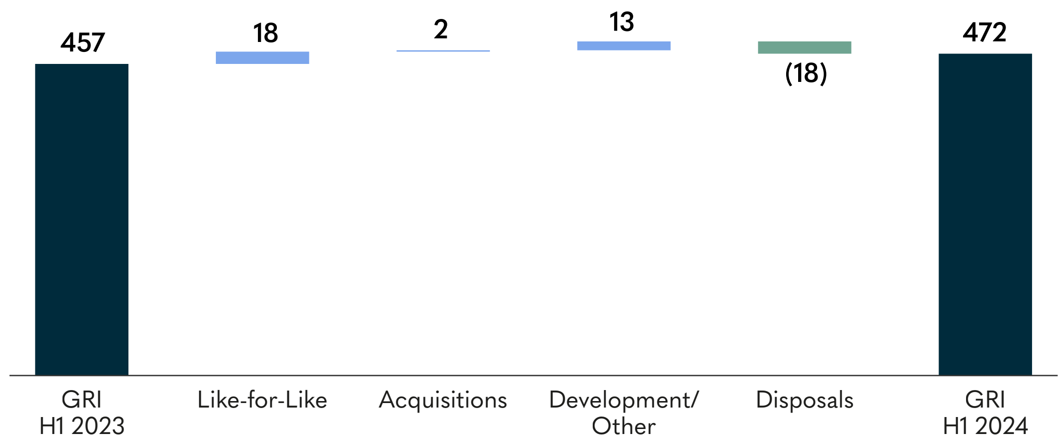
Our focus on continually improving the performance and quality of our assets is reflected in the 4.4% increase in GRI on a LfL basis.

The like-for-like growth was driven by an increase of rents, partially offset by slightly lower occupancy on a LfL basis.

Like-for-like gross rental income	H1 2024 €m	H1 2023 €m	Increase/ (decrease)
Czech Republic	102.4	98.0	4.5%
Germany	68.9	66.3	3.9%
Poland	64.6	61.7	4.8%
Romania	50.5	46.7	8.2%
Hungary	44.1	42.7	3.2%
Italy	29.0	27.7	5.0%
Austria	24.8	24.6	0.6%
Slovakia	23.2	23.1	0.7%
Other	22.1	20.7	6.5%
Total Lfl gross rental income	**429.7**	411.5	4.4%
Not like-for-like gross rental income			
Acquisitions/Transfers	5.1	3.2	
Disposals	17.6	35.6	
Development/Other	19.7	7.1	
Total gross rental income	**472.0**	457.4	3.2%

Total Like-for-Like 4.4%

In-place-rent Like-for-Like 4.8%



Income statement (part 2)

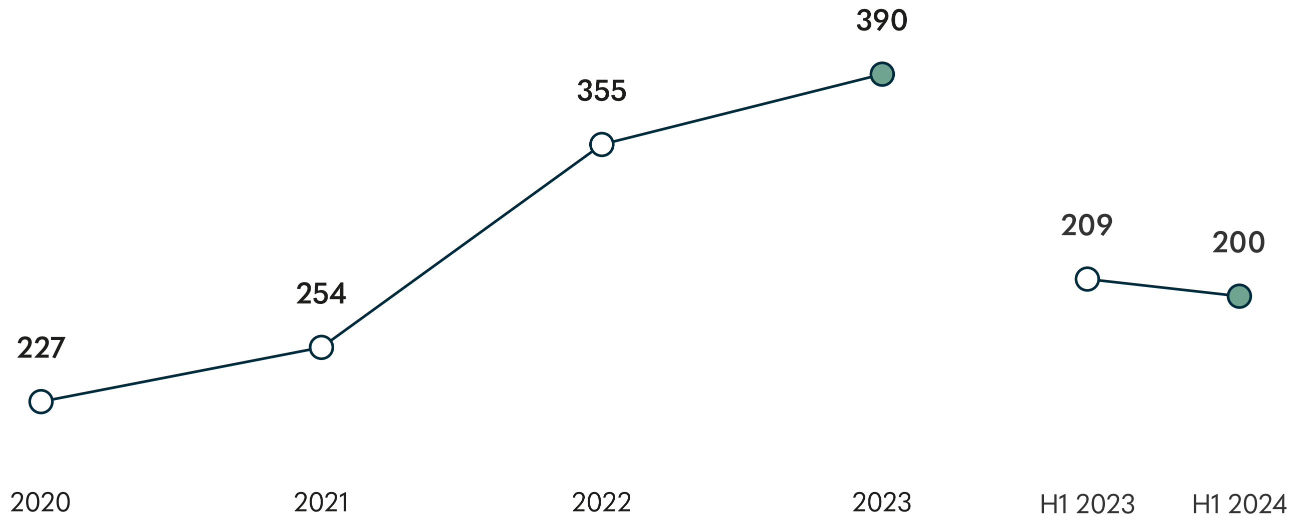
€ million	H1 2024	H1 2023
Consolidated adjusted EBITDA (excl. other effects)	**374**	**372**
Net valuation gain	(154)	(217)
Net gain or loss on the disposal of investment property and subsidiaries	(15)	(1)
Amortization, depreciation and impairments	(16)	(35)
Other operating income	13	8
Other operating expenses	(10)	(15)
Operating result	**193**	**112**
Interest income	21	15
Interest expense	(175)	(166)
Other net financial result	3	28
Net finance income / (costs)	**(151)**	**(122)**
Share of profit of equity-accounted investees (net of tax)	(21)	(5)
Profit / (Loss) before income tax	**21**	**(16)**
Income tax expense	(24)	(35)
Net profit / (Loss) from continuing operations	**(3)**	**(50)**

Interest expense was €175 million in H1 2024 compared to €166 million in H1 2023, reflecting an increase of the average cost of debt.

Interest expense (€ million)	H1 2024	H1 2023
Interest expense from bank and other loans	(123)	(111)
Interest expense on bonds issued	(52)	(52)
Interest expense related to leases	(1)	(1)
Interest expense on other non-current liabilities	–	(1)
Total interest expense	**(175)**	**(166)**

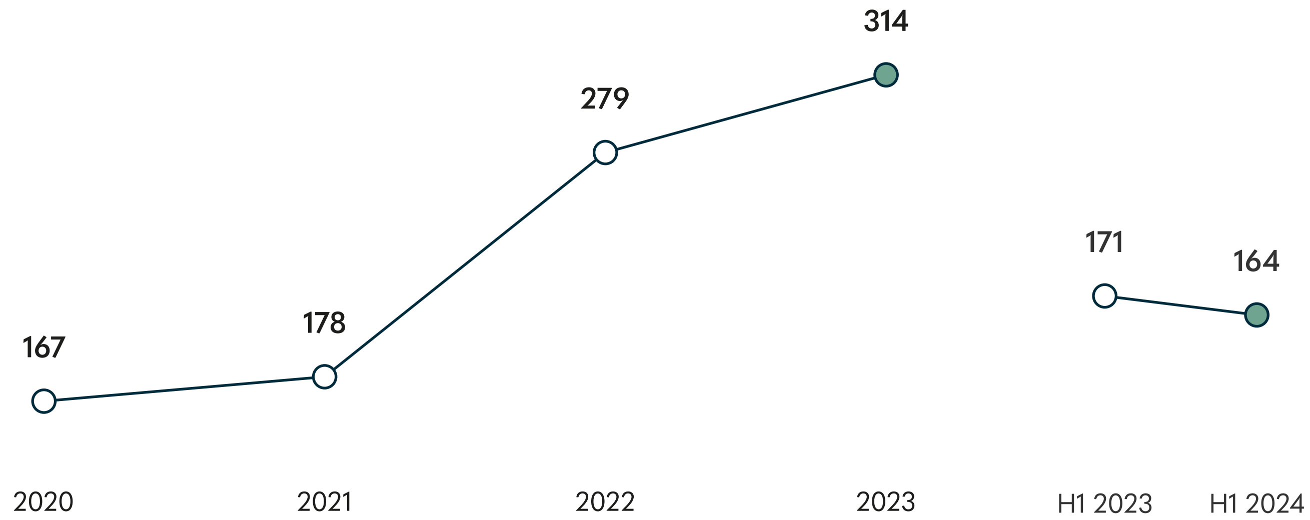
Funds from Operations – FFO (€ million)

Funds from operations (FFO) decreased to €200 million in H1 2024, down 4% relative to H1 2023.



Funds from Operations – FFO II (€ million)

FFO II, which includes the effect of coupon payments on hybrid bonds, also decreased by 4% to €164 million in H1 2024 relative to H1 2023.



Balance sheet

€ million	30 Jun 2024	31 Dec 2023
Non-current assets		
Intangible assets and goodwill	**81**	130
Investment property	**16,887**	17,263
Property, plant and equipment	**380**	867
Equity accounted investees	**785**	717
Other financial assets	**278**	264
Deferred tax asset	**118**	118
Other non-current assets	**322**	188
Total non-current assets	**18,850**	19,547
Current assets		
Inventories	**82**	74
Trade receivables	**229**	228
Cash and cash equivalents	**1,162**	1,023
Assets held for sale	**522**	723
Other current assets	**386**	337
Total current assets	**2,381**	2,384
Total assets	**21,231**	21,930
Equity		
Equity attributable to owners of the Company	**5,372**	5,568
Perpetual notes	**1,623**	1,585
Non controlling interests	**1,437**	1,105
Total equity	**8,432**	8,257
Non-current liabilities		
Bonds issued	**4,725**	4,274
Financial debts	**4,925**	6,326
Deferred tax liabilities	**1,490**	1,548
Other non-current liabilities	**211**	224
Total non-current liabilities	**11,351**	12,371
Current liabilities		
Bonds issued	**72**	209
Financial debts	**710**	412
Trade payables	**141**	218
Other current liabilities	**526**	462
Total current liabilities	**1,448**	1,302
Total equity and liabilities	**21,231**	21,930

Property Portfolio (IP, PPE, EAI, OFA, INV, AHFS)

Decrease in PP by €0.9 billion primarily due to:

- Disposals of €919 million, including primarily the sale of Ski resort in Crans Montana; Czech hotels; S IMMO's office and residential buildings in Germany; and office properties in Vienna, Warsaw and Zagreb;
- Decrease in fair value of €188 million, driven mainly by negative revaluation and a slightly negative FX impact of CZK vs EUR;
- CapEx and development of €196 million;
- Minor acquisitions of €4 million.

Total Assets

Total assets decreased by €0.7 billion (-3%) to €21,231 million as of 30 June 2024, primarily driven by lower property portfolio value, partially offset by higher cash.

Equity

Total equity increased by €175 million, primarily due to:

- the sale of a non controlling interest in Poland;
- partly offset by negative translation, revaluation and hedging reserve;
- and negative retained earnings.

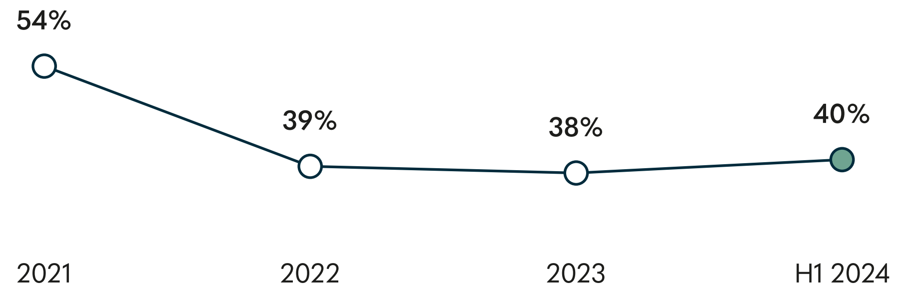
Financial debts and bonds issued

Financial debts (incl. financial debts linked to AHFS) and Bonds issued decreased by €779 million, especially due to:

- the full repayment of the bridge facility of €608 million;
- the partial repayment of RCF of €180 million;
- the repayment of secured bank loans related to disposals of €256 million;
- the repayment of maturing bonds of €155 million;
- partially offset by a new bond issue of €500 million.

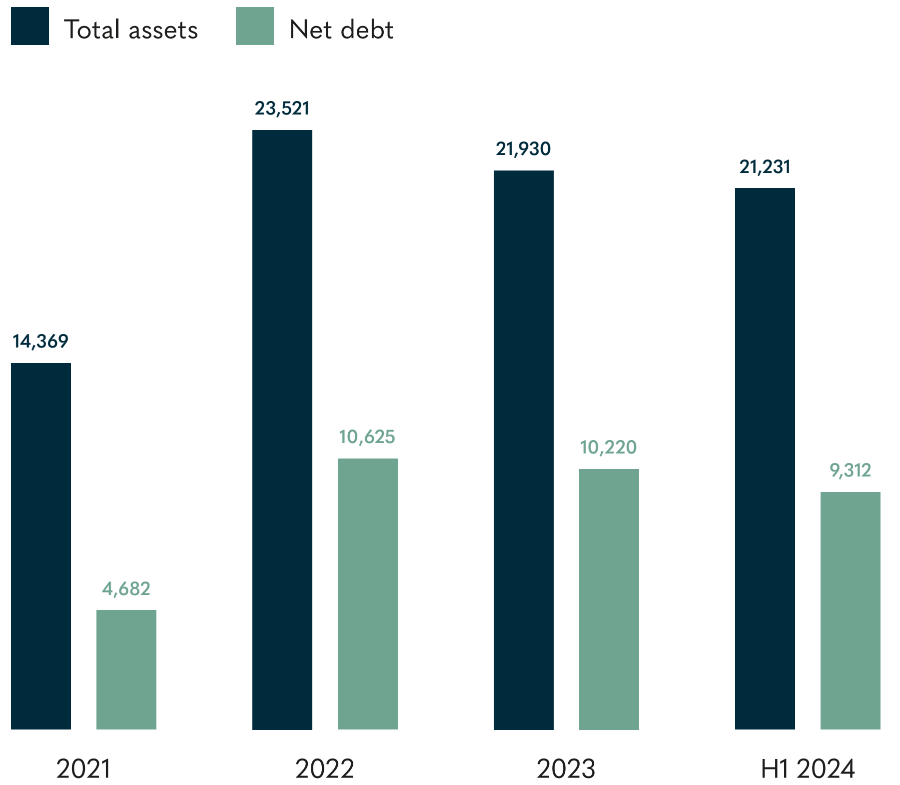
Equity ratio

During H1 2024, total assets declined due to disposals. On the other hand, total equity increased, reflecting primarily a minority equity investment from Sona Asset Management. As a result, the equity ratio went up from 38% at the end of 2023 to 40% at the end of H1 2024.

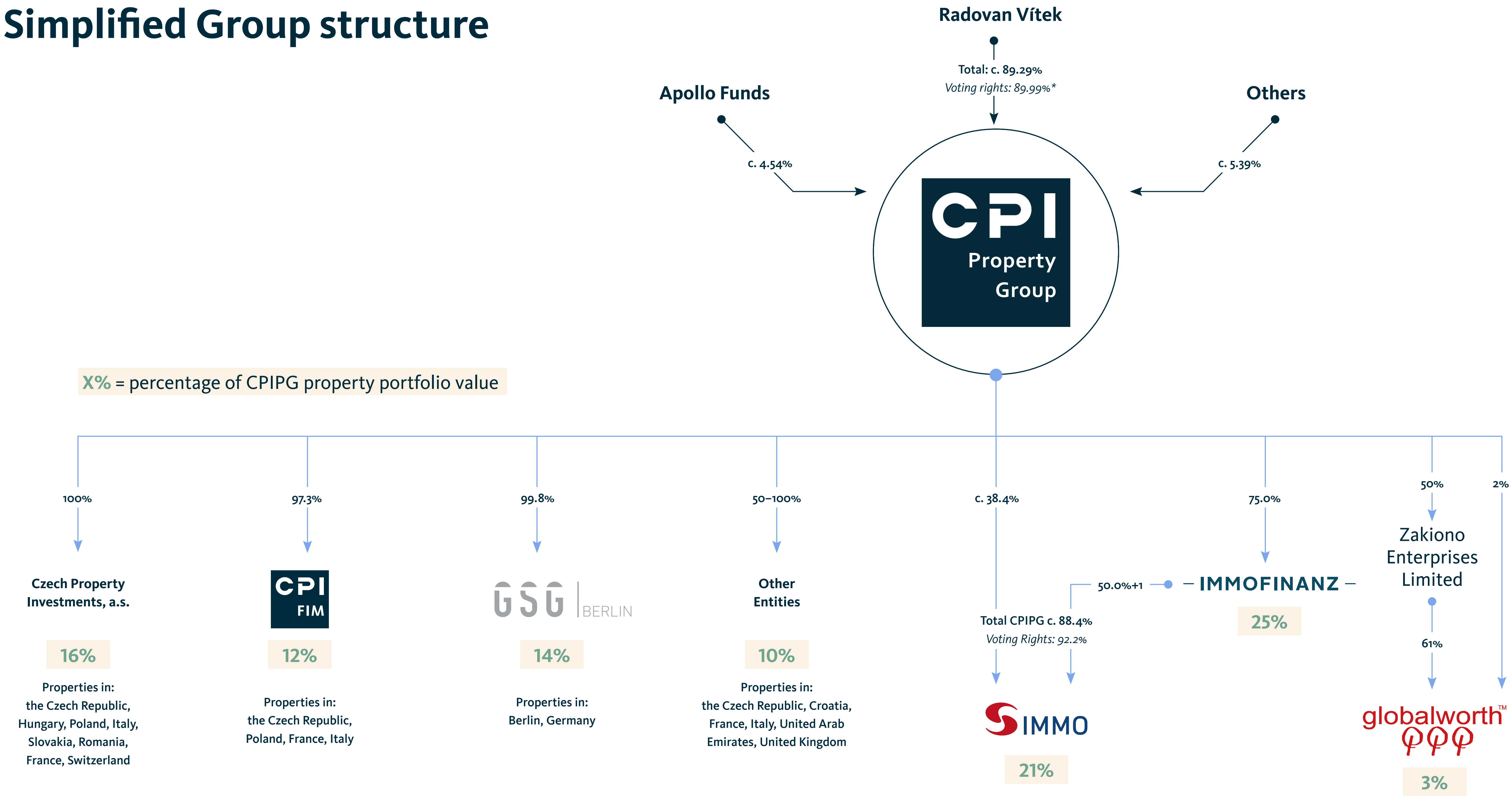


Total assets and net debt (in € million)

During H1 2024, the Group decreased net debt by €908 million, total assets also reflects disposals. As a result, the portion of net debt on total assets decreased from 47% at the end of 2023 to 44% at the end of H1 2024.



Simplified Group structure



Note: Figures as at 30 June 2024. A full list of the Group's entities and subsidiaries is available in Appendix I of the Financial Statements.

* CPIPG controls 0.78% of own shares

Glossary of terms

Alternative performance measures	Definition	Rationale
Consolidated adjusted EBITDA	Net business income as reported deducted by administrative expenses as reported.	This is an important economic indicator showing a business's operating efficiency comparable to other companies, as it is unrelated to the Group's depreciation and amortization policy and capital structure or tax treatment. It is one of the fundamental indicators used by companies to set their key financial and strategic objectives.
Consolidated adjusted total assets	Consolidated adjusted total assets is total assets as reported deducted by intangible assets and goodwill as reported.	
Company specific Adjusted Earnings	A measure derived from EPRA Earnings and reflecting the Group's specific adjustments.	The rationale for making adjustments other than strictly required by EPRA Earnings is to arrive at an underlying performance measure appropriate for the Group's business model.
Company specific Adjusted EPS	It is calculated as Company specific Adjusted Earnings divided by the weighted average number of shares for the period.	
EPRA Cost Ratios	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.
EPRA Earnings	Earnings from operational activities.	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.
EPRA Net Reinstatement Value (NRV)	EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.
EPRA Net Tangible Assets (NTA)	EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	
EPRA Net Disposal Value (NDV)	EPRA NDV represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	
EPRA Net Initial Yield (NIY)	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	Comparable measures for portfolio valuations. These measures should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
EPRA 'topped-up' NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	Comparable measures for portfolio valuations. These measures should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
EPRA Vacancy Rate	The EPRA vacancy rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole portfolio (including vacant spaces).	The rationale for using the EPRA vacancy rate is that it can be clearly defined, should be widely used by all participants in the direct real estate market and comparable from one company to the next.
Equity ratio	It is calculated as total equity as reported divided by total assets as reported.	Provides a general assessment of financial risk undertaken.
Funds from operations or FFO	It is calculated as net profit for the period adjusted by non-cash revenues/expenses (like deferred tax, net valuation gain/loss, impairment, amortization/depreciation, goodwill etc.) and non-recurring (both cash and non-cash) items. Calculation also excludes accounting adjustments for unconsolidated partnerships and joint ventures.	Funds from operations provide an indication of core recurring earnings.
FFO II	It is calculated as Funds from operations (FFO) deducted by interest on perpetual notes as reported.	
Like-for-like gross rental growth	It compares the growth of gross rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described.	Information on the growth of rental income other than from acquisitions, disposals and developments, allows stakeholders to arrive at an estimate of organic growth.

Alternative performance measures	Definition	Rationale
Net debt/EBITDA	It is calculated as Net debt divided by Consolidated adjusted EBITDA.	A measure of a company's ability to pay its debt. This ratio measures the amount of income generated and available to pay down debt before covering interest, taxes, depreciation and amortization expenses.
Net ICR	It is calculated as Consolidated adjusted EBITDA divided by a sum of interest income as reported and interest expense as reported.	This measure is an important indicator of a firm's ability to pay interest and other fixed charges from its operating performance, measured by EBITDA.
Net Loan-to-Value or Net LTV	It is calculated as Net debt divided by fair value of Property Portfolio.	Net Loan-to-value provides a general assessment of financing risk undertaken.
Secured consolidated leverage ratio	Secured consolidated leverage ratio is a ratio of a sum of secured financial debts and secured bonds to Consolidated adjusted total assets.	This measure is an important indicator of a firm's financial flexibility and liquidity. Lower levels of secured debt typically also means lower levels of mortgage debt - properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales.
Secured debt to total debt	It is calculated as a sum of secured bonds and secured financial debts as reported divided by a sum of bonds issued and financial debts as reported.	This measure is an important indicator of a firm's financial flexibility and liquidity. Lower levels of secured debt typically also means lower levels of mortgage debt - properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales.
Unencumbered assets to total assets	It is calculated as total assets as reported less a sum of encumbered assets as reported divided by total assets as reported.	This measure is an important indicator of a commercial real estate firm's liquidity and flexibility. Properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales. The larger the ratio of unencumbered assets to total assets, the more flexibility a company generally has in repaying its unsecured debt at maturity, and the more likely that a higher recovery can be realized in the event of default.
Unencumbered assets to unsecured debt	It is calculated as unencumbered assets as reported divided by a sum of unsecured bonds and unsecured financial debts as reported.	This measure is an additional indicator of a commercial real estate firm's liquidity and financial flexibility.

Non-financial definitions	Definition
Company	CPI Property Group S.A.
Property Portfolio value or PP value	The sum of value of Property Portfolio owned by the Group
Gross Leasable Area or GLA	Gross leasable area is the amount of floor space available to be rented. Gross leasable area is the area for which tenants pay rent, and thus the area that produces income for the property owner.
Group	CPI Property Group S.A. together with its subsidiaries
Net debt	Net debt is borrowings plus bank overdraft less cash and cash equivalents; and cash escrow deposits.
Occupancy	Occupancy is a ratio of estimated rental value regarding occupied GLA and total estimated rental value, unless stated otherwise.
Property Portfolio	Property Portfolio covers all properties and investees held by the Group, independent of the balance sheet classification, from which the Group incurs rental or other operating income.
Potential Gross Leasable Area	Potential Gross Leasable Area is the total amount of floor space and land area being developed which the Group is planning to rent after the development is complete.
Potential Gross Saleable Area	Potential Gross Saleable area is the total amount of floor space and land area being developed which the Group is planning to sell after the development is complete.

Key ratio reconciliations

myhive Jungmannova 15, Prague, Czech Republic

Property portfolio reconciliation (€ million)

	30 Jun 2024	31 Dec 2023
Investment property – Office	7,716	8,035
Investment property – Retail	4,726	4,801
Investment property – Landbank	1,866	1,930
Investment property – Residential	1,316	1,424
Investment property – Development	671	726
Investment property – Hotels rented	352	102
Investment property – Agriculture	137	139
Investment property – Industry & Logistics	60	60
Investment property – Other	43	44
Property, plant and equipment – Hospitality	288	775
Property, plant and equipment – Other	28	18
Property, plant and equipment – Agriculture	16	16
Property, plant and equipment – Office	15	3
Property, plant and equipment – Residential	6	6
Property, plant and equipment – Development	4	11
Property, plant and equipment – Retail	3	1
Property, plant and equipment – Landbank	2	1
Property, plant and equipment – Hotels rented	1	--
Equity accounted investees	781	717
Inventories – Development	74	65
Inventories – Landbank	3	2
Assets held for sale	514	653
Total	**18,623**	**19,531**

Consolidated adjusted EBITDA reconciliation (€ million)*

Item per Consolidated financial statements		H1 2024	H1 2023
A	Net business income	443	437
B	Administrative expenses	(68)	(64)
C	Other effects	20	21
A+B+C	**Consolidated adjusted EBITDA**	**395**	**394**

* *Includes pro-rata EBITDA of Equity accounted investees*

Unencumbered assets to total assets reconciliation (€ million)

Item per Consolidated financial statements		30 Jun 2024	31 Dec 2023
A	Bonds collateral	0	0
B	Bank loans collateral	10,854	11,440
	Investment property	10,151	10,559
	Property, plant and equipment	258	297
	Assets held for sale	186	334
	Inventories	62	49
	Trade receivables	97	100
	Bank accounts	39	42
	Other financial assets	60	60
C	Total assets	21,231	21,930
(C-A-B)/C	**Unencumbered assets ratio**	**48.9%**	**47.8%**

Unencumbered assets to unsecured debt reconciliation (€ million)

Item per Consolidated financial statements		30 Jun 2024	31 Dec 2023
A	Total assets	21,231	21,930
B	Bonds collateral	0	0
C	Bank loans collateral	10,854	11,440
D	Total debt	10,478	11,257
E	Secured bonds	0	0
F	Secured financial debts	4,932	5,232
(A-B-C)/(D-E-F)	**Unencumbered assets to unsecured debt**	**187%**	**174%**

Net LTV reconciliation (€ million)

Item per Consolidated financial statements		30 Jun 2024	31 Dec 2023
A	Financial debts	5,635	6,738
B	Bonds issued	4,797	4,483
C	Net debt linked to AHFS	43	22
D	Cash and cash equivalents	1,162	1,023
E	Property portfolio	18,623	19,531
(A+B+C-D)/E	**Net LTV**	**50.0%**	**52.3%**

Net interest coverage ratio reconciliation (€ million)

Item per Consolidated financial statements		H1 2024	2023
A	Interest income	21	39
B	Interest expense	(175)	(348)
C	Consolidated adjusted EBITDA	395	778
C/-(A+B)	**Net ICR**	**2.6×**	**2.5×**

Like-for-like rental growth (€ million)

Item per Consolidated financial statements	H1 2024	H1 2023
Gross rental income	472	457
Like-for-like gross rental income	430	411
Not like-for-like gross rental income	42	46

Car charging station at Amperium an Humboldthain, Berlin

Net debt/EBITDA reconciliation (€ million)

Item per Consolidated financial statements		30 Jun 2024*	31 Dec 2023
A	Net debt	9,312	10,220
B	Net business income	885	874
C	Administrative expenses	(137)	(138)
D	Other effects	41	42
A/(B+C+D)	**Net debt/EBITDA**	**11.8**	**13.1**

** Annualised*

Equity ratio reconciliation (€ million)

Item per Consolidated financial statements		30 Jun 2024	31 Dec 2023
A	Total assets	21,231	21,930
B	Total equity	8,432	8,257
B/A	**Equity Ratio**	**40%**	**38%**

Secured debt to total debt reconciliation (€ million)

Item per Consolidated financial statements		30 Jun 2024	31 Dec 2023
A	Secured bonds	0	0
B	Secured financial debts	4,932	5,232
C	Total debt	10,478	11,257
	Bonds issued	4,797	4,483
	Financial debts*	5,681	6,774
(A+B)/C	**Secured debt as of Total debt**	**47.1%**	**46.5%**

** Includes Financial debts linked to AHFS.*

FFO II reconciliation (€ million)

Item per Consolidated financial statements		H1 2024	H1 2023
A	Funds from operations	200	209
B	Interest on perpetual notes	(36)	(38)
A+B	**Funds from operations II**	**164**	**171**

Funds from operations (FFO) reconciliation (€ million)*

Item per Consolidated financial statements		H1 2024	H1 2023
A	Net profit/(Loss) for the period	(3)	(50)
B	Deferred income tax	14	4
C	Net valuation gain or loss on investment property	(154)	(217)
D	Net valuation gain or loss on revaluation of derivatives	23	(15)
E	Net gain or loss on disposal of investment property and subsidiaries	(15)	(1)
F	Net gain or loss on disposal of PPE/other assets	(1)	2
G	Impairment/Reversal of impairment	2	(10)
H	Amortisation/Depreciation	(18)	(25)
I	Other non-cash items	(18)	(43)
J	GW/Bargain purchase	(0)	0
K	Other non-recurring costs	(5)	(18)
L	Other non-recurring income	0	81
M	Share on profit of equity accounted investees/JV adjustments	(21)	(5)
N	Other effects	11	12
(A-B-C-D-E-F-G-H-I-J-K-L-M+N)	**Funds from operations**	**200**	**209**

** Includes pro-rata FFO of Equity accounted investees*

Secured consolidated leverage ratio reconciliation (€ million)

Item per Consolidated financial statements		30 Jun 2024	31 Dec 2023
A	Secured bonds	0	0
B	Secured financial debts	4,932	5,232
C	Consolidated adjusted total assets	21,150	21,800
	Total assets	21,231	21,930
	Intangible assets and goodwill	81	130
(A+B)/C	**Secured consolidated leverage ratio**	**23.3%**	**24.0%**

EPRA NTA deferred tax reconciliation (€ million)

Inventories	Residual tax value of properties	Tax Rate	Fair value of properties	Tax
Total as at 30 June 2024	77	19%-33.3%	77	–
Total as at 31 Dec 2023	67	19%-33.3%	67	–

Group ESG strategy

CPIPG understands the importance of **a solid Environmental, Social and Governance (ESG) strategy and framework to align the entire organisation and stakeholders towards our ESG goals.** Under the guidance and supervision of the Board of Directors and its ESG Committee, the Executive Management of CPIPG is responsible for implementing the ESG strategy and ensure the performance of targets and commitments are met.

The Group's ESG principles focuses on **promoting a sustainable approach towards real estate development and management.** Our operations are built upon pursuing a sustainable business model that allows us to achieve our business objectives without placing an excessive burden on the environment and contributes to environmental protection and the development of local communities. Furthermore, the Group assumes an active role in managing our assets to continually improve environmental performance, quality and resilience. Our Group culture is formed to encourage pro-active contributions from all employees, tenants, customers, and stakeholders to meet all our objectives in compliance with our principles.

CPIPG believes that **good corporate governance safeguards the interests of our stakeholders,** including shareholders, bondholders, lenders, tenants and employees. Our objectives are excellence and transparency in our management controls, external reporting and internal procedures. We believe this supports a corporate culture, which is balanced between entrepreneurial spirit and the identification, control and prevention of risk.

CPIPG continually reviews and implements industry best practices with respect to corporate governance and has adjusted our internal practices to meet international standards. As part of our commitment to transparency for our stakeholders, **CPIPG engaged White & Case to conduct a fresh review of our compliance, governance, related party transactions and other policies.** Enhancements to governance were also suggested by White & Case and have/will be adopted by CPIPG.

CPIPG aims to communicate regularly and transparently with our shareholders and stakeholders and to provide regular updates on our website.

myhive Warsaw Spire, Poland

Group governance summary

Disclosure & compliance

The Group's securities are listed on the following regulated stock exchanges:

- Luxembourg Stock Exchange
- Frankfurt Stock Exchange
- Euronext
- JPX Tokyo Stock Exchange
- Warsaw Stock Exchange
- Vienna Stock Exchange
- Budapest Stock Exchange

The X Principles of Corporate Governance of the Luxembourg Stock Exchange

Shareholders

Board of Directors

8 members

3 independent; 3 executive; 1 non-executive; 1 non-executive shareholder representative

ESG Committee	Investment Committee	Remuneration, Nomination & Related Party Transaction Committee	Audit Committee
1 Independent; 4 Executive	2 Independent; 2 Executive	Fully independent	Fully independent

Executive Management

Operational Organisation

GROUP INTERNAL AUDIT

Code of Ethics

- Conflicts of interest
- Whistleblowing
- Prohibition of corruption, bribery and fraud
- Anti-money laundering and counter-terrorism financing
- Prohibition of securities fraud and insider trading
- International sanctions and export controls
- Participation in public procurement and tenders
- Prohibition of cartels and anti-competitive practices
- Protection of intellectual property
- Protection of confidential information
- Protection of personal data
- Use of Group's assets
- Use of agents
- Responsible procurement policy

Risk Management

- Financial
- Information technology
- Legal
- Development, construction & refurbishment
- Transaction & asset management
- Asset protection/ insurance

External reporting

IFRS & consolidation

Financial controlling

Asset controlling

Assurance

Current external auditor

EY

EPRA European Public Real Estate Association

Sustainability reporting

Corporate Sustainability Reporting Directive

CDP

Sustainalytics

Science Based Targets

Executive Management

David Greenbaum
Chief Executive Officer

David Greenbaum was appointed CEO of CPI Property Group in November 2023. David previously held the role of CFO of CPIPG from February 2018. David joined CPIPG after 16 years at Deutsche Bank, where he was most recently co-head of Debt Capital Markets for the CEEMEA region. In November 2023, David was also appointed as Managing Director.

Zdeněk Havelka
Chief Operating Officer

Zdeněk Havelka was appointed Chief Operating Officer of CPI Property Group in November 2023. Zdeněk is responsible for the Group's operational risk management, communications and IT. Zdeněk has been at CPIPG since 2002, during which time he has held Chief Financial Officer, Chief Executive Officer and Executive Director roles.

Pavel Měchura
Group Finance Director

Pavel Měchura was appointed Group Finance Director of CPI Property Group in February 2018. Pavel is responsible for the Group's accounting and reporting, consolidation, valuations, and strategic planning. Pavel joined CPIPG in 2010 and prior to that, spent six years with KPMG.

Tomáš Salajka
Director of Acquisitions, Asset Management & Sales

Tomáš Salajka was appointed Director of Acquisitions, Asset Management & Sales of CPI Property Group from June 2014. Tomáš is responsible for asset management and transactions across all countries within the Group's portfolio. Prior to joining the Group, Tomáš worked for GE Real Estate CEE/Germany for 10 years and ČSOB for 3 years. In November 2023, Tomáš was also appointed as Managing Director.

Jan Kratina
Director of CPI Hotels

Jan Kratina has served since 2008 as Chief Executive Officer and Chairman of the Board of CPI Hotels. He is responsible for the strategic development and expansion of the Group's hotel portfolio over recent years. Jan joined CPIPG in 2006 as Executive Director and has a long track record of over 20 years in the hospitality industry.

Board of Directors

Edward Hughes
Chairman of the Board

- Independent, non-executive member
- Age: 57
- Board Tenure: 10 years (since 2014; 10 as Chairman)
- Committee: Audit Chair, Investment, Remuneration

Jonathan Lewis
Former Real Estate Partner at CMS UK

- Independent, non-executive member
- Age: 68
- Board Tenure: 3 years (since 2020)
- Committee: Remuneration

Omar Sattar
Head of Investments, Colliers Czech Republic

- Independent, non-executive member
- Age: 52
- Board Tenure: 4 years (since 2019)
- Committee: ESG Chair, Audit, Investment, and Remuneration

David Greenbaum
CEO and Managing Director

- Executive member
- Age: 46
- Company Tenure: 5 years (since 2018)
- Committee: ESG, Investment

Tomáš Salajka
Director of Acquisitions, Asset Management & Sales and Managing Director

- Executive member
- Age: 48
- Company Tenure: 10 years (since 2014)
- Committee: ESG, Investment

Oliver Schlink
CFO of GSG Berlin

- Executive member
- Age: 53
- Company Tenure: 13 years (since Dec 2010)

photo: GSG Berlin © Marc-Steffen Unger

Philippe Magistretti
Chairman of Remontées mécaniques de Crans Montana Aminona (CMA) SA

- Non-executive member
- Age: 67
- Board Tenure: 10 years (since 2014)

Tim Scoble
Former CEO of GuocoLeisure Ltd

- Non-independent, non-executive member
- Age: 67
- Company Tenure: 2 years (since 2021)

Full bios can be found on the Group website:
https://cpipg.com/en/about-us#board-of-directors

3 Independent members

Fully Independent Audit & Remuneration Committees

Board benchmark matrix

	No. Board Members	% Independent Members	Average Tenure (years)	Average Age (years)
CPI Property Group	8	38 %	6 y	58 y
Peers*	8	36 %	7 y	59 y

* *Peers: Altarea, Aroundtown, Branicks Group, British Land Company, Cofinimmo, Covivio, Custodian Reit, Demire Deutsche Mittelstand Real Estate, Hamborner Reit, Harworth Group, Immofinanz, Land Securities Group, Lxi Reit, Merlin Properties Socimi, S IMMO, Shaftesbury Capital, Sirius Real Estate, Tlg Immobilien, UK Commercial Property Reit, Wallenstam. Sources: Company Website, FactSet.*

CPIPG's approach to corporate governance

The Group believes that good corporate governance is critical to safeguard the interests of all our stakeholders: shareholders, bondholders, lenders, tenants, employees, suppliers and contractors, communities and local authorities.

The Group's corporate governance practices primarily follow the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (the **"The X Principles"**). The Group's equity and debt securities are listed on several regulated exchanges, including Frankfurt, Luxembourg, Dublin, Tokyo, Warsaw, Vienna and Budapest. In each listing venue, the Group must also comply with applicable disclosure and governance rules.

CPIPG has implemented industry best practices with respect to corporate governance policies and external reporting. In 2019, the Group approved the "Code of Business Ethics and Conduct of CPI Property Group" (the **"Code of Ethics"**) and also newly updated policies governing procurement, supplier and tenants' conduct, anti-bribery and corruption, anti-money laundering, sanctions and export controls, whistleblowing, human capital and employment and corporate social responsibility (CSR). In 2022, the Group adopted a new group policy governing anti-trust compliance.

In 2023, the Group began a comprehensive periodical review of its policies to ensure a continuous update and improvement in the area of regulatory and corporate compliance. The Group is also revising its whistle-blowing directives at local levels in alignment with the delayed transpositions of the EU Whistleblower Directive into local laws, ensuring robust mechanisms for reporting and addressing concerns of the Group's stakeholders. Additionally, the Group's policies have been reviewed and updated by White & Case as mentioned earlier. Furthermore, the Group initiated a programme to implement the new EU NIS2 Directive requirements. These efforts underscore the Group's dedication to fostering a culture of integrity, accountability, and compliance across all facets of its operations.

The X Principles

CPIPG primarily follows the **X Principles** of Corporate Governance of the Luxembourg Stock Exchange.

The X Principles provide companies with guidance in the application of corporate governance rules and have evolved over time in line with changes in regulations and market practices. The X Principles are based on Luxembourg legislation regarding commercial companies, and specifically on the financial regulations that are applicable to companies listed on the Luxembourg Stock Exchange (and in general to all companies listed in the EU). The X Principles can be summarised as follows:

I. Corporate Governance Framework

The Company has adopted the X Principles as its main corporate governance framework. The Board of Directors considers corporate governance as vital for the Company's operation and progress. The Board regularly reviews the governance policies, works of its committees and communications with shareholders and investors. The Board of Directors has adopted the Code of Ethics and a set of Group applicable policies regulating the corporate governance framework, business ethics, diversity, human capital, suppliers and tenants conduct as well as anti-bribery, corruption, anti-money laundering.

II. The Board of Directors' Remit

The Board is responsible for the management and supervision of the Group. It acts in the best corporate interest of the Company, its shareholders and other stakeholders. The key goal of the Board is to ensure the long-term success of the Company.

The Board takes into account the Group's corporate social responsibility and the interests of all stakeholders in its deliberations. The Board of Directors' conduct, operation and relations with management are evaluated once a year. The initial evaluation is made by the Remuneration, Nomination and Related Party Transaction Committee (the **"Remuneration Committee"**), which reports its conclusion to the Board of Directors.

III. Composition of the Board of Directors and Committees

The Board is composed of highly experienced and qualified real estate and finance professionals with an excellent track record and thorough knowledge of the Group and its business. During 2020 the composition of the Board of Directors changed, and independence was further enhanced. In December 2020, two non-executive directors representing shareholders resigned and a new independent non-executive director was co-opted. Further, in December 2021, a new non-executive director representing shareholder Apollo was elected. As at 30 June 2024, the Board of Directors was composed of three executive directors, two non-executive directors, and three independent non-executive directors.

	Independence	Previous public C-suite experience	Previous public company board experience	Industry expertise	Financial expertise	Real estate operations experience	International experience
Edward Hughes	●			●	●	●	●
David Greenbaum		●	●	●	●	●	●
Jonathan Lewis	●			●			●
Philippe Magistretti				●	●	●	●
Tomáš Salajka		●	●	●	●	●	●
Omar Sattar	●		●	●	●	●	●
Oliver Schlink				●	●	●	
Tim Scoble		●	●	●	●	●	●
Total	**38%**	**38%**	**50%**	**100%**	**88%**	**88%**	**88%**

The Board has established the following committees: (i) Audit Committee, (ii) Remuneration Committee, (iii) Investment Committee, and (iv) Environmental, Social and Governance ("ESG") Committee. The members of the Audit Committee and the Remuneration Committee are independent. The Investment Committee is composed of two executive members and two independent members. The ESG Committee is presided by an independent member, however given its specific role, the majority comprises of executive members.

Audit Committee

Chair: Edward Hughes
Members: 3

The current composition of the Committee is fully independent and ensures the proper mix of audit, accounting and real estate experience

Key Responsibilities

- Reviews the Company's accounting policies and the communication of financial information
- Reviews and enhances the Group's reporting procedures by business lines
- Reviews risks factors and risk control procedures

Remuneration, Nomination, and Related Party Transaction Committee

Chair: Edward Hughes
Members: 3

The current composition of the Committee is fully independent

Key Responsibilities

- Presents proposals to the Board concerning remuneration, nomination, and incentive programs
- Also reviews related party transactions prior to Board's approval

Investment Committee

No Chair
Members: 4

This special Committee is composed of two executive members and two independent members

Key Responsibilities

- At the end of 2020, the Board created this committee to help operatively with investment decisions
- Advise the Board concerning investment, acquisitions / disposals and transactional matters

ESG Committee

Chair: Omar Sattar
Members: 5

The Committee is presided by an independent member. but the majority comprises of executive members

Key Responsibilities

- Responsible for the supervision, oversight and active promotion of ESG principles across the Group
- Also deals with green financing, and compliance matters for the Group

IV. Appointment of Members of the Board of Directors

Candidates for appointment to the Board are carefully evaluated. The candidates are initially reviewed by the Remuneration Committee. Independence, past conduct, qualification and benefit for the Group are factors considered. The Board, before submitting candidates to be voted on at a shareholders' general meeting, conducts interviews and evaluations of all prospective candidates to ensure that candidates are competent, honest, and qualified persons with relevant professional background and experience.

V. Professional Ethics

The Board, as a governing body, as well as each of the directors, exercises their respective mandates with integrity and commitment. The Board represents the shareholders as a whole and makes decisions in the Company's interest. A director who has a direct or indirect conflict between their interests and those of the Company in any business or matter to be resolved upon by the Board (i) must promptly inform the Board of such potential conflict; (ii) must request that it is stated in the minutes of the Board meeting; and (iii) cannot take part in such deliberations, nor vote in relation to the matter in which such director is conflicted.

The Code of Ethics, as an integral part of our internal rules, together with our Group policies, form a framework for our Corporate Governance and Compliance. The Code of Ethics states basic standards of conduct for all employees and agents acting on behalf of the Group, as well as for all members of the Group's corporate bodies and management (employees, agents and members of the Group's corporate bodies and management hereinafter the "Representatives"). The Code of Ethics and the Group policies are intended to prevent illegal, unethical or otherwise socially improper conduct across the Group.

VI. Executive Management

The Company has become a very successful real estate group, which has experienced significant growth in recent years. A swift decision-making process and cooperative atmosphere are among the Company's competitive advantages. To ensure a seamless continuation of this success, the Company has formally established an Executive Board comprised of its top executives. The Executive Board reports to the Investment Committee and the Board of Directors, respectively. The Executive Board receives instructions therefrom and is responsible for managing all day-to-day matters of the Group.

In order to streamline the decision-making process and clarify responsibilities, the members of the Executive Board manage and supervise divisions and departments under their direct reporting lines. The coordination and communication among various divisions and departments are vital for the Company's success and have the full support of management.

VII. Remuneration Policy

The Directors and the members of the Company's Executive Board are remunerated in a manner that is compatible with the long-term interests of the Company. To attract and also maintain the best talent, the Group strives to provide employees with competitive wages and other employment-related benefits, while ensuring observance of the equal pay for equal work rule.

Aside from cash remuneration, the Group uses various other tools to retain staff, which are set out in more detail in the "Involvement of stakeholders" section of the 2023 Management Report.

VIII. Financial Reporting, Internal Control and Risk Management

The Company has established a set of rules and procedures designed to protect the Group's interests in the areas of financial reporting, internal control, and risk management, including cyber risks. The Group's overall approach to risk is conservative. Key risks are assessed by ranking exposure on the basis of probability and magnitude and are closely managed. Analysis of sensitivity to these key risks is conducted at Group level.

IX. Sustainability

The Board has created the ESG Committee focusing on the supervision of sustainability, environmental, corporate social responsibility, green financing, and compliance matters for the Group.

The Group is fully committed to shared responsibility with the communities and environments wherever it is active. It strives to act transparently, ensure accountability and promote accessibility, inclusivity and smart livelihoods through its assets. The Group considers itself a reliable, responsible, equitable and proactive partner for all stakeholders and communities. In this spirit, it actively seeks relevant stakeholders, develops communication channels and addresses grievances.

Further detail on the Group's ESG initiatives and activities can be found in the "Employees and stakeholder involvement" section of the 2023 Management Report, while further detail on the Group's sustainability and environmental strategy and initiatives can be found in the "Environmental strategy and performance" section of the 2023 Management Report. Recent updates on the Group's ESG efforts can be found in the "ESG highlights" section of this report.

X. Shareholders

The Company's primary purpose is the creation of value for its shareholders. The Company respects the rights of its shareholders and ensures that they are treated equally. The Company constantly improves its communication with shareholders and the transparency of its reporting and conducts regular communication with its investors through our semi-annual and annual management reports, press releases, presentations, investor roadshows and semi-annual investor webcasts.

Bee hives at myhive Palmovka, Prague, Czech Republic

Board of Directors

The Company is administered and supervised by the Board of Directors appointed as a collegiate body by the general meeting of shareholders. The Board of Directors represents the shareholders as a group and acts in the best interests of the Company. All members, and in particular the independent and non-executive members, are guided by the interests of the Company's stakeholders, including shareholders, bondholders, creditors, tenants, and employees.

Appointment of Directors

The members of the Board of Directors are elected by the general meeting of shareholders for a period not exceeding six years. The Board of Directors shall be composed of the number of members determined by the general meeting of the shareholders and shall amount to at least three (3) members. The members of the Board of Directors are eligible for re-election and may be removed at any time by a resolution adopted by a simple majority of votes of the general meeting of shareholders. The Directors may be either natural persons or legal entities. In the event of a vacancy on the Board of Directors, the remaining members may co-opt a new member.

Powers of the Board of Directors

The Board of Directors is empowered to perform any acts necessary or useful in achieving the Company's objectives. All matters not expressly reserved to the general meeting by law or by Company's articles of association are within the competence of the Board of Directors.

Deliberations

Meetings of the Board of Directors may be convened by any Director. The Board can validly deliberate and act only if the majority of its members are present or represented. Resolutions shall require a majority vote. In the case of an equality of votes, the chairman of the meeting (if designated) will have a second or casting vote.

Delegation of Powers

The Board of Directors may delegate all or part of its powers concerning the day-to-day management and the representation of the Company in connection therewith to one or more Directors, corporation's directors, chief operating officers, chief executive officers, managers or other officers, who need not be shareholders of the Company. **Currently, David Greenbaum and Tomáš Salajka, have been appointed as the Company's Managing Director.**

Current Board of Directors

The current Board members were appointed during the Company's annual general meeting held on 30 May 2024. Their term expires at the annual general meeting of 2024 concerning the approval of the annual accounts of the Company for the financial year ending 31 December 2023.

As at 30 June 2024, the Board of Directors consists of the following members:

David Greenbaum (1977), executive member. CEO & Managing Director.

Edward Hughes (1966), independent, non-executive member. Chairman of the Board of Directors.

Jonathan Lewis (1955), independent, non-executive member.

Philippe Magistretti (1956), non-executive member.

Tomáš Salajka (1975), executive member. Director of Acquisitions, Asset Management & Sales, Managing Director.

Omar Sattar (1971), independent, non-executive member.

Oliver Schlink (1970), executive member. CFO and Managing Director of GSG Berlin.

Tim Scoble (1957), non-executive member, representing shareholder Apollo.

Board of Directors meetings in H1 2024

During the first half of 2024, the Board of Directors held a total of 7 meetings, out of which two were quarterly meetings, and five were ad-hoc board meetings, dealing with transactions and ongoing business matters of the Group. The average participation rate during the meetings of the Board of Directors was 98.2%, of which 96.4% represented personal attendance, 1.8% represented through proxies, and 1.8% was absent.

Independence

The Group is committed to continual enhancements to board transparency and independence. In 2019, the Board proposed to the Company's annual general meeting a second independent board member, Omar Sattar, a former managing director of Colliers International in the Czech Republic and a long-time CEE real estate specialist. Omar has been appointed to the Audit Committee and the Remuneration Committee and in 2020 he became the president of the ESG Committee. These committees are comprised of independent and non-executive members, whereas the majority is independent. In December 2020, the Board of Directors co-opted a third independent non-executive Board member, Jonathan Lewis. Jonathan became a member of the Remuneration Committee. Further, in December 2021, the Board of Directors welcomed a fourth non-executive Board member acting as Apollo's representative, Tim Scoble.

The independence criteria are revised semi-annually, and is assessed in line with The X Principles of Corporate Governance. An independent director must not have any significant business relationship with the company, close family relationship with any member of the executive management, or any other relationship with the company, its controlling shareholders or members of the executive management which is liable to impair the independence of the director's judgment.

The potential conflict of interest is taken very seriously. In accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended, a director who has a direct or indirect patrimonial conflict between his interests and those of the Company in any business or matter to be resolved upon by the Board of Directors (i) must promptly inform the Board of Directors of such potential conflict; (ii) must request that it is stated in the minutes of the Board of Directors' meeting; and (iii) cannot take part in these deliberations nor vote in relation to the matter in which such Director is conflicted. These provisions are strictly enforced by the Board of Directors.

Any related party transaction must be approved by the Board of Directors. In addition, the Group requests the members of the Board of Directors and senior management lists of their related parties for review and check of related parties transactions and potential conflict.

Audit Committee

The Audit Committee reviews the Company's accounting policies and the communication of financial information. In particular, the Audit Committee follows the auditing process, reviews and enhances the Group's reporting procedures by business lines and reviews risks factors and risk control procedures.

As at 30 June 2024, the Audit Committee is comprised of the following members:

- **Edward Hughes,** independent, non-executive member. Chairman of the Audit Committee.
- **Iveta Krašovicová,** independent, non-executive member.
- **Omar Sattar,** independent, non-executive member.

Following the appointment Omar Sattar in 2019 as the new independent, non-executive member of the Board of Directors, the Board agreed to appoint Omar to the Audit Committee. **This appointment further strengthened the composition of the Audit Committee and the number of independent members.** In the first quarter of 2020, the Board appointed Zdeněk Havelka to the Audit Committee. Zdeněk supervises the internal audit process across the Group, so his appointment directly includes internal audit matters within the scope of the Audit Committee. During the Audit Committee meeting held on 29 August 2023, Mr. Havelka resigned from his role with the Audit Committee in order to facilitate the full independence of the Audit Committee. The internal audit role supervision will be procured by direct reporting of the Group Internal Auditor towards the Audit Committee. The current composition of the Audit Committee is fully independent and ensures the proper mix of audit, accounting and real estate experience.

In H1 2024, the Audit Committee discussed primarily the ongoing review of the Group's financial statements: review of the Annual Management Report and consolidated financial statements for the year ended 31 December 2023 and the interim financial statements. Furthermore, the Audit Committee remained focused on the Group's financing and capital structure, with certain key financial and credit metrics being outside the financial policy. The Audit Committee also discussed allegations of the short seller report with our auditors.

Lastly, the Audit Committee dealt with external and internal audit matters. In H1 2024, the Audit Committee held four meetings with no absences.

Essence Garden visualisation, Budapest, Hungary

"The Group continues to focus on ESG improvements and reporting standards."

Omar Sattar, Chairman of the ESG Committee

ESG Committee

In early 2019, CPIPG's Board of Directors created the CSR Committee (which has since been renamed to the ESG Committee) focusing on the supervision of sustainability strategy, social and environmental risks management, corporate social responsibility, green financing, and compliance matters for the Group.

The main task of the ESG Committee is the supervision, oversight and active promotion of ESG principles across the Group.

In relation to the sustainability and environmental risks, the ESG Committee monitors and enhances:

- active use and promotion of energy efficiency and energy savings in line with current strategies and objectives;
- consideration of the life cycle implications at all stages of investments and planning;
- optimisation of usage of natural and other resources in order to benefit from efficient and responsible use, minimize waste, prevent pollution and promote reusing and recycling of raw materials;
- active promotion and encouragement of environmentally friendly conduct both internally and externally;
- increase of the share of the renewable energy sources in all Group's operations, such as equipping existing assets with solar panels;
- high-standard performance, including green LEED/BREEAM certifications, as well as other relevant external certifications, where possible;
- strengthened commitment to electro-mobility, development of biking infrastructure, ensuring proximity to public transport and access to amenities, and support of the concept of smart cities;
- increase of the share of green buildings in the Group's portfolio in line with the current strategy and seek to apply real estate life cycle assessment on new projects;
- application of innovative approaches in the Group's undertakings, including green roofs and net zero buildings; and setting verifiable and measurable goals in pursuit of improvement of the ESG performance.

In relation to the Group's corporate social responsibility, the ESG Committee monitors and enhances:

- transparency and accountability within the Group and vis-à-vis its stakeholders. The CSR Committee promotes active interaction with relevant stakeholders, development of communication channels across the Group;
- promotion of accessibility, inclusivity and smart livelihoods through the Group's assets;
- achievement of the Group's sustainability, social and business objectives through proper supply chain monitoring, sensible and sustainable procurement, as well as engagement in relevant social development matters;
- promotion of personal and professional development of the Group's employees;
- promotion of diversity and equal opportunity in the workspace in line with the Group's policies and applicable legal standards; and
- proper disclosures in relation to corporate social responsibility efforts on a regular basis.

The members of the ESG Committee are appointed by the Board of Directors. The ESG Committee shall have at least five members. Any member of the ESG Committee may be removed with or without cause (ad nutum) by a simple decision of the Board of Directors.

The ESG Committee shall be composed of highly experienced and qualified professionals with an excellent track record, thorough knowledge of the Group and its business, and experience in ESG-related matters. The ESG Committee shall be composed of a balanced mix of executive and independent directors as well senior managers across various functions and jurisdictions of the Group, including finance, asset management and legal departments.

The members of the ESG Committee shall always act in the best corporate interest of the Group, its shareholders and other stakeholders. The ESG Committee shall ensure that the Group takes into account corporate social responsibility and the interests of all stakeholders.

As at 30 June 2024, the ESG Committee is comprised of the following members:

- **David Greenbaum,** executive member;
- **Petra Hajná,** Group Sustainability Officer;
- **Martin Matula,** General Counsel;
- **Tomáš Salajka,** executive member; and
- **Omar Sattar,** independent, non-executive member, Chairman of the ESG Committee.

In H1 2024, the ESG Committee held two meetings.

Remuneration, Nomination, and Related Party Transaction Committee

The Remuneration, Nomination, and Related Party Transaction Committee (the **"Remuneration Committee"**) presents proposals to the Board of Directors concerning remuneration, nomination, and incentive programs to be offered to the management and Directors of the Company.

The Remuneration Committee also deals with related party transactions. Any related party transaction must be presented to the Remuneration Committee prior to the submission for approval by the Board of Directors. Where the related party transaction involves a director, that director must not take part in the deliberations and approval by the Board of Directors.

As at 30 June 2024, the Remuneration Committee is comprised of the following members:

- **Edward Hughes,** independent, non-executive member. Chairman of the Remuneration Committee.
- **Jonathan Lewis,** independent, non-executive member.
- **Omar Sattar,** independent, non-executive member.

All members of the Remuneration Committee are independent.

During H1 2024, the Remuneration Committee held two meetings.

The Board also discussed and reviewed its composition and composition of the committees, checked related party transactions, and cross-board mandates of the members. **No case of individual misconduct by any member of the Board of Directors, failure of business practices, or material remuneration controversy was reported to the Remuneration Committee.**

Investment Committee

The Investment Committee was created at the end of 2020 to advise the Board of Directors concerning investment, acquisitions and transactional matters. Given the large number of transactions, the Board created this special committee to help operatively with investment decisions.

As at 30 June 2024, the Investment Committee is comprised of the following members:

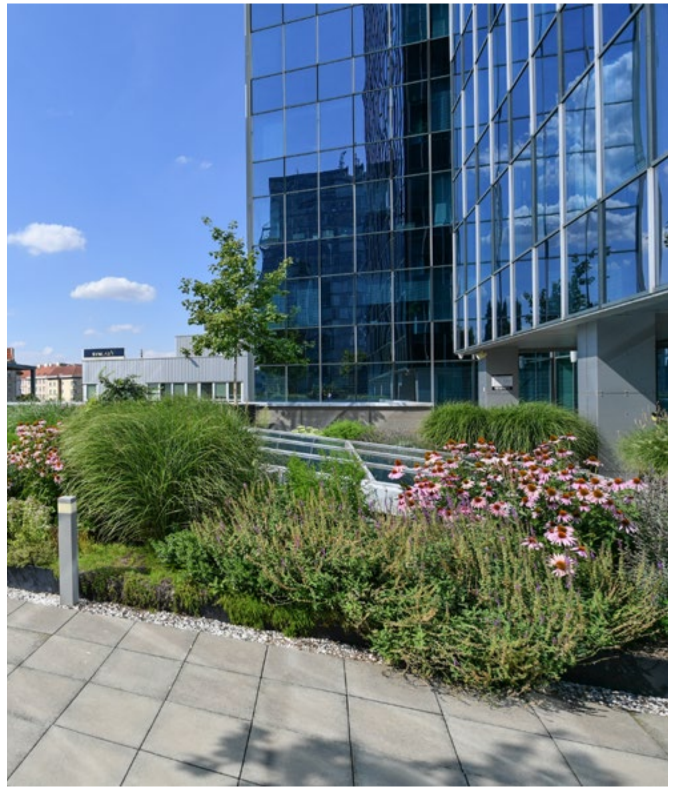
- **Edward Hughes,** independent, non-executive member.
- **David Greenbaum,** executive member.
- **Tomáš Salajka,** executive member.
- **Omar Sattar,** independent, non-executive member.

During H1 2024, the Investment Committee held two meetings.

Shareholding of Board members and senior management in CPIPG

As at 30 June 2024, certain members of the Board of Directors and senior management held in aggregate 30,526,902 CPIPG shares.

Tokovo, Prague, Czech Republic



The Mark, Bucharest, Romania

Financial Reporting, Internal Control and Risk Management

The Company has organised our internal control environment by identifying the main risks and opportunities to which we are exposed, determining the level of control over these risks, and strengthening the reliability of our financial reporting and communication processes. The update of the risk map is organised each year with the intention to highlight the new risks and strategies for their treatment. The Group's overall approach is risk averse.

There are inherent risks determined by the nature of our business, such as fluctuations in the value of assets, vacancies, volatility in market rents or risks associated with development activities. Key risks are assessed by ranking exposure on the basis of judgemental evaluation of inherent, residual and target impact (in value) and probability of occurrence (in %) as the basis for subsequent calculation of risk weight and are closely managed.

Analysis of sensitivity to these key risks is conducted at Group level. **The Group's management structure is designed to enable effective decision making.** The periodic reviews of key performance indicators are conducted: tenants' turnovers, vacancies, rent collection, arrears and doubtful debtors, and review of performance against budgets and schedules. Internal audits of control functions are regularly performed. Strict procedures are also observed for the periodic production of quarterly and annual figures on the basis of the adopted Group policies. There are clearly defined guidelines and approval limits for capital and operating expenditures and other key business transactions and decisions. The internal management reporting system is designed to identify fluctuations in the value of investments, income and expenses. Capital projects, major contracts and business property acquisitions are reviewed in detail and approved by the Board of Directors where appropriate.

Financial Risk

The Group maintains a prudent financial policy. Foreign exchange risks and interest rate risks arising from the Group's operations, financial assets and liabilities are carefully managed and mitigated through the use of a range of hedging instruments. Tenant credit risk is managed by utilising a range of measures including credit rating scorecards. **The Group has strong credit metrics supported by investment grade ratings, long-dated debt maturity profile, strong liquidity through cash and a large committed revolving credit facility** from ten banks expiring in 2026, and access to multiple sources of capital, including international bonds issued across multiple jurisdictions under the Company's EMTN programme, private placements, Schuldschein, secured loans from its relationship banks and equity investment from its majority shareholder. For financial risk, comprising of credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk) please refer to Note 7 in Consolidated Financial Statements.

Information Technology Risks

The Group has developed a strong information technology team, with dedicated information security specialists. The threat of data breach and loss or cyberattacks are taken very seriously. IT systems used across the Group are designed and developed in order to provide maximum security. Information security risk is carefully monitored, and information security policies are reviewed and updated. Employees are regularly guided to be aware of potential IT and cyber security related risks. The Group makes use of electronic data processing within automated information systems. Offsite data back-up and recovery measures are in place.

The Group will also be affected by the new EU NIS2 Directive and in order to meet the requirements of this new regulation, the Group has initiated a programme of its implementation.

Legal Risk

The Group has established a legal team at the central and local level to ensure proper implementation of legal services and compliance with applicable laws and regulations. Internal legal teams support management in daily operations with respect to ongoing transactions and legal relationships with clients, customers, banks, suppliers, administrative and governmental bodies, as well as courts. The legal teams monitor legislative changes and regulatory changes to minimise associated legal risks.

Complex transactions, litigation as well as certain legal services are outsourced to reputable law firms to ensure obtaining of the highest standards of legal services and minimisation of legal risks.

Local legal departments provide regular litigation reports to the general counsel who reports directly to the CEO. Legal reports, including litigation updates, are provided to the Board on quarterly basis, with major legal issues being reported immediately.

Development, Construction and Refurbishment Projects

The Group employs construction and development experts and skilled project managers for its construction and refurbishment projects. The suppliers of architectural, permitting, construction and refurbishment works are always tendered from reputable companies with relevant experience and financial capacity. **Project timing, progress and budgets are carefully monitored, mostly with the support of external project monitoring organisations.** Health, safety and environmental risks are monitored before and during construction.

Transaction and Asset Management Risk

Acquisitions of new assets are carefully examined through a detailed financial, legal, and operational evaluation prior to Board approval. Reputable external advisors are engaged to assist with acquisition processes starting from evaluation, due diligence, transaction negotiation and implementation.

Asset management initiatives are carefully scrutinised before implementation, taking costs and benefits into account. An experienced asset management team evaluates market pricing of lease transactions and also assists with acquisition processes.

An experienced property management team monitors retail tenants' turnovers, vacancies, rent collection, arrears and doubtful debtors. Rent collection is closely monitored and enforced in cooperation with the legal team. The tenant base is well diversified and there is limited exposure to individual tenants.

Asset Protection/Insurance

The Group insures all income-producing properties with all-risk property insurance at reinstatement cost, business interruption (revenues for 24 months) and third-party liability insurance. Some properties are also insured against terrorist acts. Properties under development have construction all-risk insurance. **Insurance is contracted from reputable international insurers.** The Audit Committee and the Remuneration Committee have specific duties in terms of internal control.

Subsequent Events

Please refer to Note 11 of the Financial Statements.

Financial Risks Exposure

For detail description of the principal risks and uncertainties, please refer to Note 2 Basis of Preparation of the Consolidated Financial Statements.

ESG highlights

In the first half of 2024, the Group focused on improving the integration of the reporting process, with particular emphasis on the collection and processing of environmental and social data. In the second quarter of 2024, our key initiatives centred around the Group's **Double Materiality Assessment, Climate Risk Assessment, and Climate Transition Action Plan,** alongside efforts to strengthen collaboration with our tenants through the implementation of green leases and enhancing market visibility. We also encountered challenges in H1 related to sustainability, accompanied by new directives and non-financial reporting requirements.

Climate risk assessment

A significant recent development is the comprehensive assessment of Physical Climate Risks for all properties owned and managed by CPIPG, both at the portfolio level and on an individual building basis. We evaluate climate risk utilising an external tool provided by ESG Software, named Climcycle, tailored for this specific assessment.

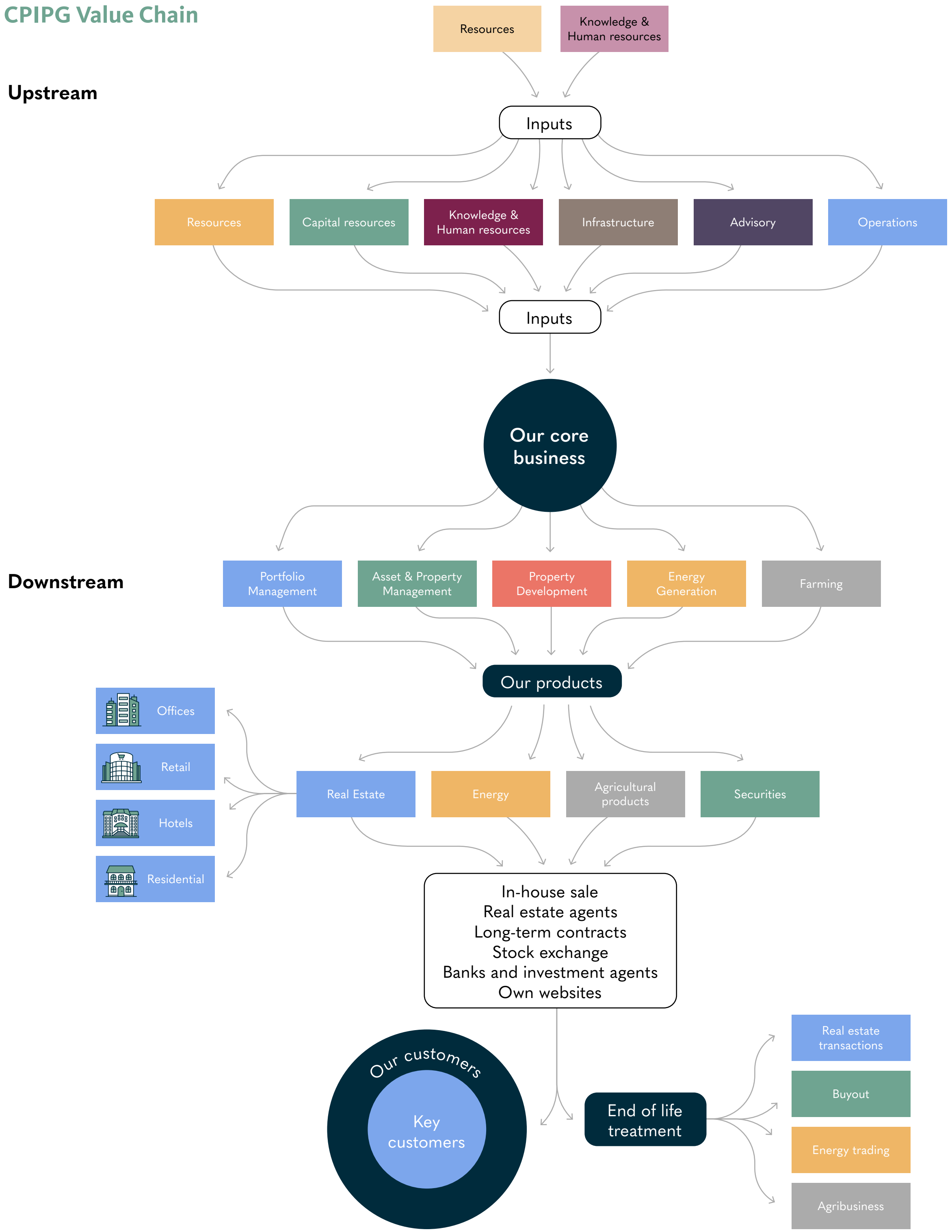
The Physical Climate Risk module of the platform assesses potential risks by analysing a range of climate scenarios, utilising high-resolution projections and data from authoritative sources such as Copernicus and ISIMIP. This module systematically identifies and evaluates physical climate risks, offering valuable insights for developing effective mitigation and adaptation strategies. Furthermore, this tool is designed to **comply with EU Taxonomy regulations** and evaluates risks based on Representative Concentration Pathway (RCP) scenarios, thereby facilitating informed long-term investment decisions.

For the entire Group's portfolio, we have conducted a two-tiered analysis resulting in two sets of findings. The first set is an **aggregate evaluation for the entire company,** highlighting which risks are frequently assessed as high within our portfolio. It is likely that the predominant risks identified — floods, water stress, and heat stress — will not come as a surprise. The second set provides an **individual evaluation for each building.**

Double materiality assessment

The Double Materiality Assessment, in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD), was identified as a priority task for 2024. This enables us to **effectively integrate the assessment results into our upcoming reporting cycle.** We adopted a **top-down approach** for this assessment, conducted at the Group level while also engaging and consulting with our subsidiaries in alignment with the EFRAG guidelines. The first mandatory step of the Double Materiality Assessment is to **define the Group's Value Chain as illustrated in the accompanying graphic,** and which was subsequently endorsed by the ESG Committee. The CPIPG's Value Chain includes a broad spectrum of activities, from property development and construction to leasing and property management. Each stage involves various stakeholders, such as suppliers, contractors, tenants, and service providers, all contributing to the overall impact of our operations. The Double Materiality Assessment's outcome received approval during the ESG Committee meeting held in August 2024.

CPIPG Value Chain



Climate Transition Action Plan

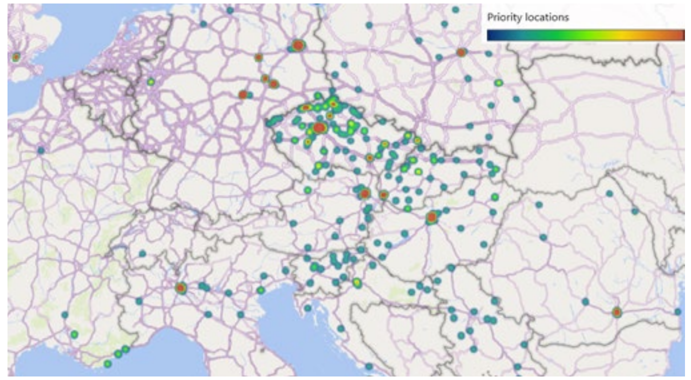
Our company has been working to develop a comprehensive Climate Transition Action Plan, which has become an integral aspect of our operations. Our commitment to develop a Climate Transition Action Plan is driven by the need to **comply with evolving regulations, mitigate climate-related risks, and capitalise on new market opportunities.** This strategic initiative is essential for ensuring the long-term success and sustainability of CPI Property Group in the real estate sector. The Climate Transition Action Plan was approved by the ESG Committee in August 2024, is part of 2023 CDP submission and can be assessed at the Group's website.

Priority location mapping

Biodiversity is the natural world around us and essential to the processes that support all life on Earth, including humans. Despite significant efforts and an increase in biodiversity protection, biodiversity is still exposed to pressures such as changes in land use (e.g. urbanisation), climate change, pollution and invasive species. The preservation of biodiversity is essential not only for its intrinsic value but also because it provides us with clean air, fresh water, quality soil and crop pollination and much more. In light of the pressing challenges related to biodiversity and the vital connections between people and nature, we have conducted an assessment of our portfolio's locations to evaluate their potential impact on biodiversity and water resources. As a result, we have identified priority locations, specifically buildings situated in or near areas that are critical for biodiversity, as well as those located in regions with water-related risks.

Our assessment incorporates **legally protected areas, UNESCO World Heritage sites, and Key Biodiversity Areas (KBAs),** utilising publicly available data from the European Environment Agency. For locations at risk of water-related issues, we referenced our recent Climate Risk Assessment, which was performed using advanced the software tool Climcycle.

The priority properties are predominantly located in the Czech Republic and several German cities, including Berlin, Leipzig, and Erfurt. Additional regions with a significant number of priority properties comprise Budapest and Vienna. Based on the results we can now focus on these priority sites in the next phases and evaluate our buildings, whether they may directly and/or indirectly cause impacts.



Share of Green Buildings

One of our ESG goals is to **increase the share of certified green buildings in our property portfolio,** preferably with a high level of certification. As of the end of the first half of 2024, the percentage of green buildings accounts for 41.4% of the total value. During this period, the Group actively pursued the BREEAM In-Use (BIU) certification for its existing properties, successfully upgrading to the latest and more rigorous version 6 of the certification.

Additionally, the **Nová Zbrojovka project in Brno,** has received the prestigious, internationally recognised **BREEAM COMMUNITIES interim certification** as the first municipality encompassing office, residential, retail, and public properties in the Czech Republic to achieve this. An integrated network of green roofs incorporating photovoltaic systems will be established throughout the district. These photovoltaic systems will create a community power plant with the capacity to generate up to 4 GWh of clean energy, which will satisfy approximately 10% of the neighbourhood's electricity requirements. Public spaces will be developed in accordance with environmentally sustainable principles, known as blue-green infrastructure, ensuring that rainwater is captured and utilised effectively. Additionally, nearly 30% of all surfaces in Nová Zbrojovka will be covered with vegetation.

Energy self-sufficiency

Several new photovoltaic (PV) installations have been implemented across the Group, including locations in Germany, the Czech Republic, Hungary, Slovenia, and Serbia.

As the operator of the largest photovoltaic installations in Berlin, with a total capacity of 5.75 MWp, **GSG Berlin** is committed to maximising potential and ensuring that locally generated energy is consumed on-site. In line with this approach, GSG has installed **32 PV modules on the rooftops of its new development on Adalbertstraße.** The electricity generated by these modules is directly utilised by the building's heat pump, thereby enhancing the building's self-sufficiency. Despite the limited rooftop space available for PV installations, an impressive 39% of the energy needs are met by this system.

A few noteworthy installations in the Czech Republic include a 144 kWp photovoltaic system at the Hraničář project in Ústí nad Labem and another 957 kWp at **Shopping Centre Futurum in Kolín.**

An additional example is the photovoltaic rooftop installation for **Tesla at Nová Zbrojovka in Brno,** which has a capacity of 108 kWp.

In **Hungary,** multiple photovoltaic installations have been completed across different segments, including office buildings like Blue Cube, River Estates, and Szépvölgyi Business Park as well as retail locations such as the **Campona Shopping Centre** in Budapest.

Recently, photovoltaic systems have been successfully installed at various **STOP SHOP locations in Slovenia.** These installations include STOP SHOP Murska Sobota (330 kWp), STOP SHOP Celje (168 kWp), STOP SHOP Domžale (105 kWp), STOP SHOP Kranj (288 kWp), STOP SHOP Postojna (136 kWp), and STOP SHOP Velenje (210 kWp).

In **Serbia,** following the successful pilot project in Požarevac, we are thrilled to announce the launch of solar power plants at four additional locations: Šabac, Smederevo, Zaječar, and Leskovac. With a total capacity of 3.8 MWp and an estimated annual production of 4.2 GWh, this expansion represents a substantial leap towards sustainability.

Market visibility and ESG engagement

We strive to be active in our markets. **Henrietta Budai, Sustainability Manager at CPI Hungary,** participated in a number of speaking engagements during the first half of 2024. Henrietta presented within the framework of the Civil Business School in the XV. District, organised by Civil Impact Nonprofit Kft. and the XV. District Local Government, showcasing the company's approach to sustainability and its openness towards civil-focused partnerships and projects. Pólus Shopping Centre, owned by CPIPG and located in the district, is often approached by civil organisations seeking collaboration; however, most of the time, they are unsure how to achieve their goals. Joining the programme provided a perfect opportunity to support corporate collaborations of organisations closely intertwined with the importance of sustainability.

Henrietta attended a two-day real estate conference, **Portfolio Property X 2024,** where a half-day session was dedicated to ESG topics. She participated in a panel discussion titled **Endless Risks and the Shadow of ESG,** during which we examined real estate evaluations and the emphasis placed on ESG considerations. Additionally, we sponsored the day zero of the conference by inviting business leaders to cycle nearly 150 kilometres from Budapest to the conference venue in Balatonfüred, demonstrating the commitment to sustainable transportation and fostering community engagement.

An additional event was the ESG conference for small and medium-sized enterprises organised by the Business Association of Hungarian CEOs, titled **ESG Future 2024: Legislative Background and Supply Chain Assessment.** This conference was held at our Gateway Office Park's event centre, where Henrietta had the opportunity to showcase the ESG achievements related to the building and discuss the green lease features.

In May 2024, we had the opportunity to participate in the **CEE Sustainable Finance Summit,** where we contributed to a panel discussion focused on Real Estate. During this session, Petra Hajná, CPIPG's Sustainability Officer, shared our recent experience with a newly issued green bond, highlighting the journey from the concept of sustainability to its execution.

In Serbia, we were **celebrating Earth Day** with a commitment to sustainability. We are proud to contribute by growing urban forests in our STOP SHOP retail parks in Lazarevac, Vršac, Subotica, and Sremska Mitrovica, **preserving biodiversity, and improving air quality.** These initiatives not only enhance biodiversity but also contribute to improved air quality. Our retail parks are dedicated to delivering exceptional service to our tenants while setting benchmarks for sustainable development within the industry.

Sustainable financing

CPIPG is a leader in sustainable financing

The Group believes sustainable financing is a critical tool that integrates our overarching environmental objectives into our financing strategy and shines a light on the Group's ESG profile for our stakeholders. CPIPG continues to be an innovator in the sustainable finance space, placing the ESG agenda at the forefront of its overall corporate strategy. The Group began issuing green bonds in 2019 and completed its first sustainability-linked bond in 2022 as the first real estate company from the region. In 2024, CPIPG issued €500 million of 5-year senior unsecured green bonds. More than €3 billion of orders were placed for the green bonds, the strongest-ever response to a bond issue by CPIPG.

CPIPG has issued five Green Bonds:

October 2019
€750m
7-year maturity

January 2020/January2022
£400m
(€471 million-equivalent)
8-year maturity

May 2020
€750m
6-year maturity

August 2020
HUF 30bn
(€86 million-equivalent)
10-year maturity

May 2024
€500m
5-year maturity

Sustainability-linked Bond:

January 2022
€700m
8-year maturity

Sustainability-linked Loan:

March 2023
€100m
5-year bullet maturity

Expanding the sustainability commitment, we completed an innovative sustainability-linked swap transaction in January 2023. The sustainability linked-swap relates to the Group's issuance of GBP-denominated green bonds, which were fully hedged to EUR on the issue date in January 2020 via a cross-currency swap ("CCS"). In 2023, CPIPG elected to adjust the terms of the CCS with Sumitomo Mitsui Banking Corporation ("SMBC") to include sustainability elements. In March 2023, the Group signed a debut Sustainability-linked Loan through a bilateral facility with MUFG. The senior unsecured loan totals €100 million, with a bullet maturity of five years.

Sustainability Finance Framework

In January 2022, CPIPG introduced its Sustainability Finance Framework combining both Sustainability-Linked and Green Bond Frameworks. Second Party Opinion from Sustainalytics was published in January 2022. The targets set by CPIPG in the Framework were assessed by Sustainalytics, as an independent second-party opinion provider, to be "ambitious" with "very strong" key performance indicators that are aligned with the Paris agreement.

The Framework has been developed in alignment with the 2021 Green Bond Principles and the 2020 Sustainability-Linked Bond Principles. The Sustainability Finance Framework and the Second Party Opinion from Sustainalytics are available on CPIPG's website.

Green Bond Framework

CPIPG's Framework is aligned with the core components of the EU Green Bond Standard, as proposed in June 2019. CPIPG is monitoring the EU Green Bond Standard and EU Taxonomy on sustainable activities and Technical Screening Criteria and may make further updates to the Framework in the future accordingly.

Until the full allocation and at least annually, CPIPG reports on issued Green Bonds in line with the ICMA GBP 2018 Harmonised Framework for Impact Reporting.

Eligible Sector	Eligibility Criteria
Green buildings	Acquisition, construction or refurbishment of portfolio which meet recognised international sustainability standards, such as: • BREEAM (Excellent and above) • BREEAM In-Use (Very Good and above) when certified under the most recent version of the certification scheme • LEED (Gold and above)
Energy efficiency	• Acquisition, construction or refurbishment of buildings built before 31 December 2020 which qualify for Primary Energy Demand ("PED") of at least 10% below the threshold set for nearly zero-energy building ("NZEB") requirements • Acquisition, construction or refurbishment of buildings built after 31 December 2020 belonging to the top 15% most energy-efficient buildings in the local market** or have at least an Energy Performance Certificate ("EPC") class A • Renovations or refurbishment of existing buildings, delivering a minimum 30% reduction in carbon emissions intensity or two letter grade improvements according to local EPC
Renewable energy	• Installation of photovoltaic, solar, wind, biogas (solely from waste sources) and heat pumps (air and ground source), and combined heat and power • Dedicated support infrastructure for renewable energy sources across building management systems
Environmentally sustainable management of living natural resources and land use	Promotion of ecological value, biodiversity and organic agriculture, such as: • Farmland certified against EU standards on organic farming production • Installation of green roof gardens • Facility and infrastructure new build or upgrades that contribute to the protection of living natural resources, including, for instance, beehive rooftop installations and artificial nesting sites for birds

Project selection and evaluation process

The Project Evaluation and Selection Process ensures that the proceeds of CPIPG Green Bonds are allocated to finance or refinance projects that meet the criteria and objectives set out in Use of Proceeds. It is carried out internally by the **CPIPG Green Bond Team,** composed of the legal, finance and investor relations departments across the Group.

On an ongoing basis, eligible Use of Proceeds from CPIPG's portfolio of projects are identified and proposed by the Green Bond Team. The Green Bond Team takes the **CSR Principles and Policy** into account. The selected Eligible Projects are presented to the ESG Committee for review. After a thorough inspection, the Committee presents its conclusion to the Board of Directors. While any CPIPG Green Bonds are outstanding, in the case of divestment or cancellation of a project to which proceeds have been allocated, CPIPG reallocates the proceeds to other eligible projects as it happened during the year 2022.

The Green Bond Team also reviews the management of proceeds and facilitates reporting.

The Committee supervises the processes under the Green Bond Framework and requires relevant updates from the Green Bond Team. As part of its reporting to the Board of Directors, its findings, conclusions and recommendations are submitted to the Board of Directors.

Management of proceeds

Proceeds of CPIPG Green Bonds are managed through the **Green Financing Register.** The proceeds of each CPIPG Green Bond are earmarked against the pool of eligible projects and expenditures identified in the Green Financing Register. The Green Financing Register is reviewed annually by the Green Bond Team to account for any reallocation, repayments or drawings on the eligible projects and expenditures within the pool. The conclusion of the Green Bond Team is presented to the ESG Committee.

Reporting

Until the full allocation and on an annual basis, CPIPG provides reporting in regard to the Green Bonds in line with the ICMA GBP 2018 **Harmonised Framework for Impact Reporting.**

Green Bond allocation

CPIPG adopted **portfolio reporting for the first time** in the FY2020 Green Bond Financing report and no longer reports Green Bond allocations on a bond-by-bond basis. This facilitates optimal reporting efficiency and clarity for our investors. The following analysis reports on allocations across all five Green Bonds issued by the Group.

Sustainalytics has verified the latest Green Bond allocation as part of the Annual Review process, which concluded that the proceeds from issued Green Bonds have been allocated to assets and projects in accordance with the Use of Proceeds and Reporting Criteria under the Group's Green Bond Framework. The Sustainalytics Annual Review letter can also be found on CPIPG's website.

SUSTAINALYTICS

Allocation of eligible assets	Total €m	*Allocated as of 31.12.2020*	*Re-allocated as of 31.12.2021*	*Re-allocated as of 31.12.2022*	*(Re-)Allocated as of 30.06.2024*
Certified green buildings	2,175.2	1,406.8	0.0	271.2	497.1
Energy efficiency projects	58.9	55.3	3.6	0.0	0.0
Agriculture assets	102.5	102.5	0.0	0.0	0.0
Renewable energy projects	5.7	5.7	0.0	0.0	0.0
Equity investments*	151.8		3.7	148.1	0.0
Total	**2,494.0**				

** Data regarding Globalworth's green buildings as at 6 May 2020. The calculation relates to the value of CPIPG's stake in Globalworth as at 31 Dec 22 pro-rated based on the the value of the company's certified green buildings as a percentage of it's property portfolio value. The elegibility criteria of the most recent Green Bond Framework as of January 2022 are applied.*

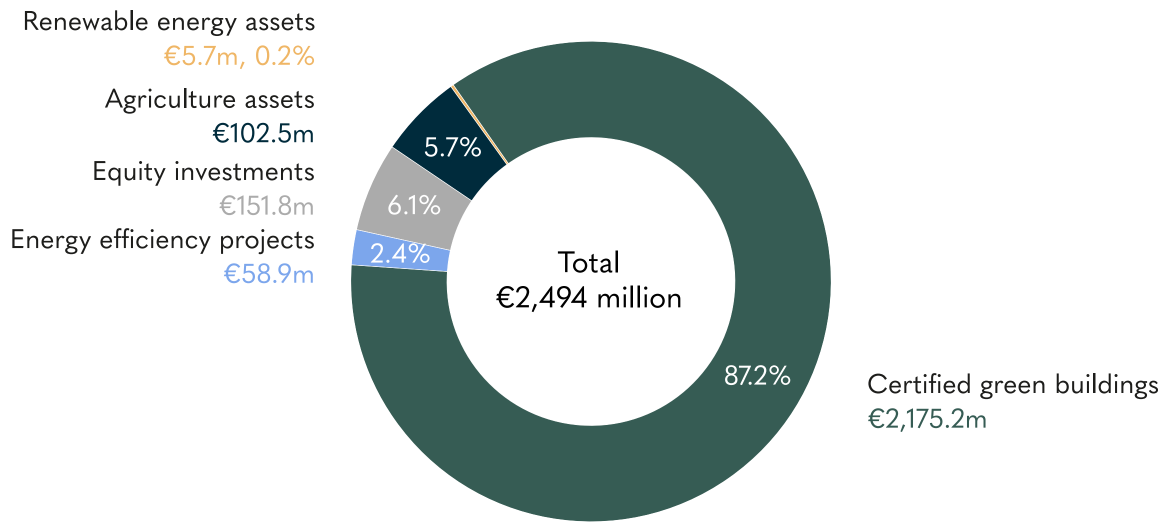
Green bond net proceeds received	Total €m	%
EUR Green Bond, April 2027	735.9	29.5%
GBP Green Bond, January 2028	466.3	18.7%
EUR Green Bond, May 2026	732.5	29.4%
HUF Green Bond, August 2030	88.5	3.5%
EUR Green Bond, May 2029	470.7	18.9%
Total	**2,494**	**100%**

Percentage of net proceeds allocated to eligible assets	**100%**

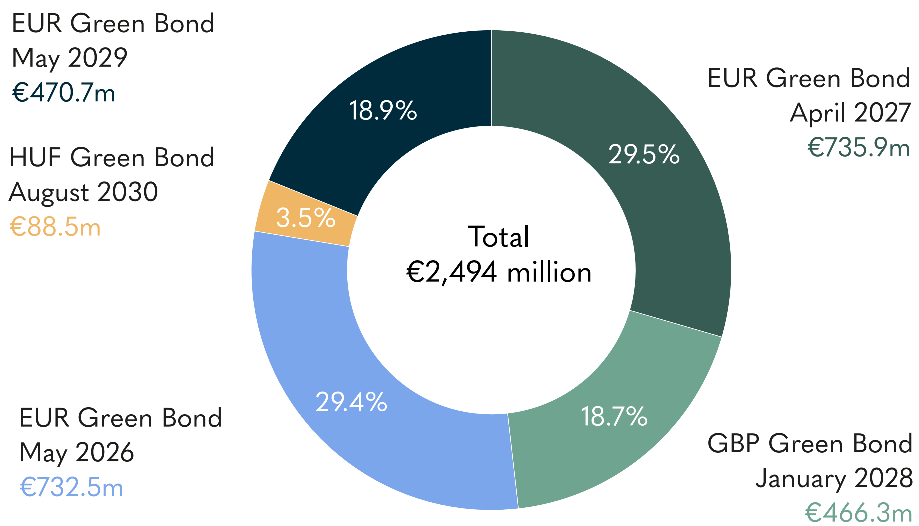
Pro-rata allocation of issued green bonds to eligible assets as at 30 June 2024	€m	%
Allocation of certified green buildings	2,175.2	87.2%
Allocation of energy efficiency projects	58.9	2.4%
Allocation of agriculture assets	102.5	4.1%
Allocation of renewable energy assets	5.7	0.2%
Allocation of equity investments	151.8	6.1%
Total	**2,494**	**100%**

Share of financing vs refinancing	€m	Financing	Refinancing
Certified green buildings	2,175.2	750.0	1,425.1
Energy efficiency projects	58.9	–	58.9
Agriculture assets	102.5	–	102.5
Renewable energy assets	5.7	–	5.7
Equity investments	151.8	–	151.8
Total	**2,494**	**750.0**	**1,743.9**
Percentage		**30.1%**	**69.9%**

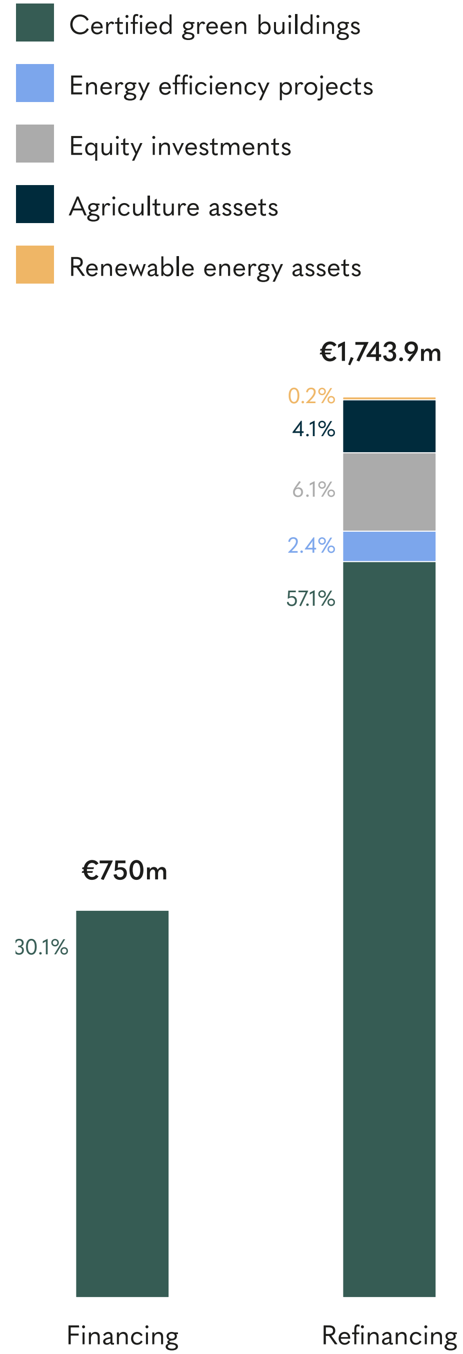
Green bond allocation by eligible asset category



Green bond net proceeds split by issuance



Green bonds allocation by eligible assets – financing vs refinancing



Green Bonds Impact reporting

As a real estate company, energy consumption relating to the operation of buildings is the main contributor to climate change through greenhouse gas ("GHG") emissions. The Group aims to achieve sustainable operation of its properties by identifying opportunities to reduce GHG emissions wherever possible.

The Group works together with the **University Centre for Energy Efficient Buildings ("UCEEB") of the Czech Technical University in Prague** to assist with the calculation and review of impact metrics. In addition, the methodology and calculation of greenhouse gas ("GHG") reduction is reviewed and verified by an independent third party, CI2. Finally, according to the Green Bond Framework, CPIPG is committed to verifying its reporting by an independent third party. **Sustainalytics has reviewed the following Green Bond Impact Reporting as part of the Annual Review process performed in August 2024.** The Annual Review letter can be found on the Group's website.

Due to the recent Green Bond issuance in May 2024, Green Bond Impact reporting is provided on **as part of the H1 2024 Management Report** with regard to the entire **Green Bond portfolio** and includes primarily the allocation of the net proceeds breakdown by Eligible Assets categories, a list of projects financed, the geographical distribution of eligible projects, as well as the share of financing versus refinancing.

For the Impact Reporting provided in this report, we currently exclude qualifying equity investments from the analysis due to the fact that the allocation of Green Bond net proceeds to this category is immaterial.

We provide impact reporting using the **metrics recommended in the Harmonised Framework for Impact Reporting** for each Eligible assets category as follows:

Eligible Asset category	Impact Reporting metrics
Green buildings	• Level of certification by property • Annual GHG emissions reduced/avoided (t CO_2 eq pa) • Annual/baseline energy savings (MWh pa) • Annual/baseline reduction in water consumption (m^3)
Energy efficiency	• Annual GHG emissions reduced/avoided (t CO_2 eq pa) • Annual energy savings (MWh pa) • Percentage annual energy efficiency gain relative to an established baseline
Renewable energy	• Renewable energy capacity added/rehabilitated (MWh pa) • Annual GHG emissions reduced/avoided (t CO_2 eq pa) • Annual energy savings (MWh pa) • Percentage annual energy efficiency gain relative to building energy performance base line defined for particular type in region
Environmentally sustainable management of living natural resources and land use	• Amount of land covered by open space (hectares and %) • Estimated land area with biodiversity management (in hectares) • Quality enhancement of soil and/or land and/or water through management practices associated with land use specific projects

The performance of buildings in operation is subject to change due to weather patterns, building occupation and visitor rates. Changes in occupation and associated retrofits may, in the short-term, affect building systems and fluctuation in energy and water consumption. The increased water consumption was mainly in the office segment as the office life in Europe returned to pre-pandemic levels and thus the water intensity reached almost the same levels as in year 2019.

For farms, quality enhancement of soil, land and water through management practices associated with land use, specific projects are measured through the amount of grassland which helps retain moisture in the landscape or allows for harvesting straw and hay for cattle feeding. The manure is then used on-site for fertilising the arable land or composting. This completes a virtuous cycle in terms of natural resources.

Environmental impact of Green Bond portfolio

Green Buildings

12,685 t CO_2 eq pa
annual GHG reduction in 2023

9,350 MWh pa
annual energy savings in 2023

Renewable Energy

1,242 t CO_2 eq pa
annual GHG reduction in 2023

4,521 MWh pa
annual energy production in 2023

photo: © Andreas Simon

Energy Efficiency

2,771 MWh pa
annual energy savings in 2023

680 t CO_2 eq pa
annual GHG reduction in 2023

photo: © CHL

Sustainable Farming

15,915 ha
grassland area in 2023

45,356 t
soil enrichment with fertilising in 2023

Green Bond Impact Report – Annual 2023/2022

Green buildings

Project name	Type of asset	Region	Gross Lettable Area (GLA m²)	Eligibility criteria	Eligibility criteria met on this date	Valid through	Signed amount (€m)	Allocated amount (€m)	Certification	GHG emissions reduced/avoided ($t\ CO_2$ eq pa)	Energy savings (MWh pa)	Reduction in water consumption (m³)	Data available for past 2 years (yes/ N/A)
SC Nisa	Shopping centre	Czech Republic	49,000	Acquisition	29 March 2017	6 September 2024	105.000	105.000	BREEAM In-Use PART 2 – Excellent	(589.01)	1,265.56	(1,134.00)	yes
Eurocentrum – Alfa, BetaGammaDelta	Office	Poland	85,000	Acquisition	27 November 2019	–	243.700	243.700	BREEAM In-Use PART 1 (v6)/LEED BD+C – Very Good/Platinum	494.80	(711.64)	(4,197.00)	yes
Warsaw Financial Center	Office	Poland	50,000	Acquisition	05 December 2019	30 January 2025	261.339	261.339	LEED O+M – Gold	400.86	906.40	(5,742.88)	yes
SC Olympia Plzeň	Shopping centre	Czech Republic	41,000	Acquisition	29 March 2017	13 February 2026	156.900	156.900	BREEAM In-Use PART 1 – Very Good	421.16	1,003.57	1,426.00	yes
SC Ogrody	Shopping centre	Poland	42,000	Acquisition	29 March 2017	–	120.500	120.500	BREEAM 2009 Europe – Very Good	2,897.45	904.68	872.00	yes
Equator IV	Office	Poland	21,000	Acquisition	07 November 2019	–	58.000	58.000	BREEAM 2009 Europe – Very Good	256.62	718.17	(1,302.00)	yes
Green Corner	Office	Poland	15,000	Acquisition	28 January 2020	–	53.700	53.700	LEED BD+C – Platinum	47.14	25.28	(576.08)	yes
City West B2 + B3	Office	Czech Republic	29,000	Acquisition	06 May 2017	14 Jul/16 Sep 2025	38.200	38.200	BREEAM In-Use PART 1 – Very Good/Excellent	(874.86)	253.08	(3,101.00)	yes
Arena Corner	Office	Hungary	30,000	Acquisition	06 May 2017	13 December 2024	25.500	25.500	BREEAM In-Use PART 1 – Very Good	71.44	288.53	207.00	yes
Gateway Office Park	Office	Hungary	36,000	Acquisition	06 May 2017	05 November 2024	32.000	32.000	BREEAM In-Use PART 1 – Very Good	1,117.72	2,546.26	(148.00)	yes
Balance Loft	Office	Hungary	7,000	Acquisition	06 May 2017	05 November 2024	3.200	3.200	BREEAM In-Use PART 1 – Very Good	33.88	142.34	317.00	yes
Andrássy Palace	Office	Hungary	9,000	Acquisition	01 December 2018	08 November 2024	23.300	23.300	BREEAM In-Use PART 1 – Very Good	40.99	97.08	191.00	yes
Quadra – BC 30	Office	Hungary	13,000	Acquisition	06 May 2017	08 November 2024	15.200	15.200	BREEAM In-Use PART 1 – Very Good	59.31	240.27	(492.00)	yes
Balance Tower	Office	Hungary	9,000	Acquisition	06 May 2017	05 November 2024	4.300	4.300	BREEAM In-Use PART 1 – Very Good	63.49	227.29	1,454.00	yes
Balance Hall	Office	Hungary	16,000	New Development	17 April 2020	–	48.000	48.000	BREEAM Int NC 2016 – Very Good	21.72	183.43	4,759.00	yes
Equator II	Office	Poland	23,000	Acquisition	30 January 2020	27 February 2026	60.300	60.300	BREEAM In-Use PART 1 – Very Good	520.01	118.65	(349.00)	yes
Atrium Plaza	Office	Poland	15,000	Acquisition	25 April 2018	14 April 2025	37.400	37.400	BREEAM In-Use PART 1 – Very Good	2,237.62	34.15	488.00	yes
Equator I (myhive Equator)	Office	Poland	19,000	Acquisition	05 March 2020	18 September 2026	39.400	39.400	BREEAM In-Use PART 1 – Very Good	83.44	859.18	557.00	yes
Moniuszki Tower	Office	Poland	10,000	Acquisition	30 June 2020	18 March 2027	33.600	33.600	BREEAM In-Use PART 1 – Excellent	1,920.68	84.95	(125.00)	yes
Atrium Centrum	Office	Poland	18,000	Acquisition	26 August 2018	28 June 2026	47.300	47.300	BREEAM In-Use PART 1 – Very Good	3,460.65	162.42	(172.00)	yes
myhive Metroffice	Office	Romania	21,000	Acquisition	3 March 2022	–	50.150	50.150	LEED BD+C – Gold	N/A	N/A	N/A	N/A
myhive S-Park	Office	Romania	34,000	Acquisition	3 March 2022	8 February 2024	79.643	79.643	BREEAM In-Use PART 1 – Excellent	N/A	N/A	N/A	N/A
myhive IRIDE Eighteen	Office	Romania	11,000	Acquisition	3 March 2022	21 October 2025	16.780	16.780	BREEAM In-Use PART 1 (v6) – Excellent	N/A	N/A	N/A	N/A
myhive IRIDE Nineteen	Office	Romania	18,000	Acquisition	3 March 2022	13 October 2025	26.900	26.900	BREEAM In-Use PART 1 (v6) – Excellent	N/A	N/A	N/A	N/A
myhive IRIDE Twenty	Office	Romania	10,000	Acquisition	3 March 2022	15 September 2025	15.420	15.420	BREEAM In-Use PART 1 (v6) – Very Good	N/A	N/A	N/A	N/A
VIVO! Baia Mare	Retail	Romania	29,000	Acquisition	3 March 2022	18 July 2025	50.210	50.210	BREEAM In-Use PART 1 (v6) – Excellent	N/A	N/A	N/A	N/A
STOP SHOP Požarevac	Retail	Serbia	10,000	Acquisition	3 March 2022	4 May 2025	12.410	12.410	BREEAM In-Use PART 2 – Excellent	N/A	N/A	N/A	N/A
STOP SHOP Valjevo	Retail	Serbia	6,000	Acquisition	3 March 2022	26 January 2025	9.430	9.430	BREEAM In-Use PART 2 – Excellent	N/A	N/A	N/A	N/A
STOP SHOP Sremska Mitrovica	Retail	Serbia	7,000	Acquisition	3 March 2022	26 January 2025	10.270	10.270	BREEAM In-Use PART 2 – Excellent	N/A	N/A	N/A	N/A
VIVO! Cluj-Napoca	Shopping centre	Romania	62,000	Acquisition	7 May 2024	17 September 2026	166.000	166.000	BREEAM In-Use PART 1 (v6) – Excellent	N/A	N/A	N/A	N/A
VIVO! Constanta	Shopping centre	Romania	35,000	Acquisition	7 May 2024	2 October 2026	95.500	95.500	BREEAM In-Use PART 1 (v6) – Excellent	N/A	N/A	N/A	N/A
VIVO! Pitesti	Shopping centre	Romania	17,000	Acquisition	7 May 2024	2 October 2026	28.100	28.100	BREEAM In-Use PART 1 (v6) – Excellent	N/A	N/A	N/A	N/A
Vivo! Lublin	Shopping centre	Poland	39,000	Acquisition	7 May 2024	–	76.500	76.500	BREEAM 2009 Europe – Excellent	N/A	N/A	N/A	N/A
Vivo! Piła	Shopping centre	Poland	24,000	Acquisition	7 May 2024	30 May 2027	36.400	36.400	BREEAM In-Use PART 1 (v6) – Excellent	N/A	N/A	N/A	N/A
myhive Park Postępu	Office	Poland	35,000	Acquisition	7 May 2024	1 December 2024	59.100	59.100	BREEAM In-Use 2015 PART 1 – Excellent	N/A	N/A	N/A	N/A
STOP SHOP Stadlau	Retail	Austria	9,000	Acquisition	7 May 2024	14 April 2026	28.600	28.600	BREEAM In-Use PART 1 (v6) – Very Good	N/A	N/A	N/A	N/A
STOP SHOP Botosani	Retail	Romania	6,000	Acquisition	7 May 2024	2 October 2026	9.300	6.904	BREEAM In-Use PART 1 (v6) – Very Good	N/A	N/A	N/A	N/A
Total							**2,177.552**	**2,175.156**		**12,685.1**	**9,349.7**	**(7,067.96)**	

Energy efficiency

Project name	Type of asset	Region	Gross Lettable Area (GLA m²)	Eligibility criteria	Eligibility criteria met on this date	Improvement (CO_2 t pa)	Signed amount Allocated amount Project cost (€m)	Annual GHG emissions reduced/avoided ($t\ CO_2$ eq pa)	Annual energy savings (MWh pa)	Annual energy efficiency gain relative to an established baseline (%)	Data available for past 2 years (yes/ N/A)
ZET.office	Office	Czech Republic	20,000	Reduction of CO_2 ≥ 30%, Top 15% efficiency	29 August 2019	32%	40.000	(194.46)	(24.39)	2.6 %	yes
Mamaison Residence Downtown Prague	Hospitality	Czech Republic	15,000	Reduction of CO_2 ≥ 30%	09 September 2019	57%	15.300	0.41	(112.14)	4.8 %	yes
Gebauer Höfen in Franklinstr. 9-15a	Office	Germany	35,000	Reduction of CO_2 ≥ 30%	06 May 2021	73%	3.6	873.85	2,907.62	(39.6 %)	yes
Total							**58.869**	**679.8**	**2,771.1**	**(25.3 %)**	

Renewable energy

Project name	Type of asset	Region	Gross Lettable Area (GLA m²)	Eligibility criteria	Eligibility criteria met on this date	Valid through	Signed amount (€m)	Renewable energy capacity added/rehabilitated (kWp pa)	Annual GHG emissions reduced/avoided ($t\ CO_2$ eq pa)	Annual energy production (MWh pa)	Annual energy efficiency gain relative to building energy performance base line defined for particular type in region	Data available for past 2 years (yes/ N/A)
GSG Solar Berlin	Solar Plant	Germany		Installation of photovoltaic solar	06 May 2017	–	5.655	10.1	1,242.2	4,520.9	N/A	yes
Total							**5.655**	**10.1**	**1,242.2**	**4,520.9**		

Sustainable management of living natural resources and land use

Project name	Type of asset	Region	Eligibility criteria	Eligibility criteria met on this date	Valid through	Signed amount (€m)	Amount of land covered by open space (ha)		Estimated land area with biodiversity management	Quality enhancement of soil and/or land and/or water through management practices associated with land use specific projects: Grassland area	Fertilizing/Composting
Spojené Farmy a.s.	Farms	Czech Republic	Organic farming production	07 August 2020	–	102.479	18,369.2	72.8%	16,383.0 ha	15,915.1 ha	45,356.2 t
Total						**102.479**	**18,369.2**	**72.8%**	**16,383.0 ha**	**15,915.1 ha**	**45,356.2 t**

Adjusted signed amount to correspond with assets' valuation | Outstanding financing in June 2017 | Calculation prepared by accredited energy specialists based on local regulations and requirements for energy audits | Adjusted signed amount to correspond with the Green bond net proceeds received | Recertification process is ongoing

Green bond project case studies

Office · Shopping centre · Organic farm · Renewable energy

Green buildings:

SC Nisa
Location: Liberec, CZ
GLA: 49,000 m²
Allocated: €105.0m
BREEAM In-Use – Very Good

Warsaw Financial Center
Location: Warsaw, PL
GLA: 50,000 m²
Allocated: €261.3m
LEED O+M Gold

SC Olympia Plzeň
Location: Plzeň, CZ
GLA: 41,000 m²
Allocated: €156.9m
BREEAM In-Use – Very Good

SC Ogrody
Location: Elbląg, PL
GLA: 42,000 m²
Allocated: €120.5m
BREEAM 2009 Europe Very Good

Equator IV
Location: Warsaw, PL
GLA: 21,000 m²
Allocated: €58.0m
BREEAM 2009 Europe Very Good

Green Corner
Location: Warsaw, PL
GLA: 15,000 m²
Allocated: €53.7m
LEED BD+C Platinum

City West B2 + B3
Location: Prague, CZ
GLA: 29,000 m²
Allocated: €38.2m
BREEAM In-Use – Very Good/Excellent

Gateway Office Park
Location: Budapest, HU
GLA: 36,000 m²
Allocated: €32.0m
BREEAM In-Use – Very Good

Balance Loft
Location: Budapest, HU
GLA: 7,000 m²
Allocated: €3.2m
BREEAM In-Use – Very Good

Balance Hall
Location: Budapest, HU
GLA: 16,000 m²
Allocated: €48.0m
BREEAM Int NC 2016 Very good

Andrássy Palace
Location: Budapest, HU
GLA: 9,000 m²
Allocated: €23.3m
BREEAM In-Use – Very Good

Quadra – BC 30
Location: Budapest, HU
GLA: 13,000 m²
Allocated: €15.2m
BREEAM In-Use – Very Good

Balance Tower
Location: Budapest, HU
GLA: 9,000 m²
Allocated: €4.3m
BREEAM In-Use – Very Good

Equator II
Location: Warsaw, PL
GLA: 23,000 m²
Allocated: €60.3m
BREEAM In-Use – Very Good

Atrium Plaza
Location: Warsaw, PL
GLA: 15,000 m²
Allocated: €37.4m
BREEAM In-Use – Very Good

Equator I (myhive Equator)
Location: Warsaw, PL
GLA: 19,000 m²
Allocated: €39.4m
BREEAM In-Use – Very Good

Moniuszki Tower
Location: Warsaw, PL
GLA: 10,000 m²
Allocated: €33.6m
BREEAM In-Use – Excellent

Atrium Centrum
Location: Warsaw, PL
GLA: 18,000 m²
Allocated: €47.3m
BREEAM In-Use – Very Good

myhive Metroffice
Location: Bucharest, RO
GLA: 21,000 m²
Allocated: €50.2m
LEED BD+C Gold

myhive IRIDE Eighteen
Location: Bucharest, RO
GLA: 11,000 m²
Allocated: €16.8m
BREEAM In-Use (v6) – Excellent

myhive IRIDE Nineteen
Location: Bucharest, RO
GLA: 18,000 m²
Allocated: €26.9m
BREEAM In-Use (v6) – Excellent

myhive IRIDE Twenty
Location: Bucharest, RO
GLA: 10,000 m²
Allocated: €15.4m
BREEAM In-Use (v6) – Very Good

STOP SHOP Valjevo
Location: Serbia
GLA: 6,000 m²
Allocated: €9.4m
BREEAM In-Use – Excellent

STOP SHOP Sremska Mitrovica
Location: Serbia
GLA: 7,000 m²
Allocated: €10.3m
BREEAM In-Use – Excellent

Energy Efficiency:

ZET.office
Location: Brno, CZ
GLA: 20,000 m²
Project cost: €40.0m

Gebauer Höfen in Franklinstr. 9-15
Location: Berlin, DE
GLA: 35,000 m²
Project cost: €3.6m

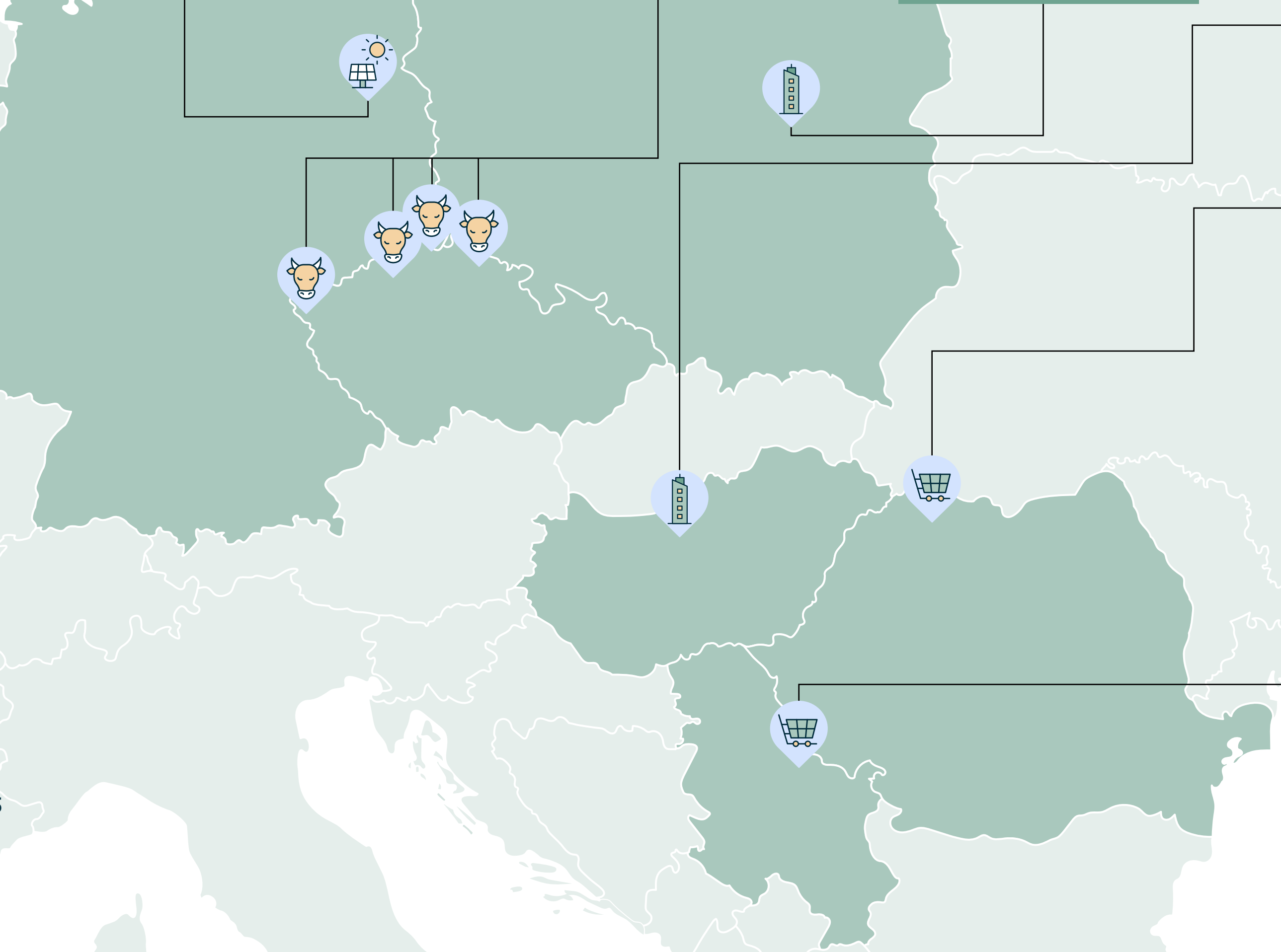
photo: © Thomas Rosenthal

GSG Solar Berlin
Allocated: €5.7m
Annual energy production:
4,521 MWh pa

Spojené Farmy a.s.
Location: Czech Republic
Amount of land with biodiversity management: 16,383 ha
Allocated: €102.5m

Eurocentrum
Location: Warsaw, Poland
GLA: 85,000 m²
Allocated: €242.8 million
BREEAM In-Use (v6) Very Good/ LEED BD+C Platinum

Arena Corner
Location: Budapest, Hungary
GLA: 30,000 m²
Allocated: €25.5m
BREEAM In-Use – Very Good



VIVO! Baia Mare
Location: Romania
GLA: 29,000 m²
Allocated: €50.2m
BREEAM In-Use (v6) – Excellent

STOP SHOP Požarevac
Location: Serbia
GLA: 10,000 m²
Allocated: €12.4m
BREEAM In-Use – Excellent

Required information

In reference to the information required by paragraphs (a) to (k) of Article 11(1) of the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, the Board of Directors states as follows.

- *The structure of the capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents:*

  The share capital of the Company is represented by 8,619,522,791 ordinary shares of one class, out of which 112,135,971 shares (approximately 1.30% of the total number of shares outstanding), registered under ISIN code LU0251710041, are admitted to trading on the regulated market of the Frankfurt Stock Exchange in the General Standard segment. The remaining 8,507,386,820 Company shares (approximately 98.70% of the total number of shares outstanding) are currently not listed and are non-tradeable on a regulated market.

- *Any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34/EC:*

  There are no restrictions on the transfer of Company's shares or other securities issued by the Company. However, final terms of certain series of the notes issued under Company's Euro Medium Term Note (EMTN) Programme include a "Prohibition of Sales to EEA Retail Investors" legend. In such case these notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA, within the meaning of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

- *Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross shareholdings) within the meaning of Article 85 of Directive 2001/34/EC:*

  Based on the latest shareholders' declarations received as at 30 June 2024, the following table sets out information regarding the ownership of the Company's shares:

Radovan Vítek (directly or indirectly)	7,696,259 609	89.29%
Clerius Properties (affiliate of Apollo Funds)	391,410, 351	4.54%
Others	464,852,831	5.39%
Treasury shares held by the Company's indirect subsidiary CPI FIM SA (directly or indirectly)	67,000,000	0.77%
Total	**8,619,522,791**	**100%**

- *The holders of any securities with special control rights and a description of those rights:*

  None of the Company's shareholders has voting rights different from any other holders of the Company's shares. The Company respect the rights of its shareholders and ensure they receive equitable treatment. The Company has established a policy of active communication with the shareholders.

- *The system of control of any employee share scheme where the control rights are not exercised directly by the employees:*

  The Company has no employee share scheme.

- *Any restrictions on voting rights, such as limitation on the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities:*

  There are no restrictions on voting rights of the securities issued by the Company, except for the own shares held by the Company, where the voting rights are suspended under law.

- *Any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC:*

  The Company was notified about an agreement between Mr. Vítek and Apollo relating to the governance of the Company.

- *The rules governing the appointment and replacement of board members and the amendment of the articles of association:*

  The Company is managed by a Board of Directors appointed as a collegiate body by the general meeting of shareholders. The Board of Directors shall be composed of the number of members determined by the general meeting of the shareholders and shall amount to at least three members. The Directors are elected by the general meeting of shareholders for a period of maximum six years. The directors are eligible for re-election and may be removed with or without cause at any time by decision of the general meeting of shareholders by simple majority vote. In the event of a vacancy in the Board of Directors, the remaining members may co-opt a new member. The Directors may be either natural persons or legal entities. The articles of association may be modified by an extraordinary general meeting of the shareholders, deliberating with a quorum of at least half of the corporate capital and deciding by a vote of at least a two-thirds majority of the votes cast.

- *The powers of board members, and in particular the power to issue or buy back shares:*

  The Board of Directors is empowered to perform any acts necessary or useful in achieving the Company's objectives. All matters not expressly reserved to the general meeting by law or by Company's articles of association are within the competence of the Board of Directors. In particular, the Board of Directors has the following tasks and competencies, without such list being exhaustive:

- Setting the objectives and management policies of the Company;
- Preparing the annual operating and financing plans;
- Managing the Company's business affairs and performing all the acts and operations relating to the corporate purpose that do not fall within the duties attributed to other bodies of the Company;
- Representing the Company in or out of court;
- Acquiring or selling real estate;
- Incorporating companies;
- Adopting resolutions regarding the issuance of bonds, or borrowings;
- Approving issuance of new shares pursuant to the authorised share capital.

  As at 30 June 2024, the Company has also an authorised, but unissued and unsubscribed share capital set at €3,885,714,285.70 consisting of up to 38,857,142,857 new ordinary shares in addition to the shares currently outstanding.

  As at 30 June 2024, the Company is authorised to redeem/repurchase up to 914,672,532 own shares under the buy-back programme approved in 2023. For more details on the authorised share capital and the buyback please refer to Note 6.12 of the Consolidated financial statements as of 30 June 2024.

  Any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements:

  The base prospectus dated 24 April 2024, prepared in connection with the Company's Euro Medium Term Note Programme, as amended (the **"Programme"**) contains a change of control put clause, i.e., redemption at the option of the noteholders upon a change of control, provided certain other criteria defined in the Programme occur. Change of control event pursuant to the Programme occurs in case any person or any persons acting in concert (other than Mr. Radovan Vítek, any member of his immediate family or any entity directly or indirectly controlled by him or them) shall acquire a controlling interest in (A) more than 50 per cent., of the issued or allotted ordinary share capital of the Issuer or (B) shares in the issued or allotted ordinary share capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, subject to further conditions. For exact terms please refer to Condition 7.6. of the base prospectus of the Programme. Changes of control provisions are stipulated in the Revolving Credit Facility and Schuldschein agreements entered into by the Company. Certain credit facility documentation with financing banks of the Group contains market standard change of control.

- *Any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.*

  Not applicable as of 30 June 2024.

CPI Property Group

DECLARATION LETTER

INTERIM FINANCIAL REPORT

AS AT 30 JUNE 2024

1.1. Person responsible for the Semi - Annual Financial Report

Mr. David Greenbaum, acting as Chief Executive Officer and Managing Director of the Company, with professional address at 40 rue de la Vallee, L-2661 Luxembourg, Grand-Duchy of Luxembourg, d.greenbaum@cpipg.com.

1.2. Declaration by the persons responsible for the Semi - Annual Financial Report

The undersigned hereby declares that, to the best of its knowledge:

- the condensed consolidated interim financial statements of the Company as at 30 June 2024, prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and result of the Company and its subsidiaries included in the consolidation taken as a whole; and

- the Management report as at 30 June 2024, provides a fair view of the development and performance of the business and the position of the Company and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

Approved by the Board of Directors and signed on its behalf by Mr. David Greenbaum.

Luxembourg, 30 August 2024

Mr. David Greenbaum

CEO & Managing Director

CPI PROPERTY GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

Condensed consolidated interim statement of comprehensive income

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Six-month period ended 30 June 2024	30 June 2023
Gross rental income	5.1	472.0	457.5
Service charges and other income	5.2	216.0	219.0
Cost of service and other charges	5.2	(191.6)	(200.2)
Property operating expenses	5.3	(78.1)	(77.7)
Net rental income		**418.3**	**398.6**
Development sales		12.7	-
Development operating expenses		(11.4)	-
Net development income		**1.3**	**-**
Hotel revenue	5.4	68.8	103.5
Hotel operating expenses	5.4	(50.8)	(74.0)
Net hotel income		**18.0**	**29.5**
Other business revenue		41.7	50.7
Other business operating expenses		(36.6)	(42.0)
Net other business income		**5.1**	**8.7**
Total revenues	4.0	811.2	830.7
Total direct business operating expenses	4.0	(368.5)	(393.9)
Net business income	4.0	**442.7**	**436.8**
Net valuation loss	5.5	(153.7)	(217.2)
Net loss on the disposal of investment property and subsidiaries	5.6	(14.6)	(1.2)
Amortization, depreciation and impairment	5.7	(16.0)	(34.9)
Administrative expenses	5.8	(68.3)	(64.5)
Other operating income		12.7	7.9
Other operating expenses		(9.9)	(15.2)
Operating result		**192.9**	**111.7**
Interest income		20.9	15.4
Interest expense	5.9	(175.0)	(165.5)
Other net financial result	5.10	3.0	28.3
Net finance costs		**(151.1)**	**(121.8)**
Share of gain of equity-accounted investees (net of tax)		(20.7)	(5.4)
Profit before income tax		**21.1**	**(15.5)**
Income tax expense	5.11	(23.9)	(34.6)
Net profit from continuing operations		**(2.8)**	**(50.1)**
Items that may or are reclassified subsequently to profit or loss			
Translation difference		(52.4)	109.2
Cash flow hedges		(8.9)	(18.0)
Income tax on other comprehensive income items		1.2	3.6
Items that will not be reclassified subsequently to profit or loss			
Revaluation of hotel property	6.3	0.2	6.9
Income tax on other comprehensive income items		-	(1.1)
Other comprehensive income for the period, net of tax		**(59.9)**	**100.6**
Total comprehensive income for the period		**(62.7)**	**50.5**
Profit attributable to:			
Owners of the parent		(51.7)	(69.2)
Non-controlling interests	6.12.4	10.7	(18.8)
Perpetual notes holders	6.12.3	38.2	37.9
Profit for the period		**(2.8)**	**(50.1)**
Total comprehensive income attributable to:			
Owners of the parent		(111.6)	31.4
Non-controlling interests	6.12.4	10.7	(18.8)
Perpetual notes holders	6.12.3	38.2	37.9
Total comprehensive income for the period		**(62.7)**	**50.5**
Earnings per share			
Basic earnings in EUR per share	6.12.5	**(0.006)**	**(0.008)**
Diluted earnings in EUR per share		(0.006)	(0.008)

Condensed consolidated interim statement of financial position

The accompanying notes form an integral part of these consolidated financial statements.

	Note	30 June 2024	31 December 2023
Non-current assets			
Intangible assets and goodwill	6.1	80.9	129.8
Investment property	6.2	16,886.8	17,262.7
Property, plant and equipment	6.3	379.6	866.5
Hotels	6.3	*291.5*	*781.5*
Other property, plant and equipment		*88.1*	*85.0*
Biological assets		9.1	8.9
Equity accounted investees	6.4	784.7	717.2
Other financial assets	6.5	278.3	264.1
Loans provided	6.6	312.8	179.1
Deferred tax assets	5.11	117.9	118.2
Total non-current assets		**18,850.1**	**19,546.5**
Current assets			
Inventories		81.8	73.5
Biological assets		3.6	3.1
Income tax receivables		25.4	27.2
Trade receivables	6.7	229.0	227.7
Loans provided	6.6	9.3	22.0
Cash and cash equivalents	6.8	1,162.5	1,022.6
Other financial current assets	6.9	164.9	135.3
Other non-financial assets	6.10	182.4	149.7
Assets held for sale	6.11	522.3	722.7
Total current assets		**2,381.2**	**2,383.8**
Total assets		**21,231.3**	21,930.3
Equity			
Equity attributable to owners of the parent		5,372.2	5,567.6
Share capital	6.12.1	*855.3*	*855.3*
Share premium		*920.2*	*920.2*
Other reserves		*350.6*	*434.2*
Retained earnings		*3,246.1*	*3,357.9*
Perpetual notes	6.12.3	1,623.4	1,585.2
Non-controlling interests	6.12.4	1,436.7	1,104.5
Total equity		**8,432.3**	**8,257.3**
Non-current liabilities			
Bonds issued	6.13	4,724.9	4,274.1
Financial debts	6.15	4,925.0	6,325.7
Deferred tax liability	6.16	1,489.8	1,547.7
Provisions		38.5	35.7
Other financial liabilities	6.17	172.7	188.0
Total non-current liabilities		**11,350.9**	**12,371.2**
Current liabilities			
Bonds issued	6.13	71.7	209.2
Financial debts	6.15	709.7	412.2
Trade payables	6.18	140.7	218.3
Income tax liabilities		96.8	63.0
Other financial liabilities	6.19	279.2	236.0
Other non-financial liabilities	6.20	57.7	58.2
Liabilities linked to assets held for sale		92.3	104.9
Total current liabilities		**1,448.1**	**1,301.8**
Total equity and liabilities		**21,231.3**	**21,930.3**

Condensed consolidated interim statement of changes in equity

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Share capital	Share premium	Translation reserve	Legal reserve	Hedging reserve	Other reserves	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to perpetual notes investors	Non-controlling interests	Total equity
Balance at 1 January 2024		**855.3**	**920.2**	**101.5**	**5.8**	**(45.7)**	**372.6**	**3,357.9**	**5,567.6**	**1,585.2**	**1,104.5**	**8,257.3**
Profit for the period		-	-	-	-	-	-	(51.7)	(51.7)	38.2	10.7	(2.8)
Total other comprehensive income for the period		-	-	(52.4)	-	(7.7)	0.2	-	(59.9)	-	-	(59.9)
Total comprehensive income for the period		**-**	**-**	**(52.4)**	**-**	**(7.7)**	**0.2**	**(51.7)**	**(111.6)**	**38.2**	**10.7**	**(62.7)**
Disposal of hotels		-	-	-	-	-	(23.7)	23.7	-	-	(7.7)	(7.7)
Distributions to NCI		-	-	-	-	-	-	-	-	-	(4.6)	(4.6)
Sale of NCI						-	-	(83.8)	(83.8)	-	333.8	250.0
Balance at 30 June 2024		**855.3**	**920.2**	**49.1**	**5.8**	**(53.4)**	**349.1**	**3,246.1**	**5,372.2**	**1,623.4**	**1,436.7**	**8,432.3**

	Note	Share capital	Share premium	Translation reserve	Legal reserve	Hedging reserve	Other reserves	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to perpetual notes investors	Non-controlling interests	Total equity
Balance at 1 January 2023		**863.8**	**991.2**	**120.4**	**5.8**	**36.2**	**320.4**	**4,242.0**	**6,579.8**	**1,584.4**	**1,098.8**	**9,263.0**
Profit for the period		-	-	-	-	-	-	(69.2)	(69.2)	37.9	(18.8)	(50.1)
Total other comprehensive income for the period		-	-	109.2	-	(14.4)	5.8	-	100.6	-	-	100.6
Total comprehensive income for the period		**-**	**-**	**109.2**	**-**	**(14.4)**	**5.8**	**(69.2)**	**(31.4)**	**37.9**	**(18.8)**	**50.5**
Amount paid to perpetual note holders	6.12.3	-	-	-	-	-	-	-	-	(3.1)	-	(3.1)
Acquisition of NCI	6.12.4	-	-	-	-	-	-	-	-	-	(2.9)	(2.9)
Balance at 30 June 2023		**863.8**	**991.2**	**229.6**	**5.8**	**21.8**	**326.2**	**4,172.8**	**6,611.2**	**1,619.2**	**1,077.1**	**9,307.5**

Consolidated cash flow statement

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Six-month period ended 30 June 2024	30 June 2023
Profit before income tax		**21.1**	**(15.5)**
Adjusted by:			
Net valuation loss	5.5	153.7	217.2
Net loss on the disposal of investment property and subsidiaries	5.6	14.6	1.2
Depreciation and amortization	5.7	18.2	25.0
Impairment of assets	5.7	(2.2)	9.9
Net interest expense		154.1	150.1
Net gain on revaluation of financial derivatives		(23.0)	15.4
Share of profit of equity accounted investees		20.7	5.3
Unrealized exchange rate differences and other non-cash adjustments		37.0	(39.6)
Profit before changes in working capital and provisions		**394.2**	**369.0**
Decrease in inventories		(9.0)	(20.3)
Decrease in trade and other receivables		(36.8)	(3.2)
Increase in trade and other payables		11.7	39.4
Change in provisions		2.7	8.6
Income tax paid		(21.0)	(25.6)
Net cash from operating activities		**341.8**	**367.9**
Acquisition of subsidiaries, net of cash acquired		(1.8)	(1.4)
Acquisition of non-controlling interest	6.12.4	-	(2.9)
Proceeds from disposals of subsidiaries, net of cash disposed	5.6	308.7	228.7
Purchase and expenditures on investment property	6.2	(159.4)	(142.9)
Purchase and expenditures on property, plant and equipment	6.3	(21.1)	(23.9)
Purchase of intangible assets		-	(2.2)
Proceeds from sale of associates		68.7	
Proceeds from sale of investment property	5.6	161.6	244.5
Proceeds from sale of property, plant and equipment		45.9	2.6
Proceeds from sale of non-controlling interest		250.0	-
Loans provided		(433.0)	(265.0)
Loans repaid		279.5	152.4
Interest received		25.4	3.1
Dividends received	6.4	16.2	-
Net cash used in investing activities		**540.7**	**193.0**
Repayment of perpetual notes investors	6.12.3	-	(3.1)
Distribution to non-controlling interests		(4.7)	
Proceeds from bonds issued	6.13	470.7	-
Repayment of bonds issued	6.13	(153.4)	(435.7)
Interest paid		(167.2)	(216.5)
Drawings of loans and borrowings	6.15	190.1	792.5
Repayments of loans and borrowings	6.15	(1,071.4)	(557.6)
Drawings of lease liabilities	6.15	(2.7)	(6.3)
Net cash from financing activities		**(738.6)**	**(426.7)**
Net increase/ (decrease) in cash		**143.9**	**134.2**
Cash and cash equivalents at the beginning of the year	6.8	1,022.6	1,033.2
Less cash and cash equivalents reclassified to asset held for sale		(4.0)	-
Cash and cash equivalents at the end of the six-month period ended		**1,162.5**	**1,167.4**

Notes to the consolidated interim financial statements

1 General information

CPI PROPERTY GROUP S.A. (hereinafter also the "Company" or "CPIPG", and together with its subsidiaries as the "Group") is a real estate group founded in 2004 as ORCO Germany S.A. Since its foundation the Group has been operating in Germany and concentrated mainly on commercial property, project development and asset management, principally in Berlin. With its subsidiary Gewerbesiedlungs-Gesellschaft ("GSG"), the Group is the largest lessor of commercial property in the Berlin area. After the incorporation into Czech Property Investments a.s. in 2014, the Group expanded to a number of CEE countries, primarily the Czech Republic. In 2022, the Group completed two significant acquisitions of Austrian real estate groups IMMOFINANZ AG ("IMMOFINANZ") and S IMMO AG ("S IMMO").

The Group is primarily focused on investment properties, as well as development and asset management for third parties.

CPI PROPERTY GROUP S.A. is the parent company of the Group. The Company is a Luxembourg *Société Anonyme*, whose shares registered under ISIN code LU0251710041 are listed on the regulated market of the Frankfurt Stock Exchange in the General Standard segment.

The registered office of the Company is located at 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg.

Description of the ownership structure

As at 30 June 2024, Radovan Vítek was the primary shareholder of the Company holding indirectly 89.29% of the outstanding Company shares.

For the list of shareholders as at 30 June 2024 refer to note 6.12.

Board of Directors

Chairman:	Edward Hughes
Executive members:	David Greenbaum, Chief Executive Officer and Managing Director
	Tomáš Salajka, Managing Director
	Oliver Schlink
Non-executive members:	Edward Hughes
	Philippe Magistretti
	Jonathan Lewis
	Omar Sattar
	Tim Scoble

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation of consolidated financial statements

(a) Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with IAS 34, 'Interim Financial Reporting'.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 30 August 2024.

The interim condensed consolidated financial statements have not been audited.

All the figures in this report are presented in millions of Euros, except if explicitly indicated otherwise.

The Group's operations are not subject to any significant seasonal fluctuations.

(b) New and amended standards and interpretations adopted in the six-month period ended 30 June 2024

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group.

Implications of Pillar II Regulations

The Group qualifies for and will be subject to the OECD's global tax reform under Pillar II, which enforces a minimum global corporate tax rate of 15% starting from 2024. The Group anticipates the potential application of Pillar II in countries where it operates that currently have nominal corporate tax rates below this threshold, including, but not limited to, Cyprus, Guernsey, the United Arab Emirates, Hungary, and the British Virgin Islands. In the event that local jurisdictions do not adopt legislation to implement a local tax top-up, the Pillar II framework's Income Inclusion Rule (IIR) applies. Based the Group´s analysis performed using its 2023 results, no provision was recorded as at 30 June 2024.

3 The Group structure

As at 30 June 2024 the Group comprises its parent company, 647 subsidiaries controlled by the parent company and 11 joint ventures (676 subsidiaries and 10 joint ventures as at 31 December 2023).

3.1 Changes in the Group in the six-month period ended 30 June 2024

Entities acquired or founded

Entity	Change	Share owned by the Group (%)	Date of change
CPI Solar Slovakia ONE, s.r.o.	Founded	100.00%	17 January 2024
CPI Smart Power Slovakia, s.r.o.	Founded	100.00%	20 February 2024
FVE Radkyně, s.r.o.	Acquisiition	100.00%	8 March 2024
Statek Bukovka, s.r.o.	Founded	100.00%	18 March 2024
CPI Solar THREE, a.s.	Founded	100.00%	4 April 2024
CPI Solar FOUR, a.s.	Founded	100.00%	4 April 2024
Brno Property Invest I., s.r.o.	Founded	100.00%	17 June 2024
Brno Property Invest II., s.r.o.	Founded	100.00%	17 June 2024
CPI Amber, a.s.	Founded	100.00%	18 June 2024
CPI Scarlet, a.s.	Founded	100.00%	18 June 2024
CPI Azure, a.s.	Founded	100.00%	18 June 2024
CPIPG Retails Holding	Founded	100.00%	3 June 2024

Entities either disposed or liquidated

Entity	Change	Share owned by the Group (%)	Date of change
PTR PRIME TOURIST RE SORTS (CYPRUS) LIMITED	Liquidation	100.00%	16 February 2024
Grand Centar d.o.o.	Disposal	100.00%	29 February 2024
Lockhart, a.s.	Disposal	100.00%	7 March 2024
CPI - Real Estate, a.s.	Disposal	100.00%	7 March 2024
CPI Hotels Properties, a.s.	Disposal	100.00%	7 March 2024
Kerina, a.s.	Disposal	100.00%	7 March 2024
MUXUM, a.s.	Disposal	100.00%	7 March 2024
Best Properties South, a.s.	Disposal	100.00%	7 March 2024
Tyršova 6, a.s.	Disposal	100.00%	7 March 2024
Hotel Lucemburská, s.r.o.	Disposal	100.00%	7 March 2024
CPI Hotels, a.s.	Disposal	100.00%	7 March 2024
Statek Blatiny, s.r.o.	Disposal	100.00%	7 March 2024
Labská Property, s.r.o.	Disposal	100.00%	7 March 2024
CPI Hotels Catering, s.r.o.	Disposal	100.00%	7 March 2024
Olomouc Building, a.s.	Disposal	100.00%	7 March 2024
CPI Hotels Hungary Kft.	Disposal	100.00%	7 March 2024
CPI Hotels Europeum Kft	Disposal	100.00%	7 March 2024
CPI HOTELS POLAND Sp. z o.o.	Disposal	100.00%	7 March 2024
CPI Hotels Slovakia, s.r.o.	Disposal	100.00%	7 March 2024
CZ Hotel Properties JV, s.r.o.	Disposal	100.00%	11 March 2024
Remontées Mécaniques Crans Montana Aminona (CMA) SA	Disposal	100.00%	2 May 2024
Zerodix Sàrl	Disposal	100.00%	2 May 2024
S. MARIA DELLA GUARDIA S.R.L	Disposal	100.00%	15 May 2024
C.E.CO.S. COMPLETAMENTO EDILIZIO CORSO SICILIA - S.p.A	Disposal	100.00%	15 May 2024
ISTITUTO IMMOBILIARE DI CATANIA S.P.A.	Disposal	100.00%	15 May 2024
Istituto per l´edilizia popolare di San Berillo S.r.l. in liquidazione	Disposal	100.00%	15 May 2024
Lützow-Center GmbH	Disposal	89.90%	28 May 2024
S Immo Geschäftsimmobilien GmbH	Disposal	89.90%	28 May 2024
S IMMO Berlin II GmbH	Disposal	89.90%	28 May 2024
S IMMO Berlin III GmbH	Disposal	83.61%	28 May 2024
Tölz Immobilien GmbH	Disposal	89.67%	28 May 2024
IS Nyír Kft.	Disposal	100.00%	12 June 2024
IS Zala Kft.	Disposal	100.00%	12 June 2024

3.2 Disposal of subsidiaries in the six-months period ended 2024

The Group disposed the following subsidiaries (which were considered as a non-core assets):

- Grand Centar was sold on 29 February 2024
- Rémontées Mécaniques Crans Montana Aminona was sold on 2 May 2024
- Zerodix was sold on 2 May 2024
- S. MARIA DELLA GUARDIA S.R.L was sold on 15 May 2024
- C.E.CO.S. COMPLETAMENTO EDILIZIO CORSO SICILIA was sold on 15 May 2024
- ISTITUTO IMMOBILIARE DI CATANIA S.P.A. was sold on 15 May 2024
- Istituto per l'edilizia popolare di San Berillo S.r.l. was sold on 15 May 2024
- IS Nyír Kft. was sold on 12 June 2024
- IS Zala Kft. was sold on 12 June 2024
- Lützow-Center GmbH was sold on28 May 2024
- S Immo Geschäftsimmobilien GmbH was sold on 28 May 2024
- S IMMO Berlin II GmbH was sold on 28 May 2024
- S IMMO Berlin II GmbH was sold on 28 May 2024
- Tölz Immobilien GmbH was sold on 28 May 2024

3.3 Disposal of CZ Hotel Properties JV, s.r.o.

On 11 March 2024, the Group sold 50% share in CZ Hotel Properties JV, s.r.o. to BHP CZ hotels s.r.o. Since the transaction, the Group and BHP CZ hotels s.r.o. jointly control CZ Hotel Properties JV and the Group´s share in the joint venture is classified as equity accounted investee. The entity holds the following subsidiaries CPI Hotels, a.s., Best Properties South, a.s., CPI – Real Estate, a.s., Olomouc Building, a.s., CPI Hotels Properties, a.s., Kerina, a.s., MUXUM, a.s., Lockhart, a.s., Tyršova 6, a.s., Hotel Lucemburská, s.r.o., Statek Blatiny, s.r.o., Labská Property, s.r.o., CPI Hotels Catering, s.r.o., CPI Hotels Hungary Kft., CPI Hotels Europeum Kft., CPI Hotels Poland Sp. z o.o., CPI Hotels Slovakia, s.r.o.. Through these subsidiaries the Group owned and operated majority of its hotels portfolio. For more details on the transaction, please refer to note 6.4.2.

4 Segment reporting

For management purposes, the Group is structured into six operating segments corresponding primarily to geographic regions: Czech Republic, Berlin, Hotels & Resorts (including those in the Czech Republic, Croatia and CEE countries), Complementary Assets (in CEE countries) and both of 2022 significant acquisitions - IMMOFINANZ and S IMMO which are both operated and managed as individual segments with separate internal reporting structure.

The Group engages in the following business activities:

- The Group owns retail, office, residential, office and landbank portfolio and operates agricultural farms in the Czech Republic;
- The Group is a leading office provider in Berlin, Germany;
- Group's complementary assets portfolio primarily consists of the office portfolio in Warsaw, Poland and office and retail portfolios primarily in Hungary, Romania and Italy. The Group also operates a residential portfolio in Western Europe (primarily Italy, London, Monaco and France);
- IMMOFINANZ operates primarily retail and office portfolio in Austria, the Czech Republic, Poland, Hungary, Romania, Serbia, Germany and other countries;
- S IMMO owns primarily retail, office and residential portfolios (and several hotels) in Austria, Germany, Hungary, Romania, Croatia and other countries.
- The Group operates certain hotels primarily in Croatia.

Six-month period ended 30 June 2024

	Czech Republic	Berlin	IMMOFINANZ	S IMMO	Complementary Assets	Hotels & Resorts	Corporate and not attributable	Total
Gross rental income	47.7	51.8	166.3	121.8	84.4	-	-	472.0
- *Office portfolio*	*6.0*	*51.2*	*51.1*	*83.5*	*43.1*	-	-	*234.9*
- *Retail portfolio*	*17.4*	-	*113.3*	*26.7*	*35.1*	-	-	*192.5*
- *Residential portfolio*	*18.8*	-	-	*4.9*	*3.8*	-	-	*27.5*
- *Other*	*5.5*	*0.6*	*1.9*	*6.7*	*2.4*	-	-	*17.1*
Service charge and other income	44.5	20.3	66.0	42.4	42.8	-	-	216.0
Cost of service and other charges	(34.2)	(11.6)	(59.7)	(46.9)	(39.2)	-	-	(191.6)
Property operating expenses	(9.9)	(8.7)	(18.9)	(15.6)	(25.0)	-	-	(78.1)
Net rental income	**48.1**	**51.8**	**153.7**	**101.7**	**63.0**	**-**	**-**	**418.3**
- *Office portfolio*	*6.0*	*51.3*	-	-	*32.3*	-	-	*89.6*
- *Retail portfolio*	*15.6*	-	-	-	*27.0*	-	-	*42.6*
- *Residential portfolio*	*13.8*	-	-	-	*0.9*	-	-	*14.7*
- *IMMOFINANZ*	-	-	*153.7*	-	-	-	-	*153.7*
- *S IMMO*	-	-	-	*101.7*	-	-	-	*101.7*
- *Other*	*12.7*	*0.5*	-	-	*2.8*	-	-	*16.0*
Development sales	12.7	-	-	-	-	-	-	12.7
Development operating expenses	(11.4)	-	-	-	-	-	-	(11.4)
Net development income	**1.3**	**-**	**-**	-	-	**-**	**-**	**1.3**
Hotel revenue	-	-	-	33.8	-	35.0	-	68.8
Hotel operating expenses	-	-	-	(25.8)	-	(25.0)	-	(50.8)
Net hotel income	**-**	**-**	**-**	**8.0**	**-**	**10.0**	**-**	**18.0**
Other business revenue	18.9	-	-	-	-	22.8	-	41.7
Other business operating expenses	(19.0)	-	-	-	-	(17.6)	-	(36.6)
Net other business income	**(0.1)**	**-**	**-**	**-**	**-**	**5.2**	**-**	**5.1**
Total revenues	123.8	72.1	232.3	198.0	127.2	57.8	-	811.2
Total direct business operating expenses	(74.5)	(20.3)	(78.6)	(88.3)	(64.2)	(42.6)	-	(368.5)
Net business income	**49.3**	**51.8**	**153.7**	**109.7**	**63.0**	**15.2**	**-**	**442.7**
Administrative expenses	(10.9)	(6.7)	(13.0)	(11.5)	(9.2)	-	(17.0)	(68.3)
Segment adjusted EBITDA	**38.4**	**45.1**	**140.7**	**98.2**	**53.8**	**15.2**	**(17.0)**	**374.4**
Valuation gain	1.4	-	39.6	19.8	2.3	-	-	63.1
Valuation loss	(33.6)	-	(68.0)	(104.1)	(11.1)	-	-	(216.8)
Net gain/(loss) on disposal of investment property and subsidiaries	-	-	4.9	-	(17.3)	(2.1)	-	(14.5)
Amortization, depreciation and impairments	(0.2)	(1.8)	(1.9)	(4.5)	(3.1)	(2.6)	(1.9)	(16.0)
Segment operating result	**6.0**	**43.3**	**115.3**	**9.4**	**24.6**	**10.5**	**(18.9)**	**190.2**
Other operating income							12.7	12.6
Other operating expenses							(9.9)	(9.9)
Operating result								**192.9**
Interest income							20.8	20.8
Interest expense							(174.9)	(174.9)
Other net financial result							3.0	3.0
Net finance costs							**(151.1)**	**(151.1)**
Share of profit of equity-accounted investees (net of tax)							(20.7)	
Profit before income tax								**21.1**
Income tax expense							(23.9)	(23.9)
Net profit from continuing operations								**(2.8)**

Six-month period ended 30 June 2023

	Czech Republic	Berlin	IMMOFINANZ	S IMMO	Complementary Assets	Hotels & Resorts	Corporate and not attributable	Total
Gross rental income	81.4	50.0	158.9	91.5	75.7	-	-	457.5
- *Office portfolio*	*22.9*	*49.3*	*61.7*	*60.0*	*40.2*	-	-	*234.1*
- *Retail portfolio*	*40.0*	-	*95.4*	*16.5*	*31.9*	-	-	*183.8*
- *Residential portfolio*	*17.2*	-	-	*10.4*	*3.3*	-	-	*30.9*
- *Other*	*1.3*	*0.7*	*1.8*	*4.6*	*0.3*	-	-	*8.7*
Service charge and other income	40.6	25.0	73.8	35.4	44.2	-	-	219.0
Cost of service and other charges	(28.6)	(15.4)	(67.4)	(43.5)	(45.3)	-	-	(200.2)
Property operating expenses	(10.9)	(10.5)	(24.7)	(10.2)	(21.4)	-	-	(77.7)
Net rental income	**82.5**	**49.1**	**140.6**	**73.2**	**53.2**	**-**	**-**	**398.6**
- *Office portfolio*	*23.9*	*48.2*	-	-	*31.2*	-	-	*103.3*
- *Retail portfolio*	*42.6*	-	-	-	*20.8*	-	-	*63.4*
- *Residential portfolio*	*12.7*	-	-	-	*1.2*	-	-	*13.9*
- *IMMOFINANZ*	-	-	*140.6*	-	-	-	-	*140.6*
- *S IMMO*	-	-	-	*73.2*	-	-	-	*73.2*
- *Other*	*3.3*	*0.9*	-	-	-	-	-	*4.2*
Development sales	-	-	-	-	-	-	-	-
Development operating expenses	-	-	-	-	-	-	-	-
Net development income	**-**	**-**	**-**	-	-	**-**	**-**	**-**
Hotel revenue	-	-	-	31.3	-	72.2	-	103.5
Hotel operating expenses	-	-	-	(23.4)	-	(50.6)	-	(74.0)
Net hotel income	**-**	**-**	**-**	**7.9**	**-**	**21.6**	**-**	**29.5**
Other business revenue	24.6	-	-	-	-	26.1	-	50.7
Other business operating expenses	(24.0)	-	-	-	-	(18.0)	-	(42.0)
Net other business income	**0.6**	**-**	**-**	**-**	**-**	**8.1**	**-**	**8.7**
Total revenues	146.6	75.0	232.7	158.2	119.9	98.3	-	830.7
Total direct business operating expenses	(63.5)	(25.9)	(92.1)	(77.1)	(66.7)	(68.6)	-	(393.9)
Net business income	**83.1**	**49.1**	**140.6**	**81.1**	**53.2**	**29.7**	**-**	**436.8**
Administrative expenses	(18.3)	(4.9)	(12.1)	(11.2)	(8.1)	-	(9.9)	(64.5)
Segment adjusted EBITDA	**64.8**	**44.2**	**128.5**	**69.9**	**45.1**	**29.7**	**(9.9)**	**372.3**
Valuation gain	-	-	21.1	18.8	-	-	-	39.9
Valuation loss	-	-	(140.2)	(98.9)	(18.0)	-	-	(257.1)
Net gain/(loss) on disposal of investment property and subsidiaries	2.6	-	(3.6)	(0.2)	-	-	-	(1.2)
Amortization, depreciation and impairments	(0.8)	(3.9)	(2.2)	(4.9)	(3.2)	(11.6)	(8.3)	(34.9)
Segment operating result	**66.6**	**42.3**	**3.6**	**(15.3)**	**23.9**	**18.1**	**(18.2)**	**119.0**
Other operating income							7.9	7.9
Other operating expenses							(15.2)	(15.2)
Operating result								**111.7**
Interest income							15.4	15.4
Interest expense							(165.5)	(165.5)
Other net financial result							28.3	28.3
Net finance costs							**(121.8)**	**(121.8)**
Share of profit of equity-accounted investees (net of tax)							(5.4)	
Profit before income tax								**(15.5)**
Income tax expense							(34.6)	(34.6)
Net profit from continuing operations								**(50.1)**

4.1 Revenues generated by countries

The following table presents revenues by countries:

	Six-month period ended			
	30 June 2024		30 June 2023	
	Amount	In %	Amount	In %
Czech Republic	207.3	26%	218.4	26%
Germany	102.5	13%	113.2	14%
Poland	109.8	13%	105.1	13%
Hungary	92.4	11%	103.2	12%
Romania	83.4	10%	80.9	10%
Austria	56.8	7%	58.1	7%
Italy	49.9	6%	41.6	5%
Slovakia	34.0	4%	37.6	4%
Switzerland	22.8	3%	26.1	3%
Other	52.3	7%	46.5	6%
Total revenues generated by the Group	**811.2**	**100%**	**830.7**	**100%**

4.2 Non-current assets by operating segments and countries

The following table presents investment property by operating segments and countries:

	30 June 2024		31 December 2023	
	Amount	In %	Amount	In %
By operating segments				
Czech Republic	**2,797.8**	**17%**	**3,244.9**	**19%**
- Office portfolio	*76.3*	*3%*	*363.8*	*11%*
- Retail portfolio	*358.5*	*13%*	*653.4*	*20%*
- Residential portfolio	*916.2*	*33%*	*923.9*	*28%*
- Land bank and development	*1,074.6*	*39%*	*1,081.4*	*34%*
- Other	*372.2*	*12%*	*222.4*	*7%*
Berlin	**2,565.9**	**15%**	**2,538.0**	**15%**
- Office portfolio	*2,476.1*	*97%*	*2,450.2*	*97%*
- Land bank and development	*87.5*	*3%*	*85.5*	*3%*
- Other	*2.3*	*0%*	*2.3*	*0%*
Poland	**1,148.2**	**7%**	**1,115.2**	**6%**
- Office portfolio	*1,013.1*	*88%*	*1,003.6*	*90%*
- Retail portfolio	*111.1*	*10%*	*111.2*	*10%*
- Landbank and development	*0.4*	*0%*	*0.4*	*0%*
- Other	*23.6*	*2%*	*-*	*0%*
IMMOFINANZ	**4,581.3**	**27%**	**4,679.3**	**27%**
- Office portfolio	*1,781.7*	*39%*	*1,865.2*	*40%*
- Retail portfolio	*2,679.8*	*58%*	*2,669.5*	*57%*
- Land bank and development	*119.8*	*3%*	*144.6*	*3%*
- Other	*-*	*0%*	*-*	*0%*
S IMMO	**3,307.2**	**19%**	**3,269.9**	**19%**
- Office portfolio	*2,185.5*	*66%*	*2,262.4*	*69%*
- Retail portfolio	*850.4*	*26%*	*639.4*	*20%*
- Residential portfolio	*116.1*	*3%*	*203.4*	*6%*
- Land bank and development	*62.4*	*2%*	*88.0*	*3%*
- Hospitality	*30.8*	*1%*	*36.9*	*1%*
- Other	*62.0*	*2%*	*39.8*	*1%*
Complementary assets in Europe	**2,486.4**	**15%**	**2,415.4**	**14%**
- Office portfolio	*239.3*	*10%*	*238.7*	*10%*
- Retail portfolio	*720.7*	*29%*	*739.2*	*30%*
- Land bank and development	*1,127.2*	*45%*	*1,097.0*	*46%*
- Residential portfolio	*283.2*	*11%*	*297.1*	*12%*
- Hospitality	*-*	*0%*	*25.0*	*1%*
- Other	*116.0*	*5%*	*18.4*	*1%*
Total	**16,886.8**	**100%**	*17,262.7*	*100%*
By countries				
Czech Republic	4,842.0	29%	4,803.9	28%
Germany	3,203.0	19%	3,533.1	20%
Poland	2,103.8	12%	2,110.6	12%
Italy	1,466.1	9%	1,485.8	9%
Romania	1,230.6	7%	1,255.0	7%
Austria	933.5	6%	978.0	6%
Hungary	1,187.0	7%	1,149.2	7%
Other	1,920.8	11%	1,947.1	11%
Total	**16,886.8**	**100%**	17,262.7	100%

The following table presents property, plant and equipment by operating segments and countries:

	30 June 2024		31 December 2023	
	Amount	In %	Amount	In %
By operating segments				
Hotels and Resorts	43.3	11%	336.4	39%
S IMMO	230.7	61%	257.8	30%
Czech Republic	45.3	12%	173.8	20%
Berlin	15.2	4%	15.6	1%
IMMOFINANZ	8.9	3%	10.0	1%
Complementary Assets	34.9	9%	72.9	9%
Total	**378.3**	**100%**	**866.5**	**100%**
By countries				
Czech Republic	49.8	13%	408.6	47%
Austria	235.2	62%	263.6	30%
Hungary	0.5	0%	64.2	7%
Italy	68.1	18%	68.9	8%
Switzerland	-	-	0.9	0%
Other	24.7	7%	60.3	7%
Total	**378.3**	**100%**	**866.5**	**100%**

The following table presents goodwill by operating segments and countries:

	30 June 2024	31 December 2023
	Amount	Amount
Berlin	42.6	42.6
Hotels and Resorts	-	52.1
Complementary Assets	3.4	1.9
Total	**46.0**	**96.6**

5 Condensed consolidated interim statement of comprehensive income

5.1 Gross rental income

	Six-month period ended	
	30 June 2024	30 June 2023
Gross rental income	472.0	457.5

Increase of gross rental income in the six-month period ended 30 June 2024 was driven by reclassification of revenue of part of the Group´s hotel portfolio from hotel revenue to gross rental income of EUR 5.1 million and overall growth across portfolio, which offset revenues from disposals.

5.2 Net service charge and other income

	Six-month period ended	
	30 June 2024	30 June 2023
Service revenue	2.3	2.4
Service charge income	170.8	179.4
Revenues from sales of utilities	42.9	37.2
Service charges and other income	**216.0**	**219.0**
Service charge expenses	(162.5)	(172.8)
Cost of utilities	(29.1)	(27.4)
Cost of service and other charges	**(191.6)**	**(200.2)**
Total	**24.4**	**18.8**

In the six-month period ended 2024 and 2023, the revenue from sales of utilities relates primarily to the sale of water and electricity.

5.3 Property operating expenses

	Six-month period ended	
	30 June 2024	30 June 2023
Building maintenance	(23.2)	(21.4)
Personnel expenses (5.3.1)	(9.7)	(9.5)
Real estate tax	(9.9)	(9.2)
Other property related expenses	(35.3)	(37.6)
Total	**(78.1)**	**(77.7)**
Of which arising from investment property that:		
- did generate rental income	(75.1)	(74.3)
- did not generate rental income	(3.0)	(3.4)

5.3.1 Personnel expenses

	Six-month period ended	
	30 June 2024	30 June 2023
Wages and salaries	(9.2)	(9.0)
Social and health security contributions	(0.5)	(0.5)
Total personnel operating expenses	**(9.7)**	**(9.5)**
Wages and salaries	(29.9)	(29.8)
Social and health security contributions	(4.2)	(5.4)
Other social expenses	(2.4)	(0.7)
Total personnel administrative expenses (note 5.9)	**(36.5)**	**(35.9)**
Wages and salaries	(19.7)	(25.8)
Social and health security contributions	(2.0)	(4.1)
Other social expenses	(0.1)	(0.3)
Total personnel expenses – hotel operations (note 5.4)	**(21.8)**	**(30.2)**
Wages and salaries	(11.4)	(12.0)
Social and health security contributions	(1.9)	(2.1)
Other social expenses	(0.1)	(0.4)
Total personnel expenses – other business operations	**(13.4)**	**(14.5)**
Total	**(81.4)**	**(90.1)**

The Group had 3,251 employees as at 30 June 2024 (4,774 employees as at 30 June 2023).

The decrease of personnel expenses was caused by disposal of part of Group´s hotel portfolio in March 2024 (for more details refer to note 3.3 and 6.4.2).

5.4 Net hotel income

	Six-month period ended 30 June 2024	30 June 2023
Hotel revenue	68.8	103.5
Personnel expenses (5.3.1)	(21.8)	(30.2)
Hotel other operating expenses	(29.0)	(43.8)
Total	**18.0**	**29.5**

Net hotel income decreased primarily due to disposal of part of the Group´s hotel portfolio on 11 March 2024 (for more details refer to note 3.3 and 6.4.2).

5.5 Net valuation gain

	Czech Republic	IMMOFINANZ	S IMMO	Complementary assets	Total
Six-month period ended 30 June 2024					
Valuation gain	1.4	39.6	19.8	2.3	63.1
Valuation loss	(33.6)	(68.0)	(104.1)	(11.1)	(216.8)
Net valuation gain	**(32.2)**	**(28.4)**	**(84.3)**	**(8.8)**	**(153.7)**
Six-month period ended 30 June 2023					
Valuation gain	-	21.1	18.8	-	39.9
Valuation loss	-	(140.2)	(98.9)	(18.0)	(257.1)
Net valuation gain	**-**	**(119.1)**	**(80.1)**	**(18.0)**	**(217.2)**

In the six-month period ended 30 June 2024, the valuation gain and loss reflect primarily a decrease of the fair value of the IMMOFINANZ and S IMMO portfolio in selected segments (refer to note 7.3 for more details).

In the six-month period ended 30 June 2023, the valuation gain and loss reflect primarily a decrease of the fair value of the IMMOFINANZ and S IMMO portfolio in selected segments, primarily offices in Germany and Austria (refer to note 7.3 for more details).

5.6 Net gain on the disposal of investment property and subsidiaries

	Six-month period ended 30 June 2024	30 June 2023
Proceeds from the disposal of investment property	109.4	97.0
Carrying value of investment property disposed of and related cost	(109.1)	(94.9)
Net gain on the disposal of investment property	**0.3**	**2.1**
Proceeds from the disposal of subsidiaries	205.1	29.9
Carrying value of subsidiaries disposed of	(217.9)	(29.0)
Net gain on the disposal of subsidiaries	**(12.8)**	**0.9**
Proceeds from the disposal of investment property classified as held for sale	305.2	426.6
Carrying value of investment property classified as held for sale	(307.3)	(422.4)
Net gain on the disposal of investment property classified as held for sale	**(2.1)**	**(4.2)**
Total	**(14.6)**	**(1.2)**

In the six-month period ended 30 June 2024, proceeds from the disposal of investment property related primarily to sales in IMMOFINANZ and S IMMO of EUR 103.2 million and sale of one unit in Dubai of EUR 6.2 million.

In the six-month period ended 30 June 2024, proceeds from the disposal of subsidiaries were primarily related to sales in IMMOFINANZ and S IMMO of EUR 85.5 million, sales of two retail properties in Hungary of EUR 11.8 million and disposal of part of the Group´s hotel portfolio amounting to EUR 90.1 million. The Group generated loss of EUR 17.7 million form sale of certain land banks in Italy.

In the six-month period ended 30 June 2024, proceeds from the disposal of investment property classified as held for sale were primarily related to IMMOFINNANZ´s sale of EUR 157.6 million, sale of mountain resort in Switzerland of EUR 101.2 million and one office in Poland of 25.9 million.

In the six-month period ended 30 June 2023, proceeds from the disposal of investment property were primarily related to sale of one office building in Vienna of IMMOFINANZ (EUR 47.9 million) and German residential portfolio of S IMMO (EUR 40.4 million), respectively.

In the six-month period ended 30 June 2023, proceeds from the disposal of subsidiaries were primarily related to sale of one IMMOFINANZ subsidiary in Turkey (EUR 15.0 million).

In the six-month period ended 30 June 2023, proceeds from the disposal of investment property classified as held for sale were primarily related to sale of selected German S IMMO residential portfolio of EUR 382.4 million and one land bank in Italy of EUR 40.0 million.

5.7 Amortization, depreciation and impairment

	Six-month period ended 30 June 2024	30 June 2023
Depreciation and amortization	**(18.2)**	**(25.0)**
Impairment of assets	**2.2**	**(9.9)**
Reversal of impairment/ (Impairment) of property, plant and equipment	6.9	3.6
Impairment of other receivables	(0.4)	(4.0)
Impairment of trade receivables	(3.8)	(2.5)
Reversal of impairment/ (Impairment) of provided loans	(0.5)	(7.0)
Total	**(16.0)**	**(34.9)**

5.8 Administrative expenses

	Six-month period ended 30 June 2024	30 June 2023
Personnel expenses (5.3.1)	(36.5)	(35.9)
Other administrative expenses	(31.8)	(28.6)
Total	**(68.3)**	**(64.5)**

5.9 Interest expense

	Six-month period ended 30 June 2024	30 June 2023
Interest expense from bank and other loans	(122.9)	(111.4)
Interest expense on bonds issued	(51.5)	(52.2)
Interest expense related to leases	(0.6)	(0.7)
Interest expense on other non-current liabilities	(0.0)	(1.2)
Total	**(175.0)**	**(165.5)**

In the six-month period ended 30 June 2024, the interest expense increased due to overall increase of cost of new financing (refer to notes 6.13 and 6.15).

5.10 Other net financial result

	Six-month period ended 30 June 2024	30 June 2023
Change in fair value and realized result on derivative instruments not used for hedging	23.0	(15.3)
Bank charges	(3.2)	(3.3)
Net foreign exchange gain / (loss) on investment property	11.6	(99.9)
Other net foreign exchange gain / (loss)	(26.1)	67.0
Other net financial result	(2.3)	79.8
Total	**3.0**	**28.3**

In the six-month period ended 30 June 2024, the other net foreign exchange loss relates primarily to the retranslation of intra-group loans denominated in non-EUR currencies and retranslation of intra-group loans denominated in EUR but received by entities using non-EUR functional currencies.

In the six-month period ended 30 June 2023, the other net financial result represented primarily bonds transaction costs and a discount in the total amount of EUR 81.1 million and EUR 13.8 million respectively related to repurchase and cancellation of certain bonds issued (refer to note 6.13).

5.11 Income tax expense

	Six-month period ended 30 June 2024	30 June 2023
Current income tax expense	(41.2)	(38.6)
Adjustment for prior years	2.8	(0.3)
Total current income tax expense	**(38.4)**	**(38.9)**
Origination and reversal of temporary differences	14.5	4.3
Deferred income tax expense	**14.5**	**4.3**
Total	**(23.9)**	**(34.6)**

Tax expense for the six-month period ended 30 June 2024 is recognized based on management's best estimate of the effective tax rate for the full fiscal year of 2024. The Group's effective tax rate in respect of continuing operations for the six-month period ended 30 June 2024 and 30 June 2023 was 13.1% and 8.8% (not counting with one-off tax effects, primarily sales taxes, changes in tax rates etc.), respectively. In the six-month period ended 30 June 2023, the lower effective tax rate was driven by significant tax-exempt income (primarily bargain purchase from the acquisition of IMMOFINANZ and S IMMO in total of EUR 285.9 million).

The Group recognized a deferred tax asset of EUR 117.9 million as at 30 June 2024 (EUR 118.2 million as at 31 December 2023) of which EUR 88.0 million related to tax losses carried forward by CPI FIM as at 30 June 2024 (and 31 December 2023, respectively). The Group's perspective of tax losses utilization is based on the 10 years budget of CPI FIM's taxable profits.

6 Condensed consolidated interim statement of financial position

6.1 Intangible assets and goodwill

The Group has tested goodwill for impairment as at 31 December 2023. As at 30 June 2024, the Group did not identify any indications of impairment. The key assumptions used to determine the recoverable amount were disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

On 11 March 2024, together with disposal of CPI Hotels (refer to note 3.3.), the Group disposed goodwill of EUR 48.9 million.

6.2 Investment property

	Note	Czech Republic	Berlin	IMMOFINANZ	S IMMO	Complementary assets	Total
As at 1 January 2024		**3,244.9**	**2,538.0**	**4,679.3**	**3,270.0**	**3,530.5**	**17,262.7**
Investment property acquisitions		-	-	-	4.2	-	4.2
Transfers from PPE		136.8	-	-	25.1	104.0	265.9
Transfers from/ (to) assets held for sale		-	-	(0.7)	(210.9)	0.2	(211.4)
Transfers between segments		(464.7)	-	-	464.7	-	-
Development costs and other additions		12.7	28.7	37.0	14.1	62.7	155.2
Disposals		(74.1)	(0.8)	(98.8)	(171.4)	(66.0)	(411.1)
Valuation gain/ (loss)	5.6	(32.3)	-	(28.4)	(84.2)	(8.8)	(153.7)
Net foreign exchange gain/ (loss)	6.12.2	14.9	-	-	(2.5)	(0.8)	11.6
Translation differences	6.12.2	(40.4)	-	(7.1)	(1.9)	12.8	(36.6)
As at 30 June 2024		**2,797.8**	**2,565.9**	**4,581.3**	**3,307.2**	**3,634.6**	**16,886.8**

	Note	Czech Republic	Berlin	IMMOFINANZ	S IMMO	Complementary assets	Total
As at 1 January 2023		**4,112.3**	**3,001.8**	**5,238.6**	**2,667.2**	**3,466.3**	**18,486.2**
Investment property acquisitions		11.9	-	-	-	11.8	23.7
Transfers from inventory		7.5	-	-	-	-	7.5
Transfers from/ (to) assets held for sale		-	-	(11.6)	(96.2)	(27.3)	(135.1)
Transfers between segments		(141.9)	-	-	168.3	(26.4)	-
Development costs and other additions		14.2	21.7	45.8	5.4	31.9	119.0
Disposals		(2.4)	-	(64.4)	(72.8)	(10.8)	(150.4)
Valuation gain/ (loss)	5.6	(0.1)	-	(119.1)	(80.1)	(18.0)	(217.3)
Net foreign exchange gain/ (loss)	6.12.2	(17.6)	-	-	-	(82.3)	(99.9)
Translation differences	6.12.2	66.7	-	6.2	(0.8)	95.2	167.3
As at 30 June 2023		**4,050.6**	**3,023.5**	**5,095.5**	**2,591.0**	**3,440.4**	**18,201.0**

Transfers from PPE

On 11 March 2024 the Group sold 50% share in CZ Hotel Properties JV (refer to note 6.4.2 for more details). Following the transaction, the Group reclassified its hotel portfolio of EUR 261.1 million which is operated by the disposed entities CPI Hotels, a.s., CPI Hotels Hungary Kft., CPI Hotels Poland Sp. z o.o. and CPI Hotels Slovakia, s.r.o. from property, plant and equipment to investment property.

Transfers to assets held for sale

In the six-month period ended 30 June 2024, the Group reclassified certain S IMMO´s portfolio amounting EUR 210.9 million to assets held for sale.

Development costs and other additions

In the six-month period ended 30 June 2024, the development costs primarily related to the Group's portfolio in the Czech Republic (EUR 12.7 million), office portfolio in Berlin, Germany (EUR 28.7 million), portfolio of IMMOFINANZ (EUR 37.0 million), S IMMO (EUR 14.1 million), portfolio in Dubai (EUR 32.7 million), investment property additions in Poland (EUR 9.9 million), Italy (EUR 11.0 million) and London (EUR 7.2 million).

In the six-month period ended 30 June 2023, the development costs primarily related to the Group's portfolio in the Czech Republic (EUR 14.2 million), office portfolio in Berlin, Germany (EUR 22.0 million), portfolio of IMMOFINANZ (EUR 45.8 million), investment property additions in Italy (EUR 7.1 million), one shopping centre in Hungary (EUR 1.2 million) and London, UK (EUR 12.8 million).

Disposals

In the six-month period ended 30 June 2024, the Group disposed primarily part of S IMMO´s portfolio of EUR 171.4 million (primarily offices, residential and landbank portfolio of EUR 115.5 million, EUR 27.8 million and EUR 15.3 million) and IMMOFINANZ´s office portfolio of EUR 98.8 million (offices in Poland, Croatia and Austria of EUR 33.2 million, EUR 30.0 million and EUR 28.2 million), two Czech properties of EUR 73.1 million (disposed in March 2024 together with certain hotels portfolio, refer to note 6.4.2 for more details), two landbanks in Italy of EUR 26.0 million and two retail properties in Hungary of EUR 22.5 million.

In the six-month period ended 30 June 2023, the Group disposed primarily one office in Vienna of IMMOFINANZ (EUR 64.4 million) and German residential portfolio of S IMMO (EUR 72.8 million), respectively.

Net foreign exchange gain/(loss)

The net foreign exchange gain/(loss) reflects foreign retranslation of investment property valued in EUR and recognized by the Group's subsidiaries which use non-EUR functional currencies.

Translation reserve

The decrease of translation reserve relates to investment property (valued either in EUR or non-EUR currencies) recognized by the Group's subsidiaries which use non-EUR functional currencies.

6.3 Property, plant and equipment

a) Hotels

	2024	2023
Gross carrying amounts		
As at 1 January	**971.9**	**1,175.2**
Development and other additions	1.4	1.5
Other disposals	(251.2)	(1.2)
Transfer from/ to investment property	(315.6)	-
Transfers to AHFS	0.1	-
Transfer from/ to other property, plant and equipment	2.9	(0.4)
Effect of movements in exchange rates	(4.7)	7.5
Valuation gain/ (loss) through other comprehensive income	3.3	2.8
As at 30 June	**408.1**	**1,185.4**
Accumulated depreciation and impairment losses		
As at 1 January	**(190.4)**	**(201.8)**
Depreciation for the period	(6.5)	(11.9)
Other disposals	28.8	0.6
Transfer from/ to IP	49.7	0.1
Impairment gain/ (loss)	1.8	0.1
Transfer from/to other property, plant and equipment	-	1.4
Effect of movements in exchange rates	-	(0.6)
As at 30 June	**(116.6)**	**(212.1)**
Net carrying amounts		
As at 1 January	**781.5**	**973.4**
As at 30 June	**291.5**	**973.3**

In the six-month period ended 30 June 2024, the Group disposed significant part of its hotel portfolio amounting to EUR 261.1 million (refer to note 3.3 and 6.4.2). Further, the Group reclassified its hotels which continue to be operated by disposed subsidiaries CPI Hotels, a.s., CPI Hotels Hungary Kft., CPI Hotels Poland Sp. Zo.o. and CPI Hotels Slovakia, s.r.o. (refer to note 3.3 and 6.4.2 for more details) from property, plant and equipment to investment property in amount of EUR 265.9 million (of which EUR 265.7 million represented hotels and EUR 0.2 million represented property under construction).

6.4 Equity accounted investees

Equity accounted investees as at 30 June 2024 and 31 December 2023:

	Note	30 June 2024	31 December 2023
Globalworth	6.4.1	633.8	652.9
CZ Hotel Properties JV	6.4.2	93.5	-
Uniborc		16.1	16.9
Other**		41.3	47.4
Total		**784.7**	**717.2**

* Uniborc S.A., a joint venture founded in 2013 with Unibail Rodamco Westfield, with aim to develop a shopping centre in the Bubny area of Prague, the Czech Republic. The Group's shareholding is 34%.

** German entities, in which the Group holds 50% stake: Ritterstraße 120 GmbH, Rathenower Straße 63-64 GmbH and Moritzstraße 23 GmbH and Czech entities, in which the Group holds 50% stake: HOLESOVICE SPIN OFF s.r.o., Nove Holesovice Development a.s. and Kunitz Capital, a.s.;, 35% share in QBC Management und Beteiligungen GmbH 7 & Co KG, QBC Management und Betelligungen GmbH, QBC Gamma SP Immomanagement GmbH in Liqu and 26.3 stake in BGM – EB-Grundstucksbeteiligungen GmbH & Co KG and 51% stake in IPD – International Property Development, s.r.o.

6.4.1 Investment in Globalworth

As at 30 June 2024 and 2023, the Group together with Aroundtown SA owned 60.63% stake in Globalworth through a joint venture Tevat Limited.

Movement of the investment in Globalworth

	2024	2023
Opening balance	652.9	676.9
Share of profit	(19.1)	(7.9)
As at 30 June	**633.8**	**669.0**

Condensed consolidated interim statement of financial position of Globalworth

	30 June 2024	31 December 2023
Investment property	2,610.8	2,843.1
Other non-current assets	113.7	122.0
Cash and cash equivalents	210.3	396.3
Other current assets	31.6	33.5
Investment property held for sale	35.5	50.3
Total assets	**3,001.9**	**3,445.2**
Non-current financial debts	1,130.2	1,574.8
Deferred tax liabilities	122.0	(139.3
Other non-current liabilities	30.3	27.2
Current liabilities	180.7	95.6
Liabilities directly associated with the assets held for sale	3.1	5.7
Total liabilities	**1,466.3**	**1,842.6**
Net assets	**1,535.6**	**1,602.6**

Condensed consolidated interim statement of comprehensive income of Globalworth

	Six-month period ended	
	30 June 2024	30 June 2023
Net business income	72.4	73.7
Net valuation gain / (loss) on investment property	(50.5)	(102.9)
Administrative and other expenses	(32.9)	(8.0)
Operating result	**(11)**	**(37.2)**
Net finance costs	(40.9)	(9.7)
Share of profit / (loss) of equity-accounted investees	(13.2)	2.6
(Loss)/ Profit before taxes	**(65.1)**	**(44.3)**
Income taxes	(0.2)	19.7
(Loss)/ Profit for the period	**(65.3)**	**(24.6)**

Globalworth's EPRA NRV per share, indicating the fair value of the ordinary share, was EUR 7.66 as at 30 June 2024.

The Group did not identify any loss events which might indicate objective evidence of impairment and consequently, the Group did not perform the impairment test as at 30 June 2024.

6.4.2 Investment in CZ Hotel Properties JV

On 11 March 2024 the Group sold 50% share in CZ Hotel Properties JV, s.r.o. to BHP CZ hotels s.r.o., Slovakian based real estate entity for total of EUR 90.1 million. Since the transaction, the Group and BHP CZ hotels s.r.o. jointly control CZ Hotel Properties JV and the Group´s share in the joint venture is classified as equity accounted investee.

CZ Hotel Properties JV holds the following subsidiaries CPI Hotels, a.s., Best Properties South, a.s., CPI – Real Estate, a.s., Olomouc Building, a.s., CPI Hotels Properties, a.s., Kerina, a.s., MUXUM, a.s., Lockhart, a.s., Tyršova 6, a.s., Hotel Lucemburská, s.r.o., Statek Blatiny, s.r.o., Labská Property, s.r.o., CPI Hotels Catering, s.r.o., CPI Hotels Hungary Kft., CPI Hotels Europeum Kft., CPI Hotels Poland Sp. z o.o., CPI Hotels Slovakia, s.r.o.. Through these subsidiaries the Group owned and operated a significant portfolio of its hotels in the Czech Republic, Hungary, Slovakia and Poland.

Following the transaction, the Group reclassified its hotel portfolio of EUR 222.4 million which is operated by the disposed entities CPI Hotels, a.s., CPI Hotels Hungary Kft., CPI Hotels Poland Sp. z o.o. and CPI Hotels Slovakia, s.r.o. from property, plant and equipment to investment property. Similarly, hotel revenues and expenses are no longer classified as net hotel income but as net rental income in the Group´s consolidated statement of comprehensive income. The Group´s 50% share in CZ Hotel Properties JV is valued at its net carrying value of EUR 93.5 million including post-closing profit of EUR 2.5 million. As a result of the transaction, revaluation reserve related to disposed hotels of EUR 23.8 million was released against retained earnings.

As part of agreement with BHP CZ hotels, the Group holds a call option to acquire the 50% share in CZ Hotel Properties JV back for a sales price depending on timing of exercise of the call. As at 30 June 2024, the fair value of the option was considered immaterial.

6.5 Other financial non-current assets

	30 June 2024	31 December 2023
Derivative instruments (refer to note 6.14)	200.3	191.6
Other non-current financial assets	78.0	72.5
Total	**278.3**	**264.1**

6.6 Loans provided

Non-current

	30 June 2024	31 December 2023
Loans provided - related parties and joint ventures (refer to note 10)	190.8	150.1
Loans provided - third parties	122.8	29.7
Impairment to non-current loans provided to third parties	(0.7)	(0.7)
Total	**312.8**	**179.1**

Current

	30 June 2024	31 December 2023
Loans provided - related parties and joint ventures	9.0	19.6
Loans provided - third parties	3.9	6.0
Impairment to current loans provided to third parties	(3.6)	(3.6)
Total	**9.3**	**22.0**

Group provides loans to related parties from Luxembourg (refer to note 10).

6.7 Current trade receivables

	30 June 2024	31 December 2023
Trade receivables due from related parties	4.9	2.5
Trade receivables due from third parties	247.5	254.2
Impairment to trade receivables due from third parties	(23.4)	(29.0)
Total	**229.0**	**227.7**

6.8 Cash and cash equivalents

	30 June 2024	31 December 2023
Bank balances	1,088.6	924.2
Cash on hand	0.4	0.7
Other cash equivalents	73.5	97.7
Total	**1,162.5**	**1,022.6**

Total restricted cash in bank accounts amounted to EUR 39.3 million as at 30 June 2024 (EUR 37.9 million as at 31 December 2023). Use of these accounts is subject to the respective bank approval. These accounts are held for special purposes under the loan agreements.

Other cash and cash equivalents of EUR 73.5 million represent bills of exchange with function of a demand deposit.

6.9 Other financial current assets

	30 June 2024	31 December 2023
Financial derivatives (refer to note 6.14)	8.3	9.3
Other financial current assets	156.6	126.0
Total	**164.9**	**135.3**

6.10 Other non-financial current assets

	30 June 2024	31 December 2023
Other advances paid to third parties	87.7	44.9
Value added tax receivables	25.2	32.4
Other tax receivables (excl. CIT and VAT)	2.7	6.2
Agricultural subsidies	8.2	5.4
Prepaid expenses	58.6	60.8
Total	**182.4**	149.7

6.11 Assets held for sale

The following assets are classified as assets held for sale as at 30 June 2024:

- S IMMO portfolio of EUR 272.9 million and IMMOFINANZ portfolio of EUR 13.8 million; and
- Hotel portfolio in Croatia of EUR 230.5 million; and
- Landbank in Romania of EUR 5.1 million.

Primarily, the following assets were classified as assets held for sale as at 31 December 2023 and were sold in the six-month period ended 30 June 2024:

- Hotel in Italy of EUR 22.9 million; and
- Office portfolio in Poland of EUR 25.9 million; and
- Office buildings of IMMOFINANZ amounting to EUR 157.6 million; and
- Mountain resort in Switzerland amounting to EUR 101.2 million; and
- Residential portfolio in UK of EUR 20.5 million.

6.12 Equity

6.12.1 Share capital and share premium

As at 30 June 2024, the outstanding share capital of the Company was EUR 862.0 million (EUR 870.5 million as at 31 December 2023) and is represented by 8,619,522,791 (8,704,850,259 as at 31 December 2023) ordinary fully paid shares with a nominal value of EUR 0.10. As at 30 June 2024, the Group holds 67,000,000 shares (152,327,468 as at 31 December 2023) of the Company which represent treasury shares. Net of treasury shares, the share capital of the Company was EUR 855.3 million as at 30 June 2024 and 31 December 2023, respectively.

The following table presents information regarding the ownership of the Company’s shares as at 30 June 2024 and 31 December 2023:

Shareholder	As at 30 June 2024 Number of shares	Share held	Share on outstanding shares	As at 31 December 2023 Number of shares	Share held	Share on outstanding shares
Mr. Vítek and entities controlled by Mr. Vítek	7,696,259,609	89.99%	89.29%	7,696,259,609	89.99%	88.41%
Clerius Properties (affiliate of Apollo Funds)	391,410,351	4.58%	4.54%	391,410,351	4.58%	4.50%
Others	464,852,831	5.43%	5.39%	464,852,831	5.43%	5.34%
Total except treasury shares	**8,552,522,791**			**8,552,522,791**		
Treasury shares held by the Group	67,000,000	-	0.78%	152,327,468	-	1.75%
Total shares outstanding	**8,619,522,791**	**100.0%**	**100.00%**	**8,704,850,259**	**100.0%**	**100.00%**

Share buy-back programme

The annual general meeting of the shareholders of the Company held on 31 May 2023 (the "2023 AGM") approved the terms and conditions of a buy-back programme of the Company. The buy-back programme enables the Company to repurchase its own shares and authorises the Company to redeem/repurchase its own shares under the terms and conditions set forth therein. In particular, the 2023 AGM authorised the Board of Directors of the Company to repurchase, in one or several steps, a maximum number of 1,000,000,000 shares in the Company from the existing and/or future shareholders of the Company, for a purchase price comprised in the range between one eurocent EUR 0.01 and EUR 5, for a period of five years from the date of the 202   AGM. The 2023 AGM further resolved to grant power to the Board of Directors of the Company (i) to proceed with the payment of the relevant repurchase price out of the Company's available funds, (ii) to take all required actions to complete any repurchase of shares and (iii) to verify that the process of share repurchase is made in compliance with the legal provisions.

As at 30 June 2024, the Company is authorised to redeem/repurchase up to 914,672,532 own shares under the buyback programme approved by the 2023 AGM. For further terms and conditions of buyback please refer to the buyback programme of the Company.

Mandatory takeover bid for CPI FIM S.A. (former Orco Property Group) shares

On 8 June 2016 the Company's fully owned subsidiary Nukasso Holdings Limited directly and indirectly acquired approximately 97.31% of shares in CPI FIM. As a consequence, Nukasso Holdings Limited became obliged to launch a mandatory takeover bid to purchase any and all of the ordinary shares of CPI FIM (the "Mandatory Takeover Offer"). On 22 August 2016, the Czech Office for the Protection of Competition granted the merger clearance for the acquisition of CPI FIM by the Group, whereas its decision became final and binding on 23 August 2016.

On 8 December 2017 the CSSF published press releases in which it stated, inter alia, that it has decided not to approve the offer document in the Mandatory Takeover Offer as a consequence of the existence of an undisclosed concert action with respect to CPI FIM. On 15 March 2018 the CSSF published a press release informing that the decisions detailed in the above-mentioned CSSF press releases of 8 December 2017 have been challenged before the Luxembourg administrative courts. On 21 November 2023 the first instance court rejected administrative lawsuits against the decisions of the CSSF. The shareholders appealed against this decision. On 27 June 2024, the appeals formed against the judgments of 21 November 2023 have been dismissed by the Administrative Court (Cour administrative). As a consequence, decisions adopted by the CSSF on 8 December 2017 are final and may no longer be challenged before the Luxembourg administrative courts. The Company understands that shareholders have the right to bring claims to the European Court of Human Rights in Strasbourg.

As of the date of this report, the Company has not received any formal decision in relation to the Mandatory Takeover Offer.

6.12.2 Translation reserve

The following table shows the movement of the translation reserve per related counter accounts in the period:

	Note	2024	2023
Opening balance as of 1 January		**101.5**	**120.4**
Translation differences related to retranslation of investment property	6.2	(36.6)	167.3
- Valued in EUR (and recognized by subsidiaries with non-EUR functional currency)	6.2	*(11.6)*	*99.9*
- Valued in non-EUR currencies (and recognized by subsidiaries with non-EUR functional currency)		*(25.0)*	*67.4*
Translation differences related to retranslation of property, plant and equipment	6.3	(4.7)	7.5
Translation differences related to retranslation of intra-group loans and other items		(11.1)	(65.6)
As at 30 June		**49.1**	**229.6**

6.12.3 Perpetual notes

	2024	2023
Opening balance as of 1 January	1,585.2	1,584.4
Repayment of interests	-	(3.1)
Interest to perpetual notes holders	38.2	37.9
As at 30 June	**1,623.4**	**1,619.2**

6.12.4 Non-controlling interests

	Note	30 June 2024	31 December 2023
IMMOFINANZ	6.12.4.1	837.0	819.8
S IMMO	6.12.4.2	174.6	190.3
CPI Project Invest and Finance	6.12.4.3	333.8	-
Other non-controlling interests		91.3	94.4
Total		**1,436.7**	**1,104.5**

Movement of non-controlling interests:

	Note	2024	2023
Opening balance as of 1 January		1,104.5	1,098.8
Distributions to NCI		(4.6)	-
Disposal of NCI		(7.7)	-
Sale of NCI	3.3.2	333.8	-
Purchase of non-controlling interests		-	(2.9)
Total comprehensive income attributable to non-controlling interests		10.7	(18.8)
Total		**1,436.7**	**1,077.1**

6.12.4.1 IMMOFINANZ

The registered office of IMMOFINANZ AG is Wienerbergstrasse 9, Vienna, Austria.

Movement of IMMOFINANZ related non-controlling interest:

	2024	2023
Initially recognized in the period	819.8	801.9
Share acquired in the period	-	-
Loss for the period	17.2	(18.0)
As at 30 June	**837.0**	**783.9**
Group's interest	75.00%	76.88%

Condensed financial information of IMMOFINANZ as at 30 June 2024 and for the six-month period then ended (excluding S IMMO group of which, condensed financial information is presented separately in the table below):

	30 June 2024	31 December 2023
Non-current assets	*4,762.2*	*4,809.2*
Current assets	*592.6*	*560.9*
Total assets	5,354.8	5,370.1
Total equity	*2,841.6*	*2,778.1*
Non-current liabilities	*1,894.2*	*2,400.3*
Current liabilities	*619.0*	*191.7*
Total equity and liabilities	5,354.8	5,370.1
Profit/ (loss) for the period	70.6	(137.7)
Net increase/ (decrease) in cash and cash equivalents	170.0	(122.4)

6.12.4.2 S IMMO

The registered office of S IMMO AG is Wienerbergstrasse 9, Vienna, Austria.

Movement of S IMMO related non-controlling interest:

	2024	2023
As at 1 January	**190.3**	**200.6**
Initially recognized in the period	-	-
Distribution of NCI	**(4.6)**	-
Loss for the period	**(11.1)**	**(3.7)**
As at 30 June	**174.6**	**196.9**
Group's interest	92.26%	92.26%

Condensed financial information of S IMMO as at 30 June 2024 and for the six-month period then ended:

	30 June 2024	31 December 2023
Non-current assets	*3,551.9*	*3,526.1*
Current assets	*710.2*	*653.8*
Total assets	4,262.1	4,179.9
Total equity	*1,707.9*	*1,701.9*
Non-current liabilities	*2,175.7*	*2,016.5*
Current liabilities	*378.5*	*461.5*
Total equity and liabilities	4,262.1	4,179.9
Profit/ (loss) for the period	12.1	(41.4)
Net increase/ (decrease) in cash and cash equivalents	(99.4)	190.6

6.12.4.3 CPI Project Invest and Finance

The registered office of CPI Project Invest and Finance, a.s. is Purkyňova 2121/3, Prague, the Czech Republic.

On 27 June 2024, the Group sold 49% share of CPI Project Invest and Finance (hereinafter together with its subsidiaries as „CPI PIF“) to European asset manager SONA ASSET MANAGEMENT (UK) LLP ("Sona Asset Management") for EUR 250.0 million. The entity holds the following 12 subsidiaries: GADWALL, Sp. z o.o., CENTRAL TOWER 81 Sp. z o.o., Prosta 69 Sp. z o.o., City Gardens Sp. z o.o., Atrium Complex Sp.z o.o., GCA Property Development sp. Z o.o., Equator II Development sp. z o.o., Oxford Tower sp. z o.o., Equator Real Sp. z o.o., Equator IV Offices sp. z o.o., Eurocentrum Offices sp.z o.o., WFC Investments sp. z o.o. Through these subsidiaries the Group holds and operates its selected office portfolio in Warsaw and retail assets in Lublin and Elblag.

The Group continues to control CPI PIF and therefore it continues to consolidate it in full.

The carrying value of CPI PIF and its subsidiaries was EUR 333.8 million, the same amount is recognized as non-controlling interest since the transaction date. The difference between the carrying value of EUR 333.8 million and the sales price of EUR 250.0 million amounting to EUR 83.8 million represents Group´s loss from sale of NCI and was recognized against retained earnings as of the date of sale.

The Group holds a call option to repurchase 49% shares of CPI PIF back from Sona Asset Management at a price which depends on the date of exercise of the call option. If the shares were not fully repurchased after five years by the Group, Sona Asset Management has a (conditional) right to trigger a sale of CPI PIF´s assets on the market. As at 30 June 2024, the fair value of the Group´s call option was considered immaterial.

As part of the investment, Sona Asset Management does not have present access to any returns. The Group cannot be required to any payments as distributions depend on operational performance and approval of CPI PIF´s board.

6.12.5 Earnings per share

	30 June 2024	30 June 2023
At the beginning of the period	8,552,522,791	8,637,850,259
At the end of the period	8,552,522,791	8,637,850,259
Weighted average outstanding shares for the purpose of calculating the basic EPS	8,552,522,791	8,637,850,259
Weighted average outstanding shares for the purpose of calculating the diluted EPS	8,552,522,791	8,637,850,259
Net profit/ (loss) attributable to the Equity holders of the parent	(51.7)	(69.2)
Net profit/ (loss) attributable to the Equity holders of the parent after assumed conversions/exercises	(51.7)	(69.2)
Total Basic earnings in EUR per share	(0.006)	(0.008)
Diluted earnings in EUR per share	(0.006)	(0.008)

6.13 Bonds issued

		30 June 2024		31 December 2023	
	Dated	No. of bonds issued	Value	No. of bonds issued	Value
ISIN AT0000A1DBM5	9 April 2015	-	-	31,780	15.9
ISIN AT0000A1DWK5	21 April 2015	68,398	34.0	68,398	34.1
ISIN AT0000A1Z9D9	6 February 2018	-	-	-	-
ISIN AT0000A1Z9C1	6 February 2018	100,000	49.8	100,000	49.9
ISIN XS1917855337	10 December 2018	30	17.3	30	19.1
ISIN AT0000A285H4	22 May 2019	300,000	149.8	300,000	150.0
ISIN XS2008905155	6 June 2019	283	33.7	283	32.8
ISIN AT0000A2AEA8	15 October 2019	200,000	99.8	200,000	99.9
ISIN XS2069407786	28 October 2019	6,176	613.5	6,176	611.2
ISIN XS2106589471	22 January 2020	3,298	386.9	3,298	375.9
ISIN XS2117757182	22 January 2020	250	29.8	250	28.9
ISIN XS2171875839	12 May 2020	6,271	623.7	6,271	621.7
ISIN XS2290544068	5 August 2020	7,650	753.4	7,650	752.0
ISIN XS2243564478	15 October 2020	2,378	232.3	2,378	228.9
ISIN XS2307032644	21 January 2021	-	-	30	19.1
ISIN AT0000A2MKW4 (green bond)	4 February 2021	140,899	70.3	140,899	74.8
ISIN HU0000359898	25 February 2021	600	75.9	600	78.4
ISIN XS2394029685	7 October 2021	-	-	26	16.5
ISIN AT0000A2UVR4 (green bond)	11 January 2022	50,117	24.9	50,117	24.9
ISIN XS2432162654	14 January 2022	6,805	669.9	6,805	665.1
L1300@AA8	5 May 2022	120,000,000	111.9	120,000,000	109.1
L1300@AB6	5 May 2022	100,000,000	93.5	100,000,000	91.0
L1300@AC4	5 May 2022	110,000,000	102.8	110,000,000	100.1
ISIN AT0000A35Y85	12 July 2023	150,000	74.8	150.000	74.8
ISIN XS2815976126	7 May 2024	500,000,000	476.9	-	-
Total non-current bonds issued			**4,724.9**		**4,274.1**
Accrued interest and accrued charges on bonds		-	17.3	-	57.2
ISIN AT0000A1DBM5	9 April 2015	31,780	15.9	-	-
ISIN AT0000A1Z9D9	6 February 2018	-	-	200,000	99.9
ISIN CH0441186472	25 October 2018	-	-	-	-
ISIN XS1935128956	27 January 2019	-	5.9	-	-
ISIN XS1950499639	12 February 2019	-	-	450	52.1
ISIN XS2307032644	25 February 2021	30	17.5	-	-
ISIN XS2394029685	7 October 2021	26	15.1	-	-
Total current bonds issued			**71.7**		**209.2**
Total bonds issued			**4,796.6**		**4,483.3**

On 9 May 2024, the Group issued green bonds of EUR 500 million (ISIN XS2815976126). The bonds mature on 7 May 2029 and bear fixed interest at a rate of 7% p.a. The bonds are listed on the regulate market of Euronext Dublin.

In the six-month period ended 30 June 2024, the Group repaid maturing bonds of EUR 153.4 million.

Net gain from repurchase of the bonds in April 2023 of EUR 79.8 million (including release of related transaction costs and a discount in the total amount of EUR 6.2 million) was recognized as part of the other financial result in the six-month period ended 30 June 2023.

Covenants

Bonds issued by CPI PROPERTY GROUP S.A. are subject to covenants. The covenant ratios were met as at 30 June 2024.

Structure of bond financing

As at 30 June 2024, the total value of unsecured bonds amounts to EUR 4,796.6 million (EUR 4,483.3 million as at 31 December 2023). Unsecured bonds are bonds that are not collateralized by any assets.

6.14 Derivative instruments

The fair value of the open derivative instruments is summarized in the following table:

	30 June 2024		31 December 2023	
Type of derivative	Assets	Liabilities	Assets	Liabilities
Cross currency swap contracts used for hedging	14.5	(51.0)	13.8	(56.5)
Interest rate swaps used for hedging	133.1	(6.7)	113.3	(3.7)
Other interest rate swaps	61.0	(7.6)	73.8	(28.8)
Total	**208.6**	**(65.3)**	**200.9**	**(89.0)**
Current	8.3	(15.2)	9.3	(2.9)
Non-current	200.3	(50.1)	191.6	(86.1)
Total	**208.6**	**(65.3)**	**200.9**	**(89.0)**

As at 30 June 2024 and 31 December 2023, the cross currency swap ("CCS") contracts relate to foreign currency denominated bonds. The bonds and CCS have the same critical terms and the Group applies hedge accounting in respect of accounting for changes in their values in the period. Similarly, the Group applies hedge accounting in respect of the interest rate swap contracts agreed in respect of their variable financial debts.

6.15 Financial debts

	30 June 2024	31 December 2023
Loans from related parties	0.2	-
Bank loans	4,840.8	6,233.1
Lease liabilities	84.0	92.6
Total non-current financial debts	**4,925.0**	**6,325.7**
Loans from related parties	-	0.2
Loans from third parties	3.0	0.7
Bank loans	701.6	405.8
Lease liabilities	5.1	5.5
Total current financial debts	**709.7**	**412.2**
Total	**5,634.6**	**6,737.9**

In the six-month period ended 30 June 2024, the Group repaid loans of EUR 1,059.5 million (primarily repayment of the bridge facility of EUR 608 million, revolving credit facility of EUR 180 million and repayment of bank loans of the disposed subsidiaries of EUR 256 million).

As at 30 June 2024, the Group has an undrawn revolving credit facilities of EUR 490.0 million (EUR 335.0 million as at 31 December 2023).

As at 30 June 2024, the total secured financial debts amounted to EUR 4,932.5 million (EUR 5,232.5 million as at 31 December 2023) and the total unsecured financial debts amounted to EUR 702.1 million (EUR 1,505.4 million as at 31 December 2023, including loans classified as liabilities linked to assets held for sale).

6.16 Net deferred tax liability

Movement in the net deferred tax:

	2024	2023
Net deferred tax liability as at 1 January	1,429.6	1,551.1
Recognized in profit or loss	(14.5)	(4.3)
Recognized in other comprehensive income	(1.2)	(2.5)
Disposal of subsidiaries	(42.4)	-
Translation differences and other movements	0.4	(4.7)
As at 30 June	**1,371.9**	**1,539.6**

6.17 Other financial non-current liabilities

	30 June 2024	31 December 2023
Tenant deposits	74.5	75.5
Advances received	3.8	4.4
Payables from retentions	5.1	5.7
Trade and other payables due to third parties	39.2	16.3
Derivative instruments (refer to note 6.14)	50.1	86.1
Total	**172.7**	**188.0**

6.18 Current trade payables

In the six-month period ended 30 June 2024, the decrease of the current trade payables by EUR 77.6 million reflects mainly seasonal effect – billing vs. accrued expenses.

6.19 Other financial current liabilities

	30 June 2024	31 December 2023
Advances received from third parties	59.2	46.3
Tenant deposits	47.9	36.5
Derivative instruments (refer to note 6.14)	15.2	2.9
Deferred income and accrued liabilities	44.1	53.3
Other payables due to third parties	112.8	96.9
Total	**279.2**	235.9

6.20 Other non-financial current liabilities

	30 June 2024	31 December 2023
Value added tax payables	20.4	14.7
Other tax payables	21.8	19.7
Payables due to employees	6.7	10.1
Provisions	8.8	13.8
Total	**57.7**	**58.3**

7 Fair value measurement

7.1 Fair value of financial instruments

Fair value measurements of financial instruments reported at fair value are classified by level of the following measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six-month period ended 30 June 2024.

The following tables show the carrying amounts at fair value of financial assets and liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 June 2024		31 December 2023	
Financial assets measured at fair value	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Derivative instruments	208.6	208.6	200.9	200.9
Financial assets not measured at fair value				
Loans provided	322.2	344.3	201.1	217.9
Financial liabilities measured at fair value				
Derivative instruments	65.3	65.3	89.0	89.0
Financial liabilities not measured at fair value				
Bonds	4,796.6	4,098.6	4,483.3	3,253.4
Financial debt – bank loans (floating rate)	5,542.4	5,385.4	6,638.7	6,635.3
Financial debt – loans received	3.0	2.6	0.5	0.5

7.2 Fair value measurement of investment property, hotels and biological assets

The Group's investment properties, hotels and biological assets were valued at 31 December 2023 in accordance with the Group's accounting policies. In cases where there have been indicators of significant changes identified, the value of the asset has been updated based on the external or internal appraisal as of 30 June 2024.

As at 30 June 2024, the Group hired external appraisals to determine the fair values of selected properties, primarily properties recently acquired through acquisitions of IMMOFINANZ and S IMMO groups.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period. There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements in the six-month period ended 30 June 2024.

7.3 Main observable and unobservable inputs

The table below presents the fair value hierarchy of the valuation, the valuation method, the key observable and unobservable inputs for each class of property owned by the Group, used by the valuers as at 30 June 2024.

Retail	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Italy - Shopping Centres and Galleries	110	111	DCF	ERV per sqm	€350-€1,100 (€683)	€350-€1,100(€688)
				NRI per sqm	€200-€887 (€535)	€205-€896 (€546)
				Discount Rate	5.76%-10.44% (7.02%)	5.83%-10.46% (7.08%)
				Exit Yield	4%-8.25% (5.04%)	4%-8.25% (5.05%)
				Vacancy rate	0.0%-22.38% (4.30%)	0%-21.65% (4.19%)
Italy - Retail Warehouse	91	91	DCF	ERV per sqm	€100-€225 (€170)	€100-€225 (€169)
				NRI per sqm	€47-€199 (€156)	€48-€201 (€156)
				Discount Rate	8.99%-10.01% (9.28%)	9.26%-10.27% (9.5%)
				Exit Yield	6.5%-7.5% (6.86%)	6.5%-7.5% (6.86%)
				Vacancy rate	0.0%-19.06% (0.76%)	0.02%-19.06% (0.74%)
Total	**201**	**202**				

Retail (S IMMO)	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Germany - Retail Warehouse	1	2	DCF	ERV per sqm	€64-€64 (€64)	€64-€68 (€67)
				NRI per sqm	€32-€32 (€32)	€52-€54 (€53)
				Discount Rate	6.25%-6.25% (6.25%)	0%-0% (0%)
				Exit Yield	4.5%-4.5% (4.5%)	4.4%-6.65% (5.82%)
				Vacancy rate	100%-10 % (100%)	8.83%-100% (42.51%)
Germany - Shopping Centres and Galleries	8	23	DCF	ERV per sqm	€105-€105 (€105)	€98-€118 (€107)
				NRI per sqm	€2-€2 (€2)	€85-€112 (€97)
				Discount Rate	9.3%-9.3% (9.3%)	6.6%-9.1% (7.67%)
				Exit Yield	8.3%-8.3% (8.3%)	5.9%-8.1% (6.84%)
				Vacancy rate	96.07%-96.07% (96.07%)	6.44%-96.07% (44.63%)
Czech Republic – Shopping Centres and Galleries*	0	470	DCF	ERV per sqm	€0-€0 (€0)	€150-€693 (€387)
				NRI per sqm	€0-€0 (€0)	€163-€711 (€391)
				Discount Rate	0%-0% (0%)	5.0%-7.15% (6.20%)
				Exit Yield	0%-0% (0%)	4.8%-6.75% (5.93%)
				Vacancy rate	€0-€0 (€0)	0.09%-5.36% (3.15%)
Czech Republic - Retail Warehouse*	0	24	DCF	ERV per sqm	€0-€0 (€0)	€82-€82 (€82)
				NRI per sqm	€0-€0 (€0)	€85-€85 (€85)
				Discount Rate	0%-0% (0%)	7.1%-7.1% (7.1%)
				Exit Yield	0%-0% (0%)	7.1%-7.1% (7.1%)
				Vacancy rate	€0-€0 (€0)	0.0%-0.0% (0.0%)
Czech Republic – Shopping Centres and Galleries**	470	0	Income capitalization	ERV per sqm	€172-€805 (€414)	€0-€0 (€0)
				NRI per sqm	€162-€723 (€406)	€0-€0 (€0)
				Equivalent yield	5.10%-7.41% (6.16%)	0%-0% (0%)
				Vacancy rate	0.26%-10.97% (8.3%)	0%-0% (0%)
Czech Republic - Retail Warehouse	22	0	Income capitalization	ERV per sqm	€86-€86 (€86)	€0-€0 (€0)
				NRI per sqm	€8 -€83 (€83)	€0-€0 (€0)
				Equivalent yield	6.75%-6.75% (6.75%)	0%-0% (0%)
				Vacancy rate	0.0%-0.0% (0.0%)	0%-0% (0%)
Complementary Assets Portfolio – Retail Warehouse	29	29	Income capitalization	ERV per sqm	€94-€95 (€94)	€93-€95 (€94)
				NRI per sqm	€102-€10 (€106)	€103-€109 (€106)
				Exit yield	4.5%-9.25% (8.38%)	4.4%-9.0% (8.5%)
				Vacancy rate	0.0%-3.46% (1.66%)	0%-3.46% (1.64%)
Complementary Assets Portfolio – Shopping Centres and Galleries	299	301	Income capitalization	ERV per sqm	€16 -€257 (€239)	€156-€250 (€234)
				NRI per sqm	€150-€245 (€226)	€146-€238 (€222)
				Exit yield	4.50%-9.25% (8.21%)	4.4%-9.0% (7.94%)
				Vacancy rate	0.91%-2.0% (1.19%)	0.40%-25.89% (5.44%)
Complementary Assets Portfolio – So-called Special Properties	21	21	Income capitalization	ERV per sqm	€120-€128 (€127)	€120-€128 (€127)
				NRI per sqm	€108-€123 (€122)	€108-€123 (€122)
				Exit yield	4.50%-9.25% (6.18%)	4.4%-9.0% (6.02%)
				Vacancy rate	0.0%-0.0% (0.0%)	0.0%-0.0% (0.0%)
Total (S IMMO)	**850**	**870**				

* Change in method from DCF to Income capitalization

* EUR 204 million related to transfer between segments and EUR 263 million change in method from DCF to Income capitalization

Office	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Italy	142	143	DCF	ERV per sqm	€100-€440 (€172)	€100-€440 (€172)
				NRI per sqm	€-19-€375 (€103)	€-19-€364 (€106)
				Discount Rate	5.86%-10.15% (8.41%)	5.93%-10.17% (8.46%)
				Exit Yield	4.0%-7.25% (6.15%)	4%-7.25% (6.16%)
				Vacancy rate	0.01%-0.01% (0%)	0%-100% (20.15%)
Total	**142**	**143**				

Office (S IMMO)	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Germany	8	229	DCF	ERV per sqm	€160-€160 (€160)	€78-€18,294 (€543)
				NRI per sqm	€82-€82 (€82)	€67-€16,821 (€499)
				Discount Rate	6.65%-6.65% (6.65%)	5.95%-7.8% (6.9%)
				Exit Yield	4.65%-4.65% (4.65%)	4.4%-7.3% (5.85%)
				Vacancy rate	24.12%-24.12% (24.12%)	0.27%-100% (14.14%)
Complementary Assets – Office	1,567	1,667	Income capitalisation	ERV per sqm	€80-€382 (€202)	€80-€306 (€184)
				NRI per sqm	€33-€353 (€174)	€37-€288 (€156)
				Exit Yield	0.0%-0.0% (6.86%)	0%-0% (6.55%)
				Vacancy rate	0.0%-100.0% (9.37%)	0.0%-100% (13.27%)
Czech Republic – Office*	598	0	Income capitalisation	ERV per sqm	€164-€354 (€227)	€0-€0 (€0)
				NRI per sqm	€112-€347 (€201)	€0-€0 (€0)
				Equivalent Yield	5.15%-7.30% (5.89%)	0%-0% (0%)
				Vacancy rate	0.0%-20.72% (5.94%)	0%-0% (0%)
Czech Republic – Office*	0	625	DCF	ERV per sqm	€0-€0 (€0)	€159-€347 (€224)
				NRI per sqm	€0-€0 (€0)	€117-€343 (€194)
				Discount Rate	0%-0% (0%)	5.40%-7.6% (6.09%)
				Exit Yield	0%-0% (0%)	5.15%-7.3% (5.78%)
				Vacancy rate	0%-0% (0%)	0.0%-20.15% (6.72%)
Total (S IMMO)	**2,173**	**2,521**				

Retail (IMMOFINANZ)	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Czech Republic Other retail properties	4	4	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€118-€118 (€118) €94-€94 (€94) 7.57%-7.57% (7.57%) 27.33%-27.33% (27.33%)	€118-€118 (€118) €94-€94 (€94) 7.27%-7.27% (7.27%) 20.61%-20.61% (20.61%)
Czech Republic Retail Warehouse	434	431	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€42-€163 (€129) €30-€162 (€124) 5.67%-8.56% (6.64%) 0.0%-77.51% (2.32%)	€42-€163 (€129) €30-€161 (€124) 5.7%-8.40% (6.54%) 0.0%-64.60% (1.71%)
Czech Republic – Shopping Centres and Galleries	183	182	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€232-€270 (€265) €228-€266 (€261) 6.57%-6.93% (6.89%) 0.0%-0.4% (0.35%)	€236-€262 (€258) €231-€258 (€254) 6.52%-6.65% (6.64%) 0.0%-0.28% (0.25%)
Czech Republic, Prague – Shopping Centres and Galleries	46	47	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€149-€14 (€149) €147-€147 (€147) 7.54%-7.54% (7.54%) 6.29%-6.29% (6.29%)	€146-€146 (€146) €144-€144 (€144) 7.22%-7.22% (7.22%) 5.37%-5.37% (5.37%)
Poland – Shopping Centres and Galleries	191	193	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€147-€175 (€164) €136-€163 (€152) 8.41%-9.55% (8.91%) 0.26%-3.91% (1.92%)	€146-€178 (€164) €136-€165 (€152) 8.13%-9.47% (8.75%) 0.0%-3.95% (1.75%)
Poland – Retail Warehouse	135	131	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€64-€135 (€111) €61-€129 (€106) 7.41%-8.31% (7.82%) 0.0%-7.97% (1.53%)	€64-€133 (€109) €61-€128 (€105) 7.50%-8.23% (7.81%) 0.0%-7.97% (1.52%)
Italy – Retail Warehouse	99	101	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€115-€180 (€158) €10 -€168 (€147) 8.08%-8.46% (8.20%) 0.0%-2.28% (1.52%)	€114-€178 (€157) €105-€167 (€147) 7.80%-8.31% (7.97%) 0.0%-3.91% (2.61%)
Complementary Assets Portfolio- Retail Warehouse	1115	1116	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€50-€202 (€125) €0-€204 (€123) 5.83%-13.21% (8.13%) 0.0%-100.00% (1.49%)	€74-€202 (€129) €41-€178 (€125) 5.63%-13.53% (8.12%) 0.0%-51.06% (1.75%)
Complementary Assets Portfolio- Shopping Centres and Galleries	426	429	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€173-€284 (€248) €161-€276 (€232) 7.75%-10.22% (9.35%) 0.19%-12.77% (6.19%)	€170-€282 (€245) €158-€273 (€227) 7.67%-10.09% (9.18%) 0.17%-12.72% (3.6%)
Complementary Assets Portfolio- So-called special properties	6	6	Income capitalization	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€91-€91 (€91) €59-€59 (€59) 9.66%-9.66% (9.66%) 0.0%-0.00% (0.00%)	€91-€91 (€91) €60-€60 (€60) 9.04%-9.04% (9.04%) 0.0%-0.0% (0.0%)
Total (IMMOFINANZ)	**2,639**	**2,640**				

Office (IMMOFINANZ)	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Germany	469	468	Income capitalisation	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€255-€332 (€296) €235-€317 (€282) 4.68%-5.17% (4.88%) 0.0%-1.03% (0.42%)	€255-€332 (€296) €243-€317 (€282) 4.68%-5.16% (4.87%) 0.0%-3.09% (1.25%)
Czech Republic - Office	262	270	Income capitalisation	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€18 -€293 (€228) €180-€290 (€225) 5.54%-7.76% (6.25%) 0.72%-26.78% (5.19%)	€184-€284 (€224) €177-€280 (€220) 5.16%-7.36% (5.89%) 0.72%-31.85% (6.07%)
Poland - Office	604	612	Income capitalisation	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€156-€306 (€265) €155-€303 (€262) 6.13%-11.47% (7.48%) 0.0%-28.01% (2.85%)	€148-€305 (€263) €147-€302 (€260) 5.98%-10.77% (7.24%) 0%-30.94% (4.07 %)
Complementary Assets Portfolio - Office*	277	400	Income capitalisation	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€55-€200 (€171) €52-€194 (€159) 5.23%-13.82% (8.41%) 0.0%-97.30% (12.82%)	€55-€200 (€156) €52-€194 (€147) 5.08%-12.47% (8.44%) 0.0%-97.30% (12.02%)
Complementary Assets Portfolio – Office Development	39	39	Income capitalisation	ERV per sqm NRI per sqm Equivalent yield Vacancy rate	€183-€183 (€183) €177-€177 (€177) 9.08%-9.08% (9.08%) 6.31%-6.31% (6.31%)	€18 -€189 (€189) €184-€184 (€184) 8.71%-8.71% (8.71%) 5.65%-5.65% (5.65%)
Total (IMMOFINANZ)	**1,651**	**1,789**				

* Decrease due to disposals

Residential	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 20
Italy	16	16	Comparable	Fair value per sqm	€18,706-€18,826 (€18,765)	€18,706-€18,826 (€18,765)
Total	**16**	**16**				

Residential (S IMMO)	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Germany	108	195	DCF	ERV per sqm	€74-€750 (€120)	€74-€150 (€111)
				NRI per sqm	€-710-€106(€63)	€56-€133 (€95)
				Discount rate	4.90%-7.20% (5.90%)	4.55%-7% (5.47%)
				Exit yield	3.45%-5.63% (4.25%)	2.8%-5.25% (4%)
				Vacancy rate	0.0%-60.64% (14.44%)	0%-57.11% (9.47%)
Complementary Assets Portfolio residential	8	8	Income capitalisation	ERV per sqm	€12 -€121(€121)	€121-€121(€121)
				NRI per sqm	€120-€120(€120)	€120-€120(€120)
				Exit yield	7.10%-7.10% (7.10%)	7.0%-7.0% (7.0%)
				Vacancy rate	0.27%-0.27% (0.27%)	0.27%-0.27% (0.3%)
Total (S IMMO)	**116**	**203**				

Landbank and Development	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Italy - Landbank	234	233	Residual	Gross development value	€801-€3,142 (€2,682)	€801-€3,144 (€2,682)
				Development margin	12.55%-19.40% (18.32%)	12.5%-19.35% (18.27%)
Total	**234**	**233**				

Landbank and Development (S IMMO)	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Germany - Landbank	44	69	Comparable	Fair value per sqm	€1-€299 (€16)	€1-€415 (€29)
Total (S IMMO)	**44**	**69**				

Landbank and Development (IMMOFINANZ)	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Complementary Assets Portfolio - Landbank	36	41	Comparable	Fair value per sqm	€111-€1,547 (€163)	€6-€1,673 (€193)
Total (IMMOFINANZ)	**36**	**41**				

Hotels & Resorts

	Fair Value H1 2024	Fair Value YE 2023	Valuation technique	Significant unobservable inputs	Range (weighted avg) H1 2024	Range (weighted avg) YE 2023
Complementary assets - Hotels & Resorts	20	19	DCF	Rate per key	€53,495-€53,495 (€53.495)	€50.403-€50.403 (€50.403)
				Exit yield	6.25%-6.25% (6.25%)	6.25%-6.25% (6.25%)
				Discount rate	9.81%-9.81% (9.81%)	9.91%-9.91% (9.91%)
Total	**20**	**19**				

8 Contingencies and Litigations

Kingstown dispute in Luxembourg

On 20 January 2015, the Company was served with a summons containing petition of the three companies namely Kingstown Partners Master Ltd. of the Cayman Islands, Kingstown Partners II, LP of Delaware and Ktown LP of Delaware (together referred to as „Kingstown“), claiming to be the shareholders of CPI FIM SA, filed with the Tribunal d´Arrondissement de et a Luxembourg (the "Luxembourg Court"). The petition seeks condemnation of the Company together with CPI FIM SA and certain members of CPI FIM SA's board of directors as jointly and severally liable to pay damages in the amount of EUR 14.5 million and compensation for moral damage in the amount of EUR 5 million. According to Kingstown's allegation the claimed damage has arisen as a consequence of inter alia alleged violation of CPI FIM SA's minority shareholders rights.

To the best of Company´s knowledge, Kingstown was not at the relevant time a shareholder of the Company. Therefore, and without any assumption regarding the possible violation, the Company believes that it cannot be held liable for the violation of the rights of the shareholders of another entity.

The Management of the Company has been taking all available legal actions to oppose these allegations in order to protect the corporate interest as well as the interest of its shareholders. Accordingly, the parties sued by Kingstown raised the exceptio judicatum solvi plea, which consists in requiring the entity who initiated the proceedings and who does not reside in the European Union or in a State which is not a Member State of the Council of Europe to pay a legal deposit to cover the legal costs and compensation procedure. On 19 February 2016 the Luxembourg Court rendered a judgement, whereby each claimant has to place a legal deposit in the total amount of EUR 90 thousand with the "Caisse de Consignation" in Luxembourg in order to continue the proceedings. Kingstown paid the deposit in January 2017, and the litigation is pending. In October 2018, Kingstown's legal advisers filed additional submission to increase the amount of alleged damages claimed to EUR 157.0 million. The Company continues to believe the claim is without merit.

On 21 June 2019 the Company received a first instance judgment, which declared that a claim originally filed by Kingstown in 2015 was null and void against CPIPG. The Court dismissed the claim against CPIPG because the claim was not clearly pleaded ("libellé obscur"). Specifically, Kingstown did not substantiate or explain the basis of their claim against CPIPG and failed to demonstrate how CPIPG committed any fault.

In December 2020, the Luxembourg Court declared that the inadmissibility of the claim against the Company and certain other defendants has not resulted in the inadmissibility of the litigation against the Company's subsidiary CPI FIM SA and the remaining defendants. Some defendants have decided to appeal against this judgment of which declared the claim admissible against CPI FIM SA. On 28 March 2023 the court of appeal has rejected the appeal and therefore the case will be heard on the merits before the first instance Luxembourg Court during the second half of 2024 and throughout 2025.

Kingstown disputes in the United States

On 10 April 2019, a group of Kingstown companies, Investhold LTD and Verali Limited (together, the "Kingstown Plaintiffs") filed a claim in the United States District Court of the Southern District of New York (the "SDNY Court") against, among others, CPIPG and Mr. Radovan Vítek (together, the "CPIPG Defendants"). The claims brought by the Kingstown Plaintiffs against CPIPG include alleged violations of RICO.

CPIPG believes that the claims are without merit and were designed to create negative press attention for CPIPG and to force an undue settlement. The Group's business has been totally unaffected by the New York lawsuit and by similar attempts by the Kingstown Plaintiffs to harm the reputation of CPIPG and Mr. Vítek. CPIPG reported superb preliminary operating results for 2019 and is pleased to have successfully issued nearly EUR 2 billion of bonds on the international capital markets since the New York lawsuit was filed.

On 10 September 2019, the CPIPG Defendants filed a motion to dismiss the case in the SDNY Court. On 22 November 2019, the Kingstown Plaintiffs filed an amended complaint in the SDNY Court. The amended complaint adds new non-US defendants and simply continues the false campaign against CPIPG and Mr. Vítek. The amended complaint does nothing to cure the serious jurisdictional deficiencies and pleading defects present in the original complaint.

On 14 February 2020, the CPIPG Defendants filed a motion to dismiss the amended complaint. The arguments presented in the motion resemble those presented by the CPIPG Defendants in September 2019 and are further refined given the new allegations:

i. The Kingstown Plaintiffs have failed to justify the application of RICO outside the United States;
ii. The SDNY Court lacks jurisdiction over the CPIPG Defendants;
iii. The Kingstown Plaintiffs' alleged RICO claims are time-barred under RICO's four-year statute of limitations;
iv. The SDNY Court is an improper forum to hear the case given that, among other things, Kingstown initiated nearly identical proceedings in Luxembourg in January 2015 which are still pending against some of the CPIPG Defendants;
v. The Kingstown Plaintiffs have nonetheless failed to adequately state any claim against the CPIPG Defendants.

On 4 September 2020, the SDNY Court granted the CPIPG Defendants' motions to dismiss. The SDNY Court ruled that the case should defer to the existing proceedings in Luxembourg, which is the locus where most of the relevant evidence in the case is located. The SDNY Court also determined that Luxembourg would be a more convenient forum for litigation, and that Luxembourg's legal system was sufficiently adequate to allow for the resolution of Kingstown Plaintiffs' claims.

The Kingstown Plaintiffs appealed the dismissal decision to the Second Circuit Court of Appeals on 5 October 2020, which they were entitled to do as of right under U.S. law. The Kingstown Plaintiffs' appeal is limited to identifying certain purported errors that the District Court made in reaching its decision and cannot introduce new facts or arguments that were not raised before the District Court during the motion to dismiss briefing.

The hearing on the appeal took place on 10 December 2021. On 1 September 2022, the Court of Appeals issued a summary order affirming the judgement of the SDNY Court. The Court of Appeals considered the Claimants' arguments and found them without merit. The RICO case is thus over and the Court of Appeals confirmed CPIPG Defendants' position.

On 3 June 2020, Kingstown filed yet another complaint against CPIPG and Mr. Radovan Vitek in New York. This time, Kingstown filed in New York State court, alleging that they were somehow defamed through April 2019 press releases and other statements in relation to Kingstown's first-filed U.S. lawsuit, which is currently pending in the SDNY Court.

On 18 September 2020 CPIPG moved to dismiss the complaint, arguing that they were not subject to personal jurisdiction in New York, and that the alleged defamatory statements were not actionable under New York law. On 6 April 2021, the defamation claim filed in June 2020 by Kingstown was dismissed in its entirety. Kingstown appealed the dismissal, but on 5 May 2022 the Supreme Court of the State of New York, Appellate Division, affirmed the decision of the lower court, dismissing Kingstown's defamation case. The court stated that "plaintiffs failed to establish personal jurisdiction over defendants and failed to demonstrate an articulable nexus between defendants' New York activities and the cause of action for defamation."

The Group did not account for any provision in respect of the Kingstown disputes.

Disputes related to warrants issued by CPI FIM SA

The Company's subsidiary CPI FIM SA was sued by holders of the warrants holders of 2014 Warrants registered under ISIN code XS0290764728 (the "2014 Warrants"). The first group of the holders of the Warrants sued CPI FIM for approximately EUR 1.2 million in relation to the Change of Control Notice published by CPI FIM SA, notifying the holders of the 2014 Warrants that the Change of Control, as defined in the Securities Note and the Summary for the 2014 Warrants, occurred on 8 June 2016. The second holder of the 2014 Warrants sued CPI FIM SA for approximately EUR 1 million in relation to the alleged change of control which allegedly occurred in 2013. These litigations are pending. CPI FIM SA is defending itself against these lawsuits.

It is reminded that in accordance with the judgement of the Paris Commercial Court pronounced on 26 October 2015 concerning the termination of the CPI FIM SA's Safeguard Plan, liabilities that were admitted to the Safeguard, but are conditional or uncalled (such as uncalled bank guarantees, conditional claims of the holders of 2014 Warrants registered under ISIN code XS0290764728, provided that they were admitted to the Safeguard plan), will be paid according to their contractual terms. Pre-Safeguard liabilities that were not admitted to the CPI FIM SA's Safeguard will be unenforceable. As such, only claims of holders of the 2014 Warrants, whose potential claims were admitted to the CPI FIM SA's Safeguard Plan, could be considered in respect of the present Change of Control. Claims of holders of the 2014 Warrants that were not admitted to the CPI FIM SA's Safeguard will be unenforceable against CPI FIM SA. To the best of Company's knowledge, none of the holders of the 2014 Warrants who sued CPI FIM SA filed their claims 2014 Warrants related claims in the CPI FIM SA's Safeguard Plan.

On 9 March 2023 the Luxembourg Court issued a judgment, rejecting the claims of the holders of the 2014 Warrants. The Luxembourg Court confirmed that any claim in relation to the change of control provision had to be made, in accordance with the provisions of the Paris Commercial Code, within 2 months as from the date of publication of the judgement opening the Safeguard Procedure in the French Official Gazette. Since the claimants did not comply with this obligation, their claim for payment under the change of control provision is not well-founded and has to be rejected. The claimants did not appeal and the case is closed now.

Vitericon

On 15 March 2019, the Company received a summons from the Berlin Court. The Company was sued by an insolvency administrator of the Company's former subsidiary Vitericon. The insolvency administrator was claiming invalidity of an intragroup debt settlement from 2013 and demanded a payment of EUR 10.4 million from the Company. The first instance court fully rejected the claim of the insolvency administrator, but in February 2023 the second instance court decided in his favor. Accordingly, the Company paid the full amount, including interest, totaling approximately to EUR 17 million.

Next RE (formerly Nova RE)

On 30 October 2020, Sorgente Group Italia S.r.l. ("SGI") notified to Next RE a writ of summons (the "Proceeding"), whereby SGI challenged and asked the Court of Rome to declare, among others, the invalidity of the resolution approving the capital increase, adopted by Next RE's board of directors on 29 October 2020 (the "Capital Increase Resolution") for alleged infringement of certain rules regulating the share capital. In light of the impossibility to obtain the declaration of invalidity of the Capital Increase Resolution, it is likely that SGI might "convert" its original claims of invalidity of the Capital Increase Resolution into a claim for damages against Nova Re. At the first hearing held on 9 March 2021 the judge granted the parties terms for the filing defense briefs and the Proceeding has been postponed to the hearing of 12 October 2021 to assess the admissibility and relevance of the requests formulated by the parties with the defensive briefs. The judge postponed the previously scheduled September 2022 hearing until January 2024. Upon order of the Court of Rome dated September 23, 2023, the hearing for the specification of the conclusions has been (further) postponed from January 9, 2024 to January 13, 2025.

CPI Tor di Valle and the Municipality of Rome

On 8 July 2021, CPI TOR DI VALLE S.p.A., an indirectly held and fully consolidated subsidiary of the Company ("CPI Tor di Valle"), purchased an urban area (the "Area") from Eurnova S.p.A. (Eurnova) to be developed as the new stadium of the Italian football club, AS Roma in Rome, Italy as well as a business park, in accordance with the Council of the Municipality of Rome town planning public procedures. Following the statement of AS Roma that it was no longer interested in the stadium on the Area, on 21 July 2021, the Council of the Municipality of Rome revoked the status of public interest to the stadium project on the Area (the "Revocation Resolution") and terminated the town planning public procedure and therefore prevented the development project from progressing.

On 27 October 2021, CPI Tor di Valle filed a claim against the Municipality of Rome before the competent administrative court. In such claim, CPI Tor di Valle asked the court to: (i) declare the annulment of the Revocation Resolution; and (ii) determine the right of CPI Tor di Valle to be compensated for damages in connection with the Revocation Resolution (in terms of emerging damages and loss of profit in a range between EUR 235 million and EUR 260 million). According to CPI Tor di Valle's external legal advisors, CPI Tor di Valle's claim is founded since the Revocation Resolution breached the legitimate expectations of CPI Tor di Valle. On 20 December 2021, the Municipality of Rome challenged the claim filed by CPI Tor di Valle and in addition filed a counterclaim for damages against Eurnova, AS Roma and CPI Tor di Valle, jointly and severally, or, subordinately on a pro rata basis, and claimed that the amount of damages suffered by it were EUR 311 million (such damages claims included damage to image, damage for waste of administrative activity and damages arising from failure of carrying out public works connected with the development project).

On 15 May 2024, the administrative court rejected the appeals by Eurnova and CPI Tor di Valle, which sought the annulment of the decision by the Municipality of Rome to revoke the status of public interest to the AS Roma stadium project. The court found the appeals inadmissible or groundless due to changes in the legal and factual scenarios, following AS Roma statement that it was no longer interested in the stadium. The court also rejected the Municipality of Rome's counterclaim for damages, citing the lack of administrative jurisdiction, and stated that any claim should be pursued in an ordinary court. As of the date of this report, we are not aware of any filing by the Municipality. The Group may also pursue a compensation claim for damages suffered in relation to the investment against the Municipality of Rome, AS Roma, and potentially the seller.

Cyprus Litigation

In January 2023 CPIPG received information about the filing of a lawsuit before the District Court of Nicosia, Republic of Cyprus, by Mr. Marek Čmejla, Mr. Jiří Diviš and entities controlled by them (Investhold Limited and Verali Limited). The claim includes a temporary injunction which purports to prevent CPIPG from disposing assets which would have the effect of CPIPG's assets falling below the value of EUR 535 million, which is the alleged value of the claim. According to the decision of the District Court issued in July 2024, the injunction will remain in force until the final adjudication of the claim. CPIPG has appealed against the decision and is confident that the injunction will be cancelled on appeal.

CPIPG understands that the lawsuit simply recycles old allegations and claims pursued in previous lawsuits, which have been consistently and categorically denied. Furthermore, CPIPG does not believe that Cyprus has jurisdiction on this claim or that it is an appropriate forum. The alleged claim is for EUR 535 million, a figure without any factual basis. CPIPG is taking all appropriate action to defend our company and our stakeholders.

Investhold Limited and Verali Limited are offshore vehicles of Mr. Čmejla, a Czech citizen, and Mr. Diviš, a Swiss citizen of Czech origin. In connection with the privatization of Mostecká uhelná (a Czech coal mining company) Mr. Čmejla and Mr. Diviš were convicted of fraud and money laundering in Switzerland. In 2019, the above offshore vehicles and their principals, together with Kingstown, filed a lawsuit against CPIPG and Mr. Radovan Vitek and other parties (alleging violations of the RICO act) in the United States described earlier.

With the United States RICO case dismissed both at first instance and on appeal, it appears that the claimants are pursuing yet another vexatious and unjustified claim without merit whatsoever.

9 Capital and other commitments

The Group has capital commitments in the total amount of EUR 324.6 million in respect of capital expenditures contracted as at 30 June 2024 (EUR 366.4 million as at 31 December 2023).

10 Related party transactions

The Group has a related party relationship with its members of Board of Directors (current and former) and executive management (key management personnel), shareholder and companies in which these parties held controlling or significant influence or are joint ventures.

The remuneration of the key management personnel and members of Board of Directors are summarized in following table:

	Six-month period ended	
	30 June 2024	30 June 2023
Remuneration paid to the key management personnel and members of Board of Directors	1.5	2.2
Total remuneration	**1.5**	**2.2**

Breakdown of balances and transactions with the key management personnel and members of Board of Directors and the Group:

	30 June 2024	31 December 2023
Loans provided	0.1	0.1
Trade receivables	0.1	0.1
Perpetual notes	-	0.2
Transactions		
Other costs	(1.0)	(2.2)

Breakdown of balances and transactions with the majority shareholder of the Group:

	30 June 2024	31 December 2023
Trade receivables	4.8	2.4
Other receivables	0.1	0.1
Trade payables	0.1	-
Transactions		
Other revenues	-	4.8
Other costs	(0.2)	(0.1)

Breakdown of balances and transactions with other related parties:

Entities over which the majority shareholder has control	30 June 2024	31 December 2023
Loans provided	153.2	152.8
Other receivables	-	0.1
Other payables	-	0.6
Transactions		
Other revenues	-	0.1
Interest income	-	18.6
Close family members/entities controlled by close family members of the majority shareholder	**30 June 2024**	**31 December 2023**
Other payables	0.8	0.8
Entities controlled by members of Board of Directors	**30 June 2024**	**31 December 2023**
Loans provided	0.7	0.7
Other receivables	1.3	1.4
Loans received	0.2	0.2
Trade payables	0.1	0.2
Transactions		
Other revenues	0.2	0.3
Joint ventures	**30 June 2024**	**31 December 2023**
Loans provided	37.6	16.1
Transactions		
Interest income	0.3	1.7

Main transactions with related parties in the six-month period ended 30 June 2024

As at 30 June 2024, the outstanding balance of a loan provided by the Group to Senales Invest Sàrl (Luxembourg based entity), a company closely related to the majority shareholder, which outstanding balance of loans provided amounts to EUR 153.2 million (EUR 143.2 million as at 31 December 2023). The loan bears a fixed interest at a rate of 7.9% p.a and is repayable in 2027.

The related party transactions are priced on arm's length basis.

11 Events after the reporting period

On 29 August 2024, an extraordinary general meeting (the “EGM”) of the shareholders of the Company was held in Luxembourg. The EGM resolved to decrease the corporate capital of the Company from the amount of EUR 861,952,279.10 to EUR 86,195,227.91 without cancellation of shares, by decreasing the par value of the existing shares from ten eurocents (EUR 0.10) to one eurocent (EUR 0.01) per share. The purpose of the capital decrease is to adapt the share capital and the par value of the shares of the Company to future potential group simplification measures. The reduction proceeds were allocated to a reserve. The EGM also approved the modifications of the Company’s articles of association reflecting the above capital decrease approved during the EGM.

In July and August 2024, the Group completed disposal of several properties in total value of EUR 59 million.

In July, the Group repaid revolving credit facility of EUR 60 million.

12 Appendix I – Changes to group entities

Blitz 21-67 GmbH have merged with IMMOFINANZ Deutschland GmbH as the successor company. All assets and liabilities passed to the successor Company.