GRUPA CAPITAL PARK

FINANCIAL RESULTS OF Q1 2021

2021

May 21th 2021

AGENDA

- About Capital Park Group
- Business summary
  - Q1 2021 update
  - Covid-19 impact
  - Real estate market environment
  - Property portfolio
  - Financial results
- Supporting materials

INVESTMENT COMPANY ON THE REAL ESTATE MARKET

CAPITAL PARK IS A PUBLIC INVESTOR, DEVELOPER AND MANAGER OF HIGH QUALITY REAL ESTATE PROJECTS ON THE POLISH MARKET

18 years

experience on the Polish property market

86

professionals

212,000 m²

GLA of property portfolio under management

PLN 2.3bn

value of the property portfolio under management

65,400 m²

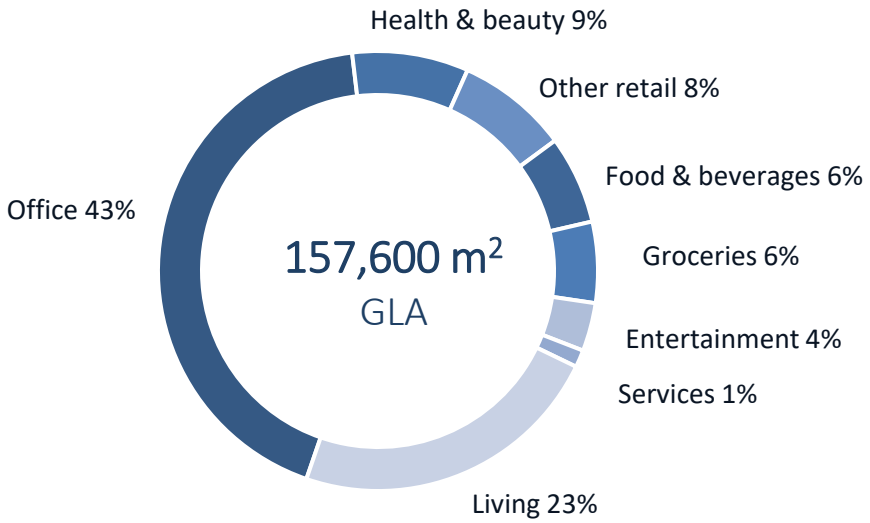
GLA under construction

PLN 164m

Cash

HIGH QUALITY REAL ESTATE PORTFOLIO ALL OVER POLAND

PORTFOLIO STRUCTURE



90% of portfolio solely owned by the Group is located in Warsaw

BOOK VALUE: PLN 1.8bn

97%

Occupancy rate

5.3 years

WAULT

56%

Share of assets under construction in the value of the portfolio

PROPERTY PORTFOLIO

Polski Hak
Residential
Land: 1.3 ha
In pipeline

Galeria Zaspa
Retail
GLA: 8,670 m²
Completed: 04/2016

Eurocentrum Office Complex (sold in 11/2019)
Office
GLA: 85,160 m²
Completed: 08/2015

Gdańsk

Hampton by Hilton Old Town Gdańsk
Hotel & retail
GLA: 8,884 m²
Completed: 06/2018

Norblin Factory
Mixed-use
GLA: 65,400 m²
Under construction
Planned completion: Q3/2021

Swarzędz

Warsaw

Łódź

ETC Swarzędz (jv)
Retail
GLA: 20,104 m²
Completed: 10/2017

Royal Wilanów
Mixed-use
GLA: 36,821 m²
Completed: 08/2015

Vis À Vis Łódź
Retail
GLA: 5,712 m²
Completed: 12/2014

Vis À Vis Wilanów (jv)
Retail
GLA: 4,090 m²
Completed 12/2018

Eurocentrum Hotel & Residences
Hotel & residential
GLA: 28,220 m²
In pipeline

BUSINESS SUMMARY

Norblin Factory, Warsaw

Q1 2021 UPDATE

Norblin Factory, Warsaw

Development progress in Norblin Factory and Polski Hak

Leasing update

Third wave of Covid-19

GRUPA CAPITAL PARK

UNDER CONSTRUCTION – Q1 2021 UPDATE

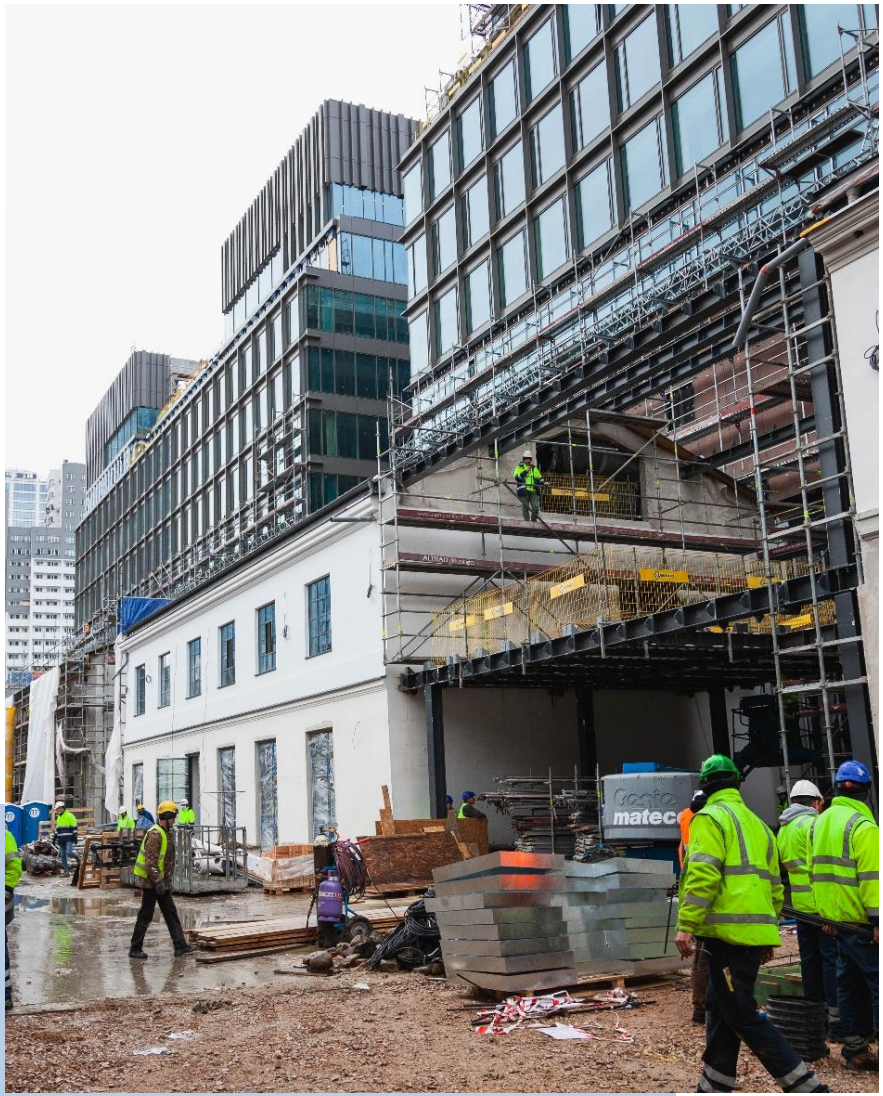
73%
Pre-lease rate

NORBLIN FACTORY

GLA	65,400 m^2 (office: 41,800 m^2, health & beauty 4,100 m^2, groceries: 900 m^2, food & beverages: 6,900 m^2, entertainment: 5,600 m^2, other retail: 4,750 m^2, services: 1,350 m^2, 724 underground parking spaces)
Planned delivery date	Q3 2021
Book value	PLN 1,007m (EUR 216m)
Pre-lease	73% (office – 80%, retail – 61%)
Capex after Q1 21	PLN 350m (EUR 75m)
Key tenants	Allegro, JTI Polska, scandinavian bank, General Property, Kino Gram, food hall operator, Music Club, Biobazar, Art Box, Directors' Guild of Poland
Update	In 2021 the Group managed to sign new lease contracts (office tenant – one of the world's leading facility services company for 4.0 thous. m^2, restaurant for 0.4 thous. m^2, Directors' Guild of Poland).

*Book value excluding IFRS 16, occupancy as of date of this report

NORBLIN FACTORY – FINISHING WORKS AND PROGRESS IN COMMERCIALISATION



CONSTRUCTION

- Most of the facade works on the new A and B buildings have been completed.
- Works related to the development of the external area are in progress.
- Intensive internal finishing works are underway in all industries. On most of the floors intended for office space, work is completed, while the final fit-out works on selected floors are in progress. The works are also performed by tenants from the retail, service and gastronomy industry.
- Subsequent premises are successively transferred by the Contractor to the disposal of the Investor / Tenants.

COMMERCIALISATION

- Despite unstable pandemic situation the commercialisation of the projects is progressing.
- In 2021 the Group managed to sign **new lease agreements for over 4,000 m²** and the current level of commercialisation of the Norblin Factory is **80% for office space and 61% for retail space**, which is almost 74% of the target NOI.
- Due to high pre-lease of project, current finance covenants are: ISCR – 2.83 / min: 1.2, DSCR – 1.62 / min: 1.2, which means the Group achieved all financial goals and DSCR exceeded the level required by the bank loan agreement.

VIDEO FROM THE CONSTRUCTION OF THE NORBLIN FACTORY – MAY 2021

UNIQUE CONCEPTS AT THE NORBLIN FACTORY

NORBLIN FACTORY FOUNDATION

- Established in 2012, with main goal to continue the artistic history build in Norblin Factory through its owners widely known as artists, philanthropists and patrons of all kind of arts.
- The Foundation operates in several key areas: Posters & paintings – cooperation with the Art Academy, National Museum, Poster Museum; Design and applied art – cooperation with School of Form; Movies – cooperation with Wajda School, KinoGram, Polish Directors Guild; Music – cooperation with Polish National Radio Symphony Orchestra NOSPR, Jassmine Warsaw; Photography - exhibition of Brodziak & Wieteska.

NORBLIN FACTORY MUSEUM

- Ultra-modern and multimedia-based museum
- Planned to be self-financing in maintenance & development
- 4 sightseeing paths (People, Architecture & Buildings, Machines, Products) with different variants for various groups of interest (i.e. enthusiasts or children)
- 45 antique and worldly unique machines, 10 of them with special, multimedia effects and newest technological solutions

UNIQUE CONCEPTS AT THE NORBLIN FACTORY

KINOGRAM

- A boutique cinema (3,400 m^2)
  - 7 screening rooms for 620 people in total
  - Elaborate design and cozy interior
  - Cutting-Edge technologies
  - A great variety of films together with an agenda full of cultural events
  - Cooperation with Directors' Guild of Poland
  - An original menu with waiter service

DIGITAL ART GALLERY

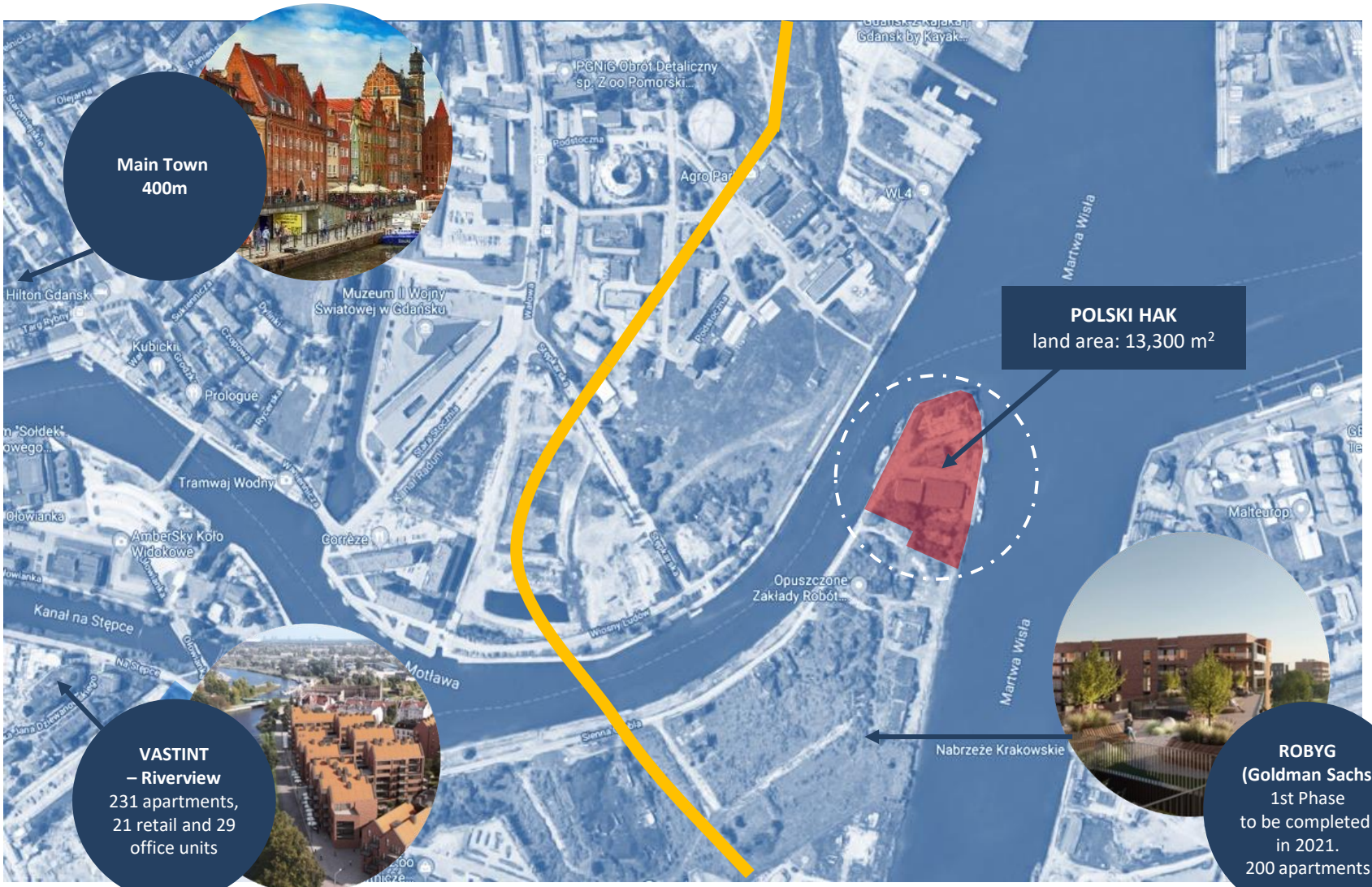
- First in Poland, fully immersive digital gallery offering visitors a unique experience: combination of modern animation techniques and sound effects presented on 360 LED screens and complimented with 2D and 3D projections
- Art Box Experience in the Norblin Factory https://www.youtube.com/watch?v=gls30mRVV3c

UNIQUE CONCEPTS AT THE NORBLIN FACTORY

- Norblin Factory navigation will be facilitated by the self developed **mobile application** prepared in accordance with the latest pop-tech trends. In addition to the general access functions, it will also enable the comprehensive use of the entertainment and retail offer
- **A whole range of additional services** for Tenants (i.e. Office Doctor, shopping concierge, valet parking, Box Office)

- **Food Hall** (3,200 m^2) – street food served in 26 stands & restaurants and 3 bars that will take guests in culinary trip all over the world
- **BioBazar** (1,900 m^2) – well-known organic food market – a friendly place for fans of cuisine, cooking & a healthy lifestyle, the only market with certified eco products
- **Tenants community** - Norblin Factory will be a place where series of events will be organized every day

POLSKI HAK – Q1 2021 UPDATE



EFFECT OF COVID-19 ON THE GROUP'S BUSINESS IN Q1 2021

- In the first quarter of 2021, Poland struggled with the most difficult third wave of the pandemic in the last 12 months and the government decided to introduce another lockdown and tighten the existing restrictions.
- Due to healthy balance sheet and good cash position, the structure of our portfolio, and our unique projects, the Group remained resilient to the shocks caused by successive waves of Covid-19 pandemic.
- In connection with the bans and restrictions imposed on various types of business activity and as a result of temporary reductions in rent awarded to tenants, the Group's consolidated rental income (on a cash basis) for Q1 2021 decreased by 12% to the pre-covid assumptions*.
- There were no financial covenants breach on any of the projects.
- Thanks to progressive vaccinations and decrease in cases of Covid-19 diseases, retail centres opened again from May 4, hotels opened on May 8 with max. 50% of occupancy, restaurants and fitness centres will open on May 28.

*In accordance with IFRS 16, the Group presents its rental income taking into account the average rent over the lease term ('straight-line rent'), which means that any changes in rent rates during the life of a lease (including reductions due to COVID-19, discounts and rent-free periods) are recognised on an accrual basis, therefore the adverse effect of the coronavirus on revenue for 2020 was spread ('evened out') over the lease terms. The aforementioned 'straight-line rent' increased the group's NOI for Q1 2021 by nearly PLN 6m.

EFFECT OF COVID-19 ON THE GROUP'S BUSINESS IN Q1 2021

Office projects	▪ Rental income remained unchanged to pre-covid forecast and rent collections was 90% ▪ No discounts were granted to office tenants ▪ Office occupancy remains stable ▪ Office tenants are both domestic and international companies with a stable market position, ensuring solid bank security and stable income
Retail projects	▪ Rental income decreased by 22% to pre-covid assumptions and rent collections was 68% before discounts and 87% after discounts ▪ Introducing bans and restrictions for certain types of activities and exempting tenants from fees with no government support for owners of shopping centres ▪ The Group granted temporary rent reductions or additional rent-free in exchange for extension of term of lease agreements for tenants who experienced a deterioration in their financial situation
Hotel & living projects	▪ Rental income decreased by 100% to pre-covid assumptions and rent collections was 0% ▪ The Group awarded discount on rent for the period of the ban on hotel operations ▪ Reduction in hotel's turnover due to the outflow of foreign tourists (the main target group) as a result of imposed restrictions and limitations in air traffic

-12%

Impact of Covid-19 on rental income in Q1 2021*

71%

Rent collections before discounts

81%

Rent collections after discounts

* Impact of Covid-19 on rental income and NOI excluding Covid-19 'straight-line rent'
** Rent collections as of 20/04/2021

THE GROUP'S RESPONSE TO COVID-19 CRISIS

ACTIVE ASSET MANAGEMENT AND OPTIMIZATION OF COSTS

Reduction of administrative and marketing costs across the Group and optimization of operating costs where possible

GREAT LANDLORD-TENANT RELATIONSHIP

In order to develop and maintain long-term relationships with tenants, we decided to grant discounts to tenants struggling difficulties due to Covid-19 crisis → in nearly all cases discounts were granted in exchange for extension of lease agreements

GOOD RELATIONS WITH BANKS

Thanks to continuous dialogue with banks we managed to suspend repayment of principal in almost all projects allowing to mitigate the decrease in revenues resulting from temporary suspension of leases implemented by the government

HEALTHY BALANCE SHEET

The surplus cash generated by the Eurocentrum Office Complex sale in late 2019 allowed us to pay dividend in 2020 (PLN 228m), repay of bonds maturing in 2020 (EUR 38.5m) and make cash reserves for the time of the Covid-19 crisis

THE GROUP'S RESPONSE TO COVID-19 CRISIS

CONSTRUCTION PROGRESSING SMOOTHLY

High pre-lease rate of Norblin Factory
Construction work is carried out without significant disruption

HIGH QUALITY PROPERTY PORTFOLIO

Property portfolio with 97% occupancy, excellent locations, WAULT of over 5 years and well diversified tenant base

DIVERSIFIED PROPERTY PORTFOLIO

Despite the decrease of share of offices in the portfolio after sale of Eurocentrum Office Complex, property portfolio is well-diversified and currently GLA of completed projects accounts for 40% of office, 47% of retail and 13% of hotel

SAFE LEVEL OF DEBT

The Group maintains safe level of debt. Credit facilities maturing in 2021-2022 will be refinanced unless the Group sells the Royal Wilanów project earlier

REAL ESTATE MARKET ENVIRONMENT

WARSAW OFFICE MARKET

Existing office stock
6.0m m^2

Vacancy rate
11.4%

New supply
167 thous. m^2

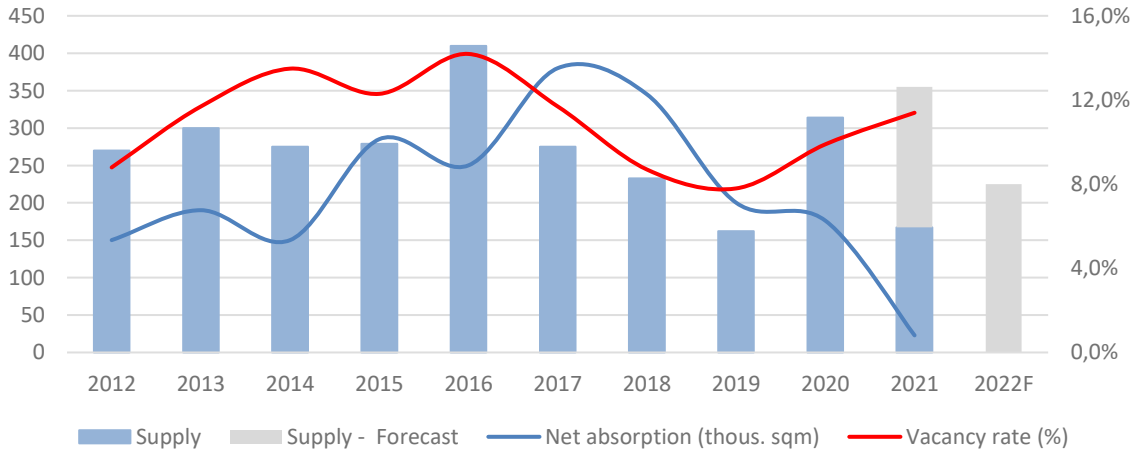
Office space under construction
420 thous. m^2

Lease transaction volume
109 thous. m^2

Prime yields
4.65%

- In Q1 2021 approximately 167,000 m^2 of modern office space was delivered to Warsaw in 8 projects. The new completions came to the market on an average 50% let, although some discrepancies between the projects are noticeable.
- Nearly 5,000 m^2 was sublet throughout Q1 2021, which - representing 4.6% of total demand, is a considerable increase in comparison to Q1 2020.
- The average vacancy rate in Warsaw reached 11.4% (1.4 p.p. growth from Q4 2020), which translates into over 691,000 m^2 of available space. In central zones the vacancy rate was 12.2%, while outside the city centre it reached 10.9%.
- Nearly 400,000 m^2 remains under construction, 174,000 m^2 of which is scheduled for completion by the end of 2021 – the pipeline is currently 44% pre-let.
- Prime headline rents in Central locations reach EUR 22.50-24.50 m^2/month, whereas prime effective yields range from EUR 19.50-20.75 m^2/month which is 4% lower q/q.

NET ABSORPTION, SUPPLY AND VACANCY RATIO IN WARSAW



Source: Warsaw Office Market 2021 CBRE

RETAIL MARKET

Modern retail space with at least 5,000 m² of GLA
12m m²
(+6%)

New supply
93 thous. m²
(includes commercial formats < 5000 m²)

Retail space under construction
488 thous. m²
(includes all modern commercial formats)

- Due to the COVID-19 pandemic, owners of commercial space faced a number of challenges, including reduced business activity of retail operators or lower demand for tenants' services. As a result, 2020 saw renegotiation of lease contracts by most tenants and retail space owners, and gave rise to new issues, such as payments of rent depending on sales volumes, additional options for early termination of contracts or accounting for online sales.
- According to the Polish Council of Shopping Centres, the footfall of shopping centres in 2020 was on average 28% lower than in the previous year. At the same time, total turnover in the shopping centre industry decreased by around a quarter.
- Despite the undoubtedly huge impact of the pandemic on the retail market in Poland, the first quarter of 2021, with an estimated transaction value of around EUR 190 million, was quite unexpectedly the strongest first quarter since 2015. More than half of the trading assets that were the subject of the transaction belonged to the Tesco chain, which was connected with its exit from Poland.
- According to JLL's estimates, prime malls yields are 5.25% and further decompression is expected. Top retail parks will remain stable at around 6.80%.
- In the first quarter of 2021, 92,800 m² GLA of retail space was delivered to Polish market, which was a result comparable to last year's. Interestingly, the structure of new supply covers only two large-format formats: stand-alone stores (55%) and retail parks (31%). The remaining 14% (13,000 m²) was opened in daily shopping centers (GLA <5,000 m²).

Source: CBRE Poland Real Estate Market Outlook 2021

COMPLETED PROJECTS – Q1 2021 UPDATE

ROYAL WILANÓW

GLA	36,834 m^2 (offices: 25,730 m^2, health & beauty 4,720 m^2, groceries: 2,170 m^2, food & beverages: 1,986 m^2, other retail: 1,892 m^2, services: 336 m^2, 908 underground parking spaces)
Delivery date	August 2015
Book value	PLN 476m (EUR 102m)
Occupancy	100% (+2 p.p. vs. Q4 2020)
WAULT	3.8 years
Key tenants	ERBUD, Boehringer Ingelheim, Artis, Medicover, Carrefour
Update	Stabilised asset for sale. Lease update: With the new office lease agreement with Lux Med for 911 m^2 of space for 7 years, the occupancy of the project reached 100%.

*Book value excluding IFRS 16, WAULT as of Q1 2021

COMPLETED PROJECTS – Q1 2021 UPDATE

	GALERIA ZASPA	HAMPTON BY HILTON OLD TOWN GDAŃSK
GLA	8,682 m^2	8,884 m^2 (174 hotel rooms, retail: 665 m^2)
Delivery date	April 2016	June 2018
Book value	PLN 63m (EUR 14m);	PLN 71m (EUR 15m)
Occupancy	87% (no changes q/q)	100% (no changes q/q)
WAULT	4.1 years	16.0 years
Key tenants	Intermarche, Rossmann, Euro RTV AGD, Pepco, KIK	VHM (Hampton by Hilton hotel operator), Kos Delicatessen, Manufaktura Nalewki, Pan Kejk

*Book value excluding IFRS 16, WAULT and occupancy as of Q3 Q1 2021; valuation of Hampton by Hilton Old Town Gdańsk based on the preliminary property sale agreement

JOINT VENTURE PROJECTS – Q1 2021 UPDATE

	ETC SWARZĘDZ	VIS À VIS WILANÓW
GLA	20,104 m^2	4,090 m^2
Delivery date	October 2017	October 2018
Book value	PLN 160m (EUR 34m)	PLN 41m (EUR 9m)
Occupancy	92% (+2% vs. Q4 2020)	100% (no changes q/q)
WAULT	3.8 years	7.3 years
Key tenants	Intermarche, Reserved, RTV Euro AGD, CCC, Deichmann, KIK, Empik, Smyk, Martes Sport, Kids OK, Dealz, Pepco, Sinsay, Home&you, 4F, Halfprice	Villa Nova Dental Clinic, RTV Euro AGD, Max Burgers, Hebe, Decathlon, fitness club Orange Theory, Vininova, Veda Restaurant, Sakana Sushi Bar, Poczta Polska, Bang & Olufsen, DESEO
Group's interest	60%	66%
Update	New lease agreements with CCC (Halfprice) for 404 m^2.	

*Book value excluding IFRS 16, WAULT and occupancy as of Q1 2021

Q1 2021 FINANCIAL RESULTS

Royal Wilanów, Warsaw

KEY FIGURES OF Q1 2021

PLN 10m

Net operating income
-4% vs. Q1 2020

PLN 1,784m

Investment portfolio value
+6% vs. Q4 2020

PLN 990m

NAV
+1% vs. Q4 2020

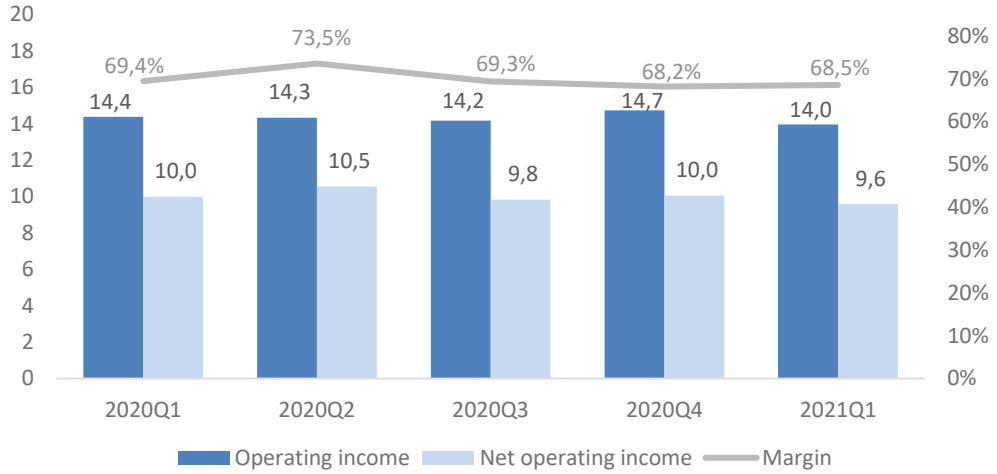
PLN 164m

Total cash
-1% vs. Q4 2020

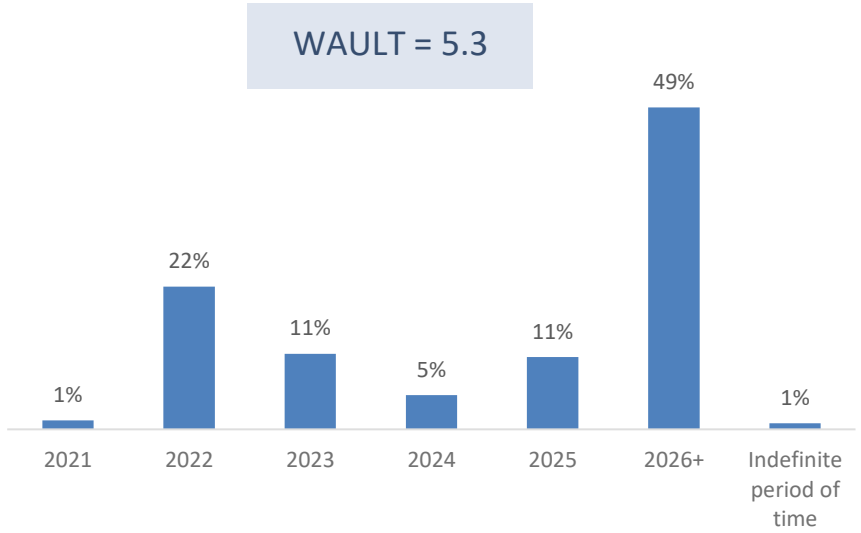
Notes: investment portfolio excluding effect of IFRS 16

REVENUES FROM LEASE

OPERATING INCOME AND NOI (PLN M)



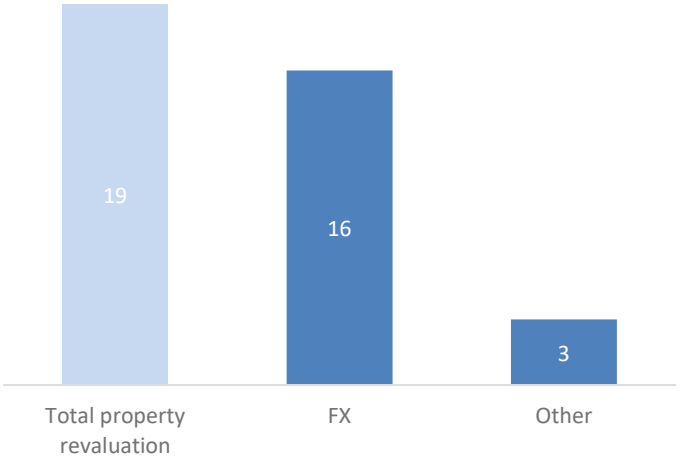
LEASE EXPIRY



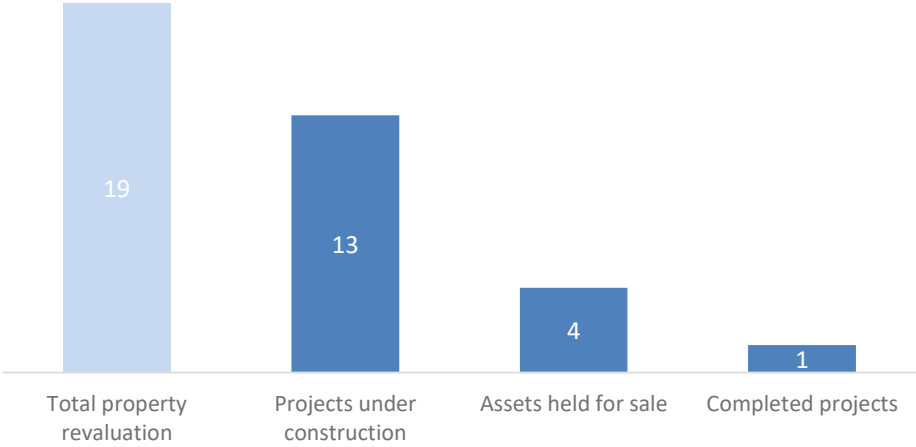
- Operating income amounted to PLN 14.0m in Q1 2021 and decreased comparing to Q1 2020 (PLN 14.4m) resulting mainly from voids in Royal Wilanów in comparison to Q1 2020 and one-off revenues which occurred in Q1 2020
- The cash based rental income for Q1 2021 decreased by 12% to the pre-covid assumptions. However the negative impact of temporary reductions in rent awarded to tenants was spread over the entire term of the lease agreements. The straight-line rent' regarding Covid-19' had positive impact on the operating income in the amount of PLN 0.6m
- 65% of the contracted lease agreements expire after 2023

A SIGNIFICANT CONTRIBUTION OF THE PROPERTY REVALUATION TO Q1 2021 RESULTS

COMPONENTS OF THE PROPERTY REVALUATION IN Q1 2021 (PLN M)



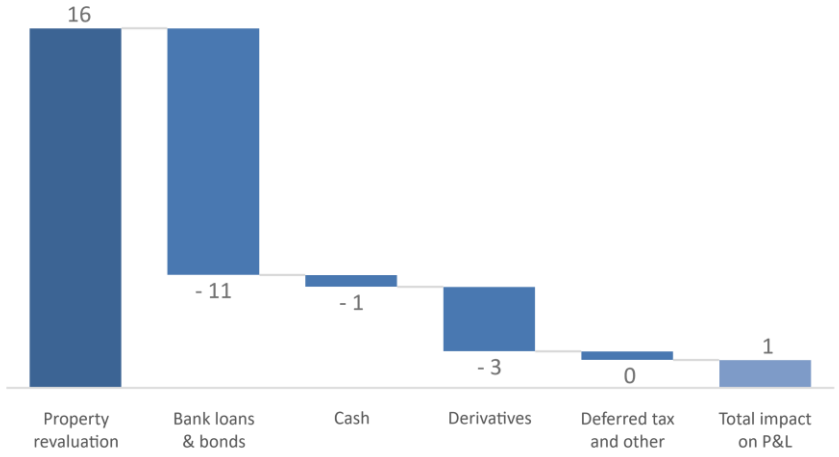
PROPERTY REVALUATION BY TYPE OF PROJECTS IN Q1 2021 (PLN M)



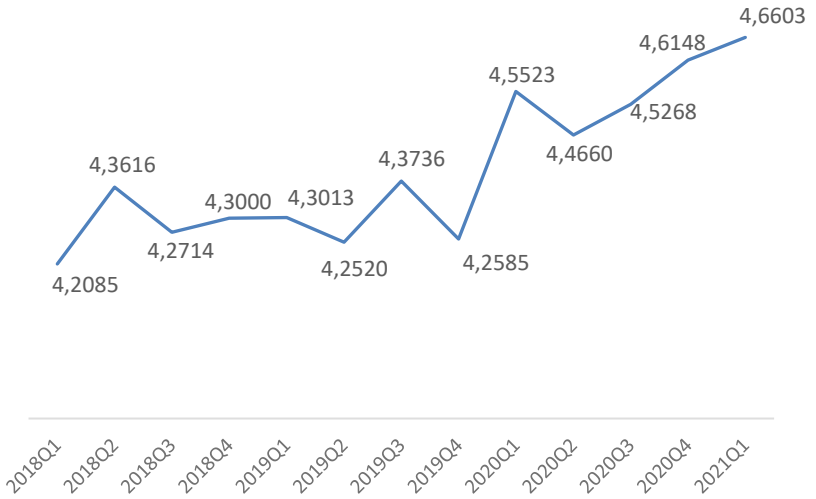
- The revaluation gain on investment properties in Q1 2021 reached PLN 19m compared to PLN 92m in Q1 2020.
- Impact of fx changes on the property revaluation amounted to PLN 16m in Q1 2021 compared to PLN 88m in Q1 2020.

IMPACT OF UNREALISED EXCHANGE RATE DIFFERENCE ON Q1 2021 RESULTS

IMPACT OF UNREALISED EXCHANGE RATE DIFFERENCE Q1 2021 (PLN M)



EXCHANGE RATES AT THE END OF REPORTING PERIODS

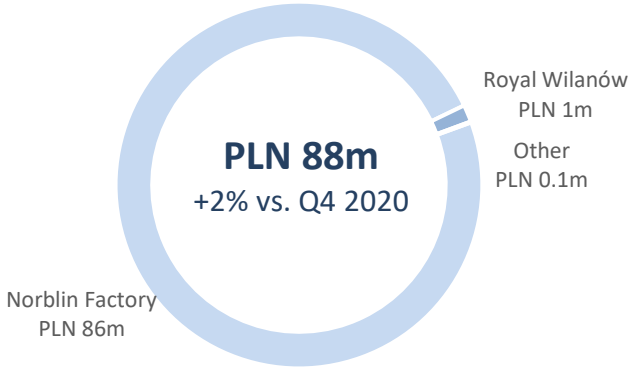


- Exchange rate has a significant impact not only on the valuation of investment properties, but also on other elements of statement of financial position, i.e. bank loans, bonds, derivatives and cash
- 97% of financial debt is in EUR
- 95% of property portfolio is valued in EUR

REAL ESTATE PORTFOLIO VALUE

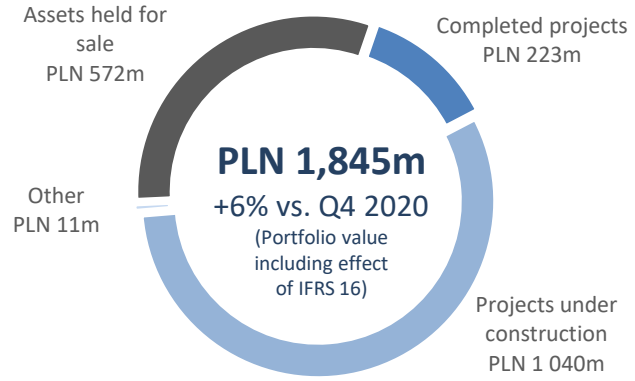
CHANGE IN VALUE OF INVESTMENT PROPERTY (PLN M)

CAPEX IN Q1 2021



- Change in property portfolio primarily due to:
  - Capex of PLN 88m
  - Impact of FX changes of PLN 16m
- In Q1 2021 capex expenditure was attributable mainly to Norblin Factory construction.

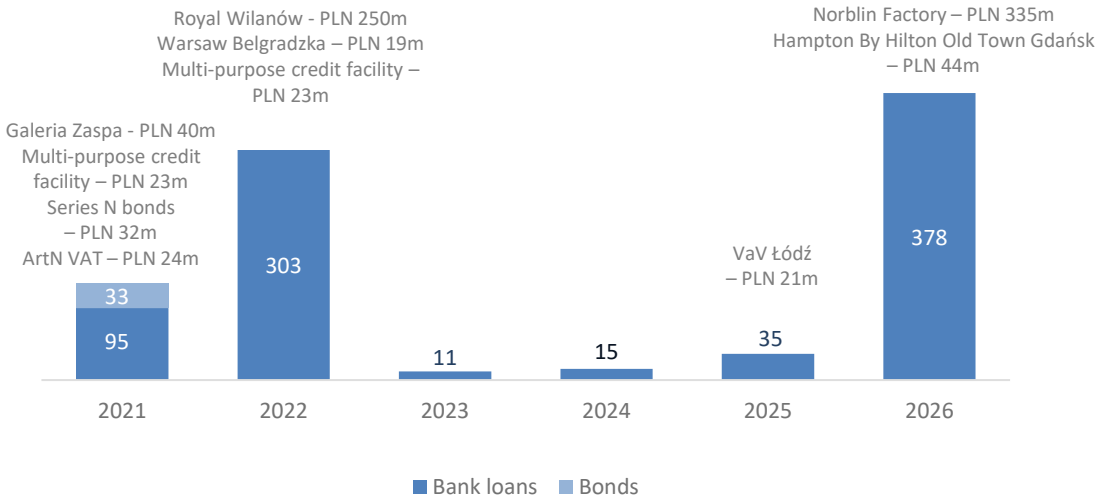
PROPERTY PORTFOLIO STRUCTURE



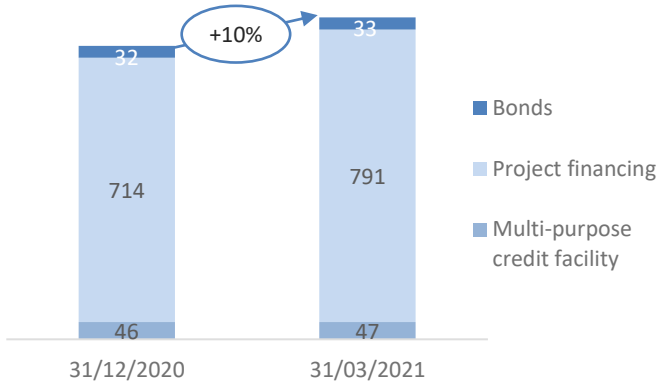
*Change in value of investment property excluding effect of IFRS 16.

MATURITY OF DEBT & FINANCING STRUCTURE

MATURITY OF DEBT (PLN M)



FINANCING STRUCTURE (PLN M)



- Increase of debt was due to Norblin Factory construction loan utilisation and impact of fx changes
- Credit facilities maturing in 2021-2022 will be refinanced unless the Group manage to sell the Royal Wilanów project earlier
- The Group looks for the opportunities of refinancing projects in advance of maturity to ensure optimal financing conditions

KEY DEBT PARAMETERS	2020	Q1 2021
Weighted average cost of debt	2.80%	2.67%
Net debt to total assets	33%	35%
Debt currency structure (EUR/PLN)	97%	97%

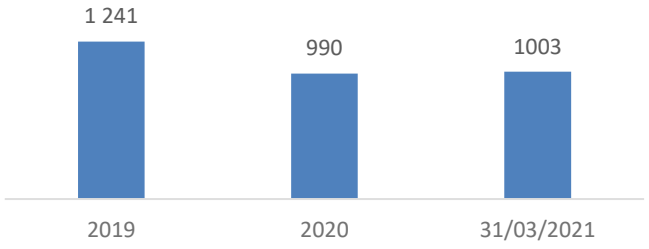
*Data excluding amortized cost valuation (SCN).

NAV/SHARE

PLN M	2020	Q1 2021	change
Investment property, incl. assets held for sale	**1,676.5**	**1,784.0**	**6%**
Long-term interest bearing liabilities, incl. liabilities related to assets held for sale	**398.1**	**474.6**	**19%**
Bank loans and other financial liabilities	398.1	474.6	
Bonds	0.0	0.0	
Short-term interest bearing liabilities	**410.1**	**412.4**	**1%**
Bank loans and other financial liabilities	378.1	380.0	
Bonds	32.0	32.4	
Cash and cash equivalents	**164.9**	**163.7**	**-1%**
Net debt	643.4	723.3	**12%**
NAV	**989.6**	**1 002.8**	**1%**
NAV/ share (PLN)	9.13	9.26	1%
Nominal number of shares	108,333,998	108 333 998	0%

EUR M	2020	Q1 2021	change
Investment property., incl. assets held for sale	**363.3**	**382.8**	**5%**
Long-term interest bearing liabilities, incl. liabilities related to assets held for sale	**86.3**	**101.8**	**18%**
Bank loans and other financial liabilities	86.3	101.8	
Bonds	0.0	0.0	
Short-term interest bearing liabilities	**88.9**	**88.5**	**0%**
Bank loans and other financial liabilities	81.9	81.5	
Bonds	6.9	7.0	
Cash and cash equivalents	**35.7**	**35.1**	**-2%**
Net debt	139.4	155.2	**11%**
NAV	**214.4**	**215.2**	**0%**
NAV/ share (EUR)	1.98	1.99	0%
Nominal number of shares	108,333.998	108 333 998	0%

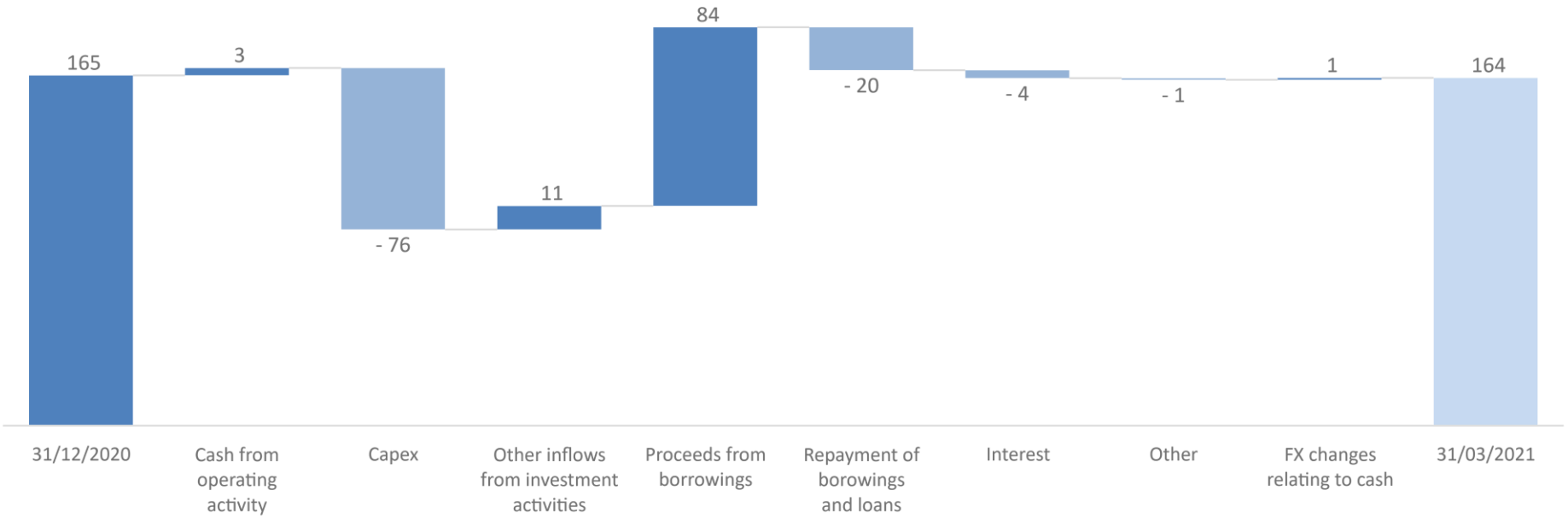
NAV EXCL. NCI (PLN M)



PLN 9.26
NAV / SHARE

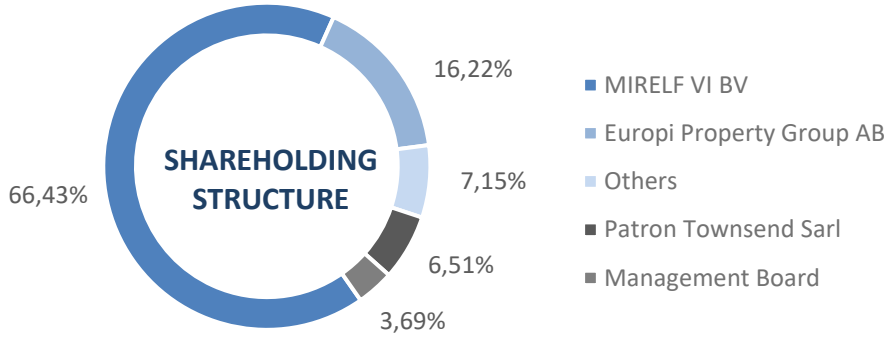
Notes: Investment property, bank loans and other financial liabilities excluding IFRS 16

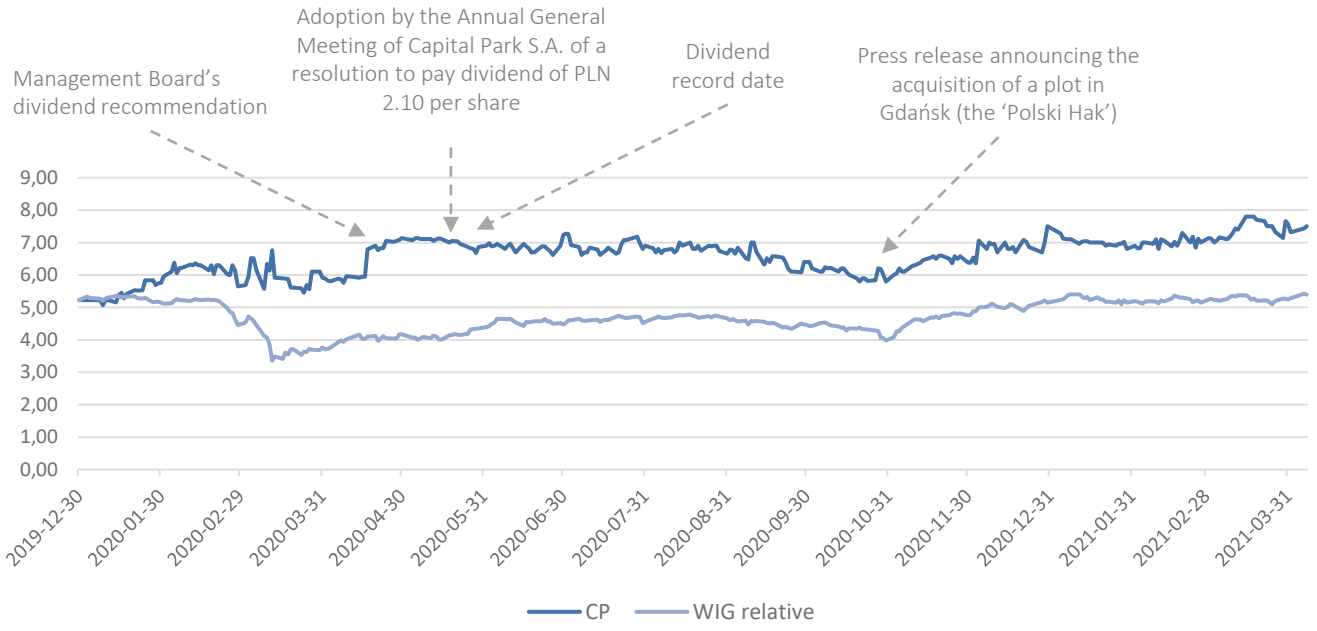
CASH FLOW



- Cash flow from operating activity in Q1 2021 concerns mainly net operating income (NOI) and platform overhead costs.
- Cash flow from investment activity concerned capex expenditure (PLN 76m) attributable mainly to the Norblin Factory construction.
- Cash flow from financial activity shows primarily drawdown of construction loan for the Norblin Factory (+PLN 84m) as well as repayments according to schedule.
- Effects of foreign exchange differences from cash amounted to PLN 1m.

SHAREHOLDING STRUCTURE & SHARE PRICE PERFORMANCE





PLN 819m

market capitalisation
at the end of Q1 2021

7 years

presence on the Warsaw
Stock Exchange

PLN 228m

dividend paid for 2019 FY
(23% dividend yield)

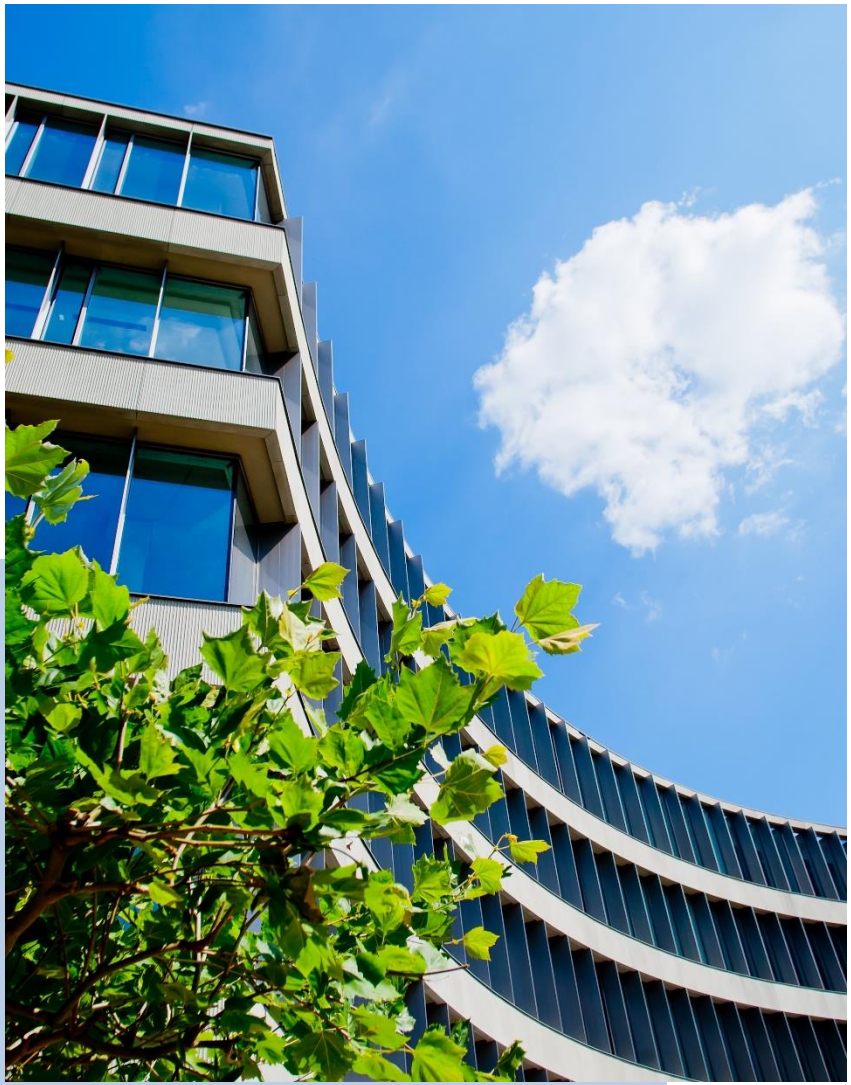
SUMMARY OF FINANCIAL STANDING IN Q1 2021

Stable cash position and healthy balance sheet

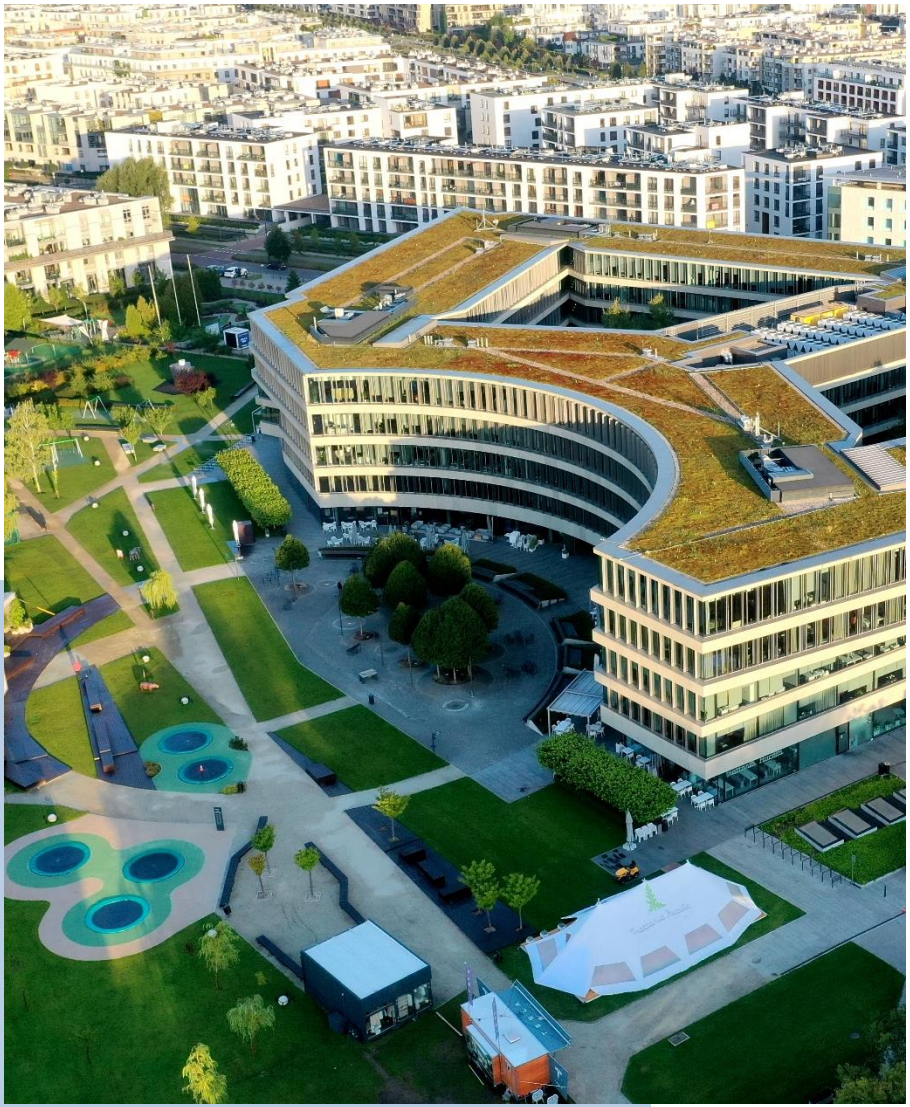
Safe level of debt
(net debt to assets: 35%)

Changed NOI structure after sale of Eurocentrum Office Complex

Revenue sensitivity to the Covid-19 crisis



PLANS FOR 2021



Our focus is on completing the construction and commercialisation of our flagship project – revitalisation of the former Norblin Factory

We will aim to close the sale of Royal Wilanów and Eurocentrum Hotel and Residences

We will seek to lease out remaining vacant space in completed projects

We will strive to secure additional capital to further expand our property portfolio

Q&A

Vis à Vis, Warsaw

SUPPORTING MATERIALS

Royal Wilanów, Warsaw

REAL ESTATE PORTFOLIO SUMMARY

Investment property	City	Type	GLA (thous. m^2)	Occupancy (31/03/2021)	Carrying amount excl. IFRS 16 (EUR m)	Carrying amount excl. IFRS 16 (PLN m)	WAULT	Financial debt	Target NOI (PLN m)	Capex to be incurred after Q1 2021 (PLN m)	Group's interest
COMPLETED PROJECTS											
Royal Wilanów	Warsaw	mixed-use	37	100%	102	476	3.8	256	37	6	100%
Galeria Zaspa	Gdańsk	retail	9	87%	14	63	4.1	40	5	1	100%
Hampton by Hilton Old Town Gdańsk	Gdańsk	hotel	9	100%	15	71	15.7	53	6	0	100%
Vis à Vis Łódź	Łódź	retail	6	92%	7	35	4.5	26	3	0	100%
Warszawa Belgradzka	Warsaw	retail	4	82%	6	29	4.9	19	2	0	100%
Warszawa KEN	Warsaw	retail	<1	100%	1	6	5.0	-	<1	0	100%
Bydgoszcz Krasińskiego	Bydgoszcz	retail	<1	100%	0	1	3.8	-	<1	0	100%
Total			**64**	**97%**	**146**	**681**	**5.3**	**394**	**54**	7	
PROJECTS UNDER CONSTRUCTION AND IN PIPELINE											
Norblin Factory	Warsaw	mixed-use	65	73%	216	1,007	n/a	373	82	350	100%
Eurocentrum Hotel & Residences	Warsaw	hotel & residential	28	n/a	18	85	n/a	-	-	0	100%
Other	3 cities	-	1	n/a	2	11	n/a	-	-	-	100%
Total			**94**		**236**	**1,103**	n/a	**373**	**81**	**350**	
TOTAL - consolidated in full method			**158**		**382**	**1,784**		**767**	**136**	**357**	
JOINT VENTURE PROJECTS											
ETC Swarzędz	Swarzędz		20	92%	34	160	3.8	128	13	4	60%
Vis à Vis Wilanów	Warsaw		4	100%	9	41	7.3	20	3	0	66%
Total			**24**	**93%**	**43**	**201**	4.6	**148**	**16**	**4**	
TOTAL			**182**	**96%**	**425**	**1,985**	**5.1**	**915**	**152**	**361**	

Source: Capital Park; Valuation reports on the Capital Park property portfolio as at December 31st 2020, prepared by Knight Frank Sp. z o.o., Jones Lang LaSalle sp. z o.o., and Emmerson Evaluation sp. z o.o., covering carrying amount, target NOI and required capex. Data is presented in PLNm as at March 31st 2021, unless stated otherwise.
Notes: 1) Carrying amounts in PLN and EUR are presented excluding the impact of IFRS 16. 2) The book value of Hampton by Hilton Old Town Gdańsk based on the preliminary property sale agreement. 3) Financial debt is presented in nominal amounts, i.e. excluding the effect of amortised cost. 4) Required capex represents capital expenditure to be incurred in a project after December 31st 2020. 5) In the Eurocentrum Hotel i Rezydencje project, the GLA refers to 8,000 m^2 of the planned usable floor area of apartments; the carrying amount is based on the preliminary sale agreement; 6) The table presents 100% of the property value and the indebtedness of the joint venture projects. 7) Yields for office projects: 4.75-6.50%, retail projects: 5.40%-8.25%, hotel: 7.50%-8.50%. 8) Target NOI for Royal Wilanów and Norblin Factory calculated on the basis of concluded lease agreements and assumed market rent for vacant space.

P&L

Consolidated Statement of Profit or Loss and Other Comprehensive Income (PLNm)	3 months 2020	3 months 2021	Change
Operating income	14.4	14.0	(3%)
Direct property operating expenses	(4.4)	(4.4)	
Net operating income (NOI)	**10.0**	**9.6**	(4%)
Other income including management fees	1.4	12.0	
Operating expenses of SPVs	(1.0)	(0.9)	
Administrative expenses	(3.2)	(3.1)	(4%)
Gain/(loss) on property revaluation	91.6	18.8	(79%)
Other expenses	(1.9)	(0.2)	
Share in net profit/(loss) of equity accounted entities	1.2	0.2	
Profit/(loss) from operating activities	**98.0**	**36.5**	(63%)
Dividend income	0.2	0.0	
Interest income	0.6	0.4	
Interest expense	(4.7)	(3.7)	
Other finance income and costs	(49.3)	(10.0)	(80%)
Profit/(loss) before tax	**44.9**	**23.2**	(48%)
Income tax	(13.6)	(9.9)	
Net profit/(loss)	**31.3**	**13.3**	(57%)

Decrease in revenues from lease due Covid-19

In Q1 2021 ArtN received compensation in the amount of PLN 11m for the land transferred to the City in connection to reconstruction of Prosta Street.

Revaluation of properties resulted from:
1) Impact of fx changes +PLN 16m
2) Other +PLN 3m

Loss on revaluation of liabilities due to increase in fx rate

Additional information	3 months 2020	3 months 2021	Change
PLN/EUR exchange rate at the end of the quarter	4.5523	4.6603	2%
Average PLN/EUR exchange rate in the period	4.3963	4.5721	4%

BALANCE SHEET – KEY ELEMENTS

ASSETS (PLNm)	31/12/2020	31/03/2021
Non-current assets	**1,248.3**	**1,350.8**
Investment property	1,171.4	1,273.0
Investments in jointly controlled entities	41.0	42.4
Financial assets	21.6	21.5
Other non-current assets	14.4	13.9
Current assets	**771.5**	**781.5**
Receivables and other current assets	31.8	38.9
Financial assets	8.5	6.5
Cash and cash equivalents	148.9	146.8
Non-current assets classified as held for sale	582.5	589.3

TOTAL EQUITY AND LIABILITIES (PLNm)	31/12/2020	31/03/2021
Equity	**989.6**	**1,002.8**
Share capital	108.3	108.3
Statutory reserve funds	852.5	852.5
Other capital reserve	73.4	73.4
Exchange differences on translating foreign operations	5.0	4.9
Retained earnings / (deficit)	(49.7)	-36.4
Non-current liabilities	**530.2**	**615.6**
Bank borrowings	374.0	453.7
Other financial liabilities	24.1	20.9
Liabilities under notes in issue	0.0	0.0
Lease liabilities	48.5	48.5
Other liabilities and provisions	8.9	9.2
Deferred tax liabilities	74.6	83.3
Current liabilities	**500.0**	**513.9**
Bank borrowings	114.4	114.1
Other financial	7.4	9.6
Liabilities under notes in issue	32.0	32.4
Lease liabilities	2.0	2.0
Trade and other liabilities	31.4	41.7
Group's liabilities for sale classified as held for sale	312.7	314.0
Total equity and liabilities	**2,019.8**	**2,132.3**
Net debt	643.4	723.3
Net debt/Total assets	**32.85%**	**34.92%**

Change in property portfolio primarily due to:
- *Capex of PLN 88m*
- *Revaluation of properties in the amount PLN 20m including impact of fx changes + PLN 16m*

Investments in jointly controlled entities: ETC Swarzędz, Vis à Vis Wilanów, Rezydencje Pałacowa II

Investments in REIA & REIA II closed-end investment funds

Royal Wilanów and Eurocentrum Hotel & Residences, including cash on project's accounts

Increase due to construction loan utilisation and impact of fx changes

Deferred tax liability results from the difference between the book value and tax value of the properties

Bank loan and deferred tax liability related to Royal Wilanów

OUR APPROACH TO FINANCING IS BASED AROUND THREE PILLARS

LIQUIDITY	▪ Securing equity contribution to projects under construction and new projects. ▪ Managing debt maturities. ▪ Minimising costs of debt.	▪ Only EUR 7m of bonds series N maturing in 2021 remained
DIVERSIFICATION	▪ Credit facility agreements for individual projects within the framework of special purpose vehicles (without recourse to the holding company). ▪ Corporate bonds (not secured). ▪ Multi-functional loan at the holding company.	▪ Relations with 13 banks ▪ Extensive experience on debt capital markets ▪ Good relations with equity and debt capital market
HEALTHY BALANCE SHEET	We use two debt ratios to assess our debt position: ▪ loan to value ratio (LTV) at consolidated level and at level of individual projects in SPVs. ▪ the net debt to total assets ratio at the consolidated level.	At the end of Q1 2021: ▪ the net debt to assets ratio was 35% and ▪ net debt reached PLN 723m

AMORTIZED COST – METHOD OF VALUATION OF LIABILITIES

VALUATION OF LIABILITIES ACCORDING TO THE AMORTIZED COST WAS CARRIED OUT IN ACCORDANCE WITH BOTH IAS 39 AND CURRENTLY IFRS 9. THE AMORTIZED COST MEANS THAT THE VALUE OF LIABILITY RESULTS FROM THE PLANNED CASH FLOWS RELATED TO ITS IMPLEMENTATION TAKING INTO ACCOUNT EFFECTIVE INTEREST RATE.

PROFIT AND LOSS ACCOUNT

The purpose of the application is an even distribution of the loan costs within the profit and loss account

effective loan rate **X** (interest cost + provisions + the amount of granted loan)

CASH FLOW

Actual cash flows are displayed:

- drawdown of the bank loan or issue of notes,
- actual cash outflows in the form of interest paid (operating CF) and repaid principal instalments (financial CF)

BALANCE SHEET

The balance sheet shows the discounted value of the proceeds from the bank loan less discounted outflows (commissions, interest, loan instalments). The internal rate of return (IRR) is used as the discount rate.

In subsequent periods of the balance sheet the value of the bank loan

Value from the period T-1 - paid installment (i.e. capital + interests) + interest calculated according to the effective rate

FOREIGN EXCHANGE RISK

THE GROUP IS EXPOSED TO FOREIGN EXCHANGE RISK (MAINLY PLN/EUR), WITH THE MAIN SOURCE OF THE RISK BEING THE DIFFERENCE BETWEEN THE REPORTING CURRENCY OF THE FINANCIAL STATEMENTS (PLN) AND THE MEASUREMENT CURRENCY OF PROPERTY, LIABILITIES AND CONTRACTS WITH TENANTS (EUR).

THREE KEY AREAS OF IMPACT OF PLN/EUR EXCHANGE RATE ON FINANCIAL STATEMENTS

REVENUES	ASSETS	DEBT
▪ 99% of the Group's rental income is based on EUR denominated lease contracts, while revenue is reported in PLN.	▪ 95% of Group's property portfolio is valued in EUR. ▪ Gain/loss on revaluation of projects (assets in the balance sheet) results from the estimation of the value of projects in the euro, followed by their translation into the Polish currency	▪ 97% of the on-balance-sheet debt is denominated in the euro. Bank borrowings are translated into PLN at the reporting date and the difference is recognised in profit or loss.

- Applying natural hedging by adjusting the loan currency to the lease currency. Due to incomplete balance sheet hedging (the value of loans is less than the value of priced properties), the group has an exporter profile. Depreciation of PLN in relation to EURO is beneficial for the Group, while appreciation is not. A possibility of using derivatives is limited.

RISKS ASSOCIATED WITH THE SPREAD OF COVID-19

RISK ASSOCIATED WITH THE SPREAD OF COVID-19		
RISK FACTORS	**POTENTIAL IMPACT**	**RISK MITIGATING MEASURES**
▪ Prohibition of specific types of activities ▪ Limited social mobility ▪ Deterioration of general economic conditions in the world and in Poland. ▪ Uncertainty related to the duration of the pandemic and the scale of government administration activities, ▪ Deterioration of financial condition of tenants and / or potential tenants' bankruptcies.	▪ Decrease of the Group's revenues and proceeds from lease ▪ Inability to complete projects within the set schedule and / or in line with the budget due to supply chain disruptions, shortages in the workforce, extension of the deadlines for obtaining permits and other administrative procedures; ▪ Difficult access to financing and / or demanding additional collateral by banks ▪ Decrease in the activity of tenants and business partners resulting in suspension, delay or failure of signing contract / investment and divestment processes, ▪ Negative impact of renegotiation of lease conditions, possible restructuring processes of tenants on lease agreements, impact on rental income and property value.	▪ Active property management and cost optimisation ▪ Maintaining direct and close relations with tenants in order to work out the best solutions, entering into agreements with tenants whose financial condition has deteriorated (temporary rent discounts granted in exchange for lease extensions) ▪ Undertaking actions to enable conducting regular operating activities of the Group with the least disruptions and the implementation of the Group's project under construction in accordance with agreed budget and schedules ▪ Protecting assets and minimising exposure of employees to the impact of COVID-19 (home office) ▪ Maintaining a safe level of cash *See the Group's response to Covid-19 on slides 17-18*

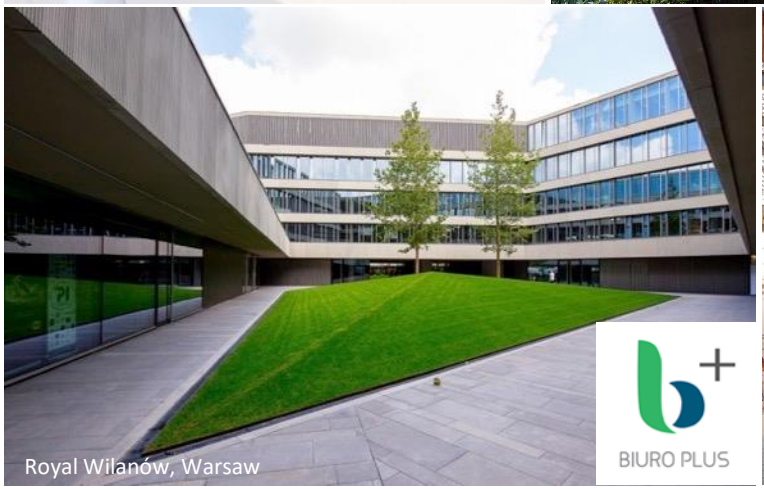
GROUP'S INITIATIVES IN THE TIME OF COVID-19 CRISIS

- Twice last year – in spring and autumn – we got involved in the **#property4heroes** campaign, in which leaders of the real estate industry support employees of hospitals and ambulance services throughout Poland. Together with our gastronomic tenants in Royal Wilanów and Street Mall Vis à Vis Wilanów we provided over 3000 meals for the medical staff in Warsaw hospitals.
- **Office Doctor** first aid medical service is an invaluable addition to the offer of the Royal Wilanów complex and is well received by tenants. During the COVID-19 epidemic, we had an average of 5 critical interventions every month, 3 of which would have been fatal if not for Office Doctor's intervention. In addition, in connection with the Covid-19 pandemic, each month medics receive about 80-100 reports related to the health condition of people staying in Royal Wilanów, the desire to perform a test to detect the presence of SARS-COV 2 virus or the level of antibodies.
- As part of our cooperation with the **Warsaw Insurgent Support House**, we have provided to its employees, volunteers and wards 400 protective masks, 200 disinfectant fluids, as well as protective helmets and coveralls.

OFFICE+ CONCEPT

- A wide range of services
- High quality architecture
- Art and culture in common areas
- Care for the natural environment and sustainable growth
- Promotion of sports and healthy lifestyle
- Green areas and high quality of the surroundings

Norblin Factory, Warsaw



Royal Wilanów, Warsaw

BIURO PLUS

Norblin Factory, Warsaw

BEE CREATIVE

New quality of co-working in friendly environment

In 2018, in Royal Wilanów, one of our flagship projects, we developed co-working space of our own design, named ‘Bee Creative’. It is a perfect place for all those who need comfortable and design-conscious office space in a top quality building and friendly environment.

GLOSSARY

Absorption	Net change in space occupied by tenants, taking into account a change in the size of unoccupied space and supply of new space in a period
Capex	Capital expenditure
FFO	Funds From Operations, i.e. operating performance in cash terms
GAV	Gross Asset Value
GLA	Gross Leasable Area
Measurement at amortised cost	Measurement at amortised cost, less transaction costs which may be directly attributed to the acquisition or issue of a given financial liability.
NAV	Net Asset Value
NCI	Non-controlling interest
NOI	Net Operating Income, net rental income

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Thank YOU!

2021