



Sustainability Report

Capital Park Group
for 2022

2022



PLN 87m

NOI

PLN 67 m

Free cash¹

39%

Net debt to assets

PLN 10.97

NAV per share

95%

Occupancy rate for completed
fully-consolidated projects

PLN 2.8bn

Value of portfolio under
management

PLN 107m

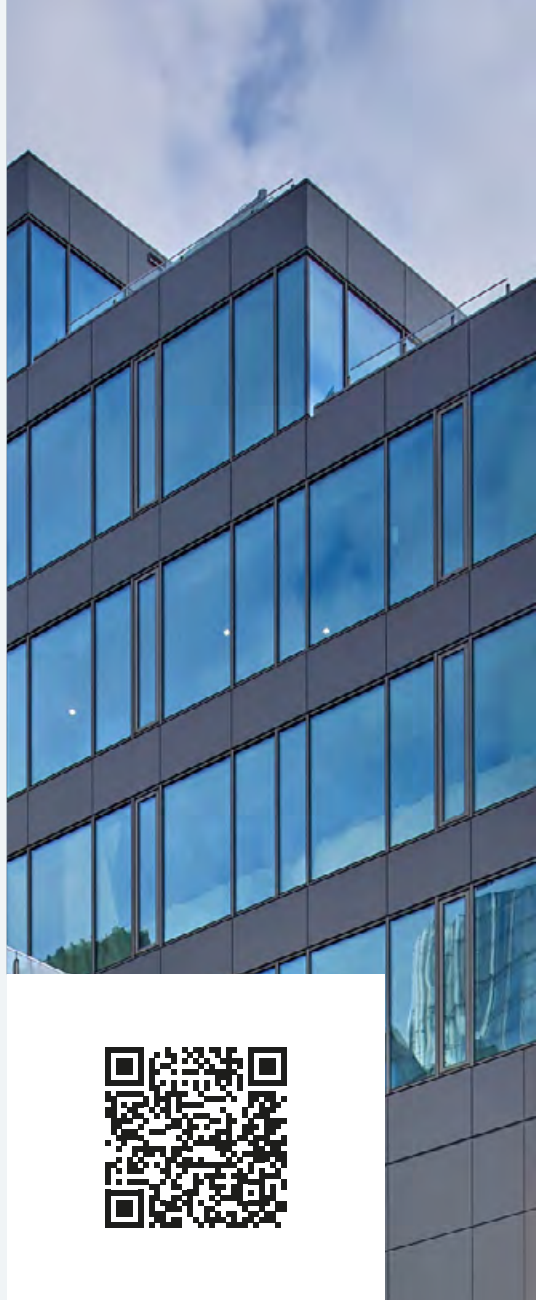
Dividend paid

89

Specialists

We present to you Capital Park Group's second sustainability report. Despite many headwinds, economic uncertainty and social unrest, our assets and team demonstrated resilience and innovation throughout 2022. We maintain our unwavering commitment to growing our business sustainably across many dimensions. This report reflects a sharper focus on implementing measurable initiatives and integrating key ESG factors into our operations. We apply indicators enabling us to ensure data comparability, track progress and identify areas for improvement. The ESG disclosures we apply are voluntary, and they are our response to growing stakeholder expectations and tightening regulatory requirements. We believe that further development of our ESG initiatives and greater corporate transparency will improve communication and value creation for our investors and stakeholders.

¹As of date of this report



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LETTER FROM THE MANAGEMENT BOARD



LADIES AND GENTLEMEN,

It is with great pleasure that we present the 2022 Sustainability Report of the Capital Park Group, our second. This Report, in addition to our financial data and business information, includes a summary of our non-financial performance.

2022 was marked by our hard work on existing projects that saw the occupancy rate of our properties reach 95% (up 2pp year on year). We focused particularly on the commercialisation and stabilisation of Norblin Factory, our flagship development, which was completed in August 2021.

The year also saw continued leasing of vacancies in the complex and the completion of fit-out work for tenants. As of the date of this Report, the average occupancy rate was 94%, with only 3.7 thousand m² of retail space remaining unleased. We are delighted with the recognition that Norblin Factory has received, both in Poland and internationally. It was the only project from Poland to be bestowed with ULI's 2022 Awards for Excellence for projects located in Europe and globally. In addition, Norblin Factory was honoured in numerous other competitions, commending the complex construction process, the advanced large-scale revitalisation, the modern office space and its mixed-use functions.

2022 was also a busy year for the Royal Wilanów project, with lease contracts expiring in 2022-2023 accounting for 40% of total lease income. We are pleased to report that, with the exception of one tenant who chose a less expensive location, all other leases expiring in 2022 were successfully renewed for periods of five years or more. Additionally, some contracts expiring in 2023 were extended in 2022. Consequently, the occupancy rate at Royal Wilanów was 98%, and the weighted average unexpired lease term (WAULT) was 4.5 years.

We were also actively engaged in other projects within our portfolio. Amid the energy crisis caused by the war in Ukraine, obtaining energy supply contracts for 2023-2024 proved to be challenging. However, by the end of the year, we successfully secured energy supplies for all our projects. Inflation rates have increased significantly in Poland and the EU, which led to a sharp rise in rent rates and service charges. As per the relevant lease contracts, these charges were indexed at the beginning of 2023.

The Group's investment activities resulted in the finalization of the agreement to purchase the Polski Hak project, comprising two plots of land with a combined area of 1.3 hectares situated on a peninsula between the Martwa Wisła and the Motława rivers in Gdańsk. Last year, we also acquired a townhouse in the heart of Szczecin. We have already developed a mixed-use concept and building permit design for the location to create high-quality apartments.

Strong relationships with banks and a portfolio of high-quality projects secure bank financing:

- The repayment date of the credit facility provided by the syndicate comprising ING and BNP Paribas for the Royal Wilanów project was extended and the financing amount was increased by EUR 13.7m. The new facility of EUR 66.5m was granted for another five years;
- The credit facility provided by Bank Pekao S.A. and the European Investment Bank for Norblin Factory was converted from a construction credit facility into an investment credit facility;
- The repayment date of the credit facility provided by Bank Pekao S.A. for the Vis à Vis Wilanów joint venture project was extended for another five years, with the principal increased by EUR 2.3m.

In 2022, the Capital Park Group disbursed dividends to its shareholders twice: in July (for the year 2021) amounting to PLN 46,583,619.14 or PLN 0.43 per share and in November (an interim dividend for the year 2022) amounting to PLN 60,667,038.88 or PLN 0.56 per share. The gross dividend yield was 11.4%.

At Capital Park, we take ESG considerations seriously and make them a top priority each and every day. As part of our ongoing efforts, we established a dedicated sustainability team in 2022, led by Management Board members Kinga Nowakowska and Marcin Juszczuk. Together with our strategic investor, Madison International Realty, we conducted a thorough review of our environmental, social, and corporate governance initiatives and assessed them against the ESG standards followed by our investors. In addition, we began working on ESG audits in our key investments, aimed at identifying activities that can increase the rating of our properties and reduce their carbon footprint.

OUR ESG INITIATIVES IN 2022 INCLUDED:

- Obtaining a BREEAM Excellent certificate for Norblin Factory office space,
- Ensuring that our key projects meet the high standards required for Well certification,
- Installing EV chargers in selected projects,
- Exploring the feasibility of using PV solar systems in our projects, including selection of a PV system supplier for Norblin Factory,
- Formulating assumptions for green lease contracts that reflect our commitment to sustainability,
- Considering options for purchasing green energy to power our projects,
- Identifying and implementing energy reduction measures for our projects,
- Measuring the carbon footprint of Capital Park employees,
- Expanding the scope of our ESG reporting in the second edition of the sustainability report.



As in previous years, our commitment to social responsibility and charitable endeavours continued. We wanted to make a real difference in the lives of Ukrainian families who had been forced to flee their homeland due to the devastating effects of Russia's military aggression. Our focus was on several key areas, and we were determined to make a positive impact. To kickstart our efforts, we formed a dedicated team at our Company's headquarters. Our employees were eager to lend their support, and we met weekly to discuss the most pressing issues and brainstorm new initiatives. Over the course of almost a year, we provided a home for the Society of Friends of Ukraine, led by the dynamic Weronika Marczuk. Together, we spearheaded numerous aid campaigns, providing safe and comfortable shelter for those in need. The second area included activities we co-ran with many of our tenants who proved to be an invaluable source of ideas and support as we worked to help our Ukrainian friends. We facilitated these initi-

atives and involved our talented teams in making them a success. Our work also involved supporting a range of initiatives that we were recommended to join on an ad hoc basis. For obvious reasons, we couldn't stand by and do nothing when we saw the great work being done by these organizations. We also continued to support projects that we've been involved with for several years, like the incredible '28 Dreams – Disabled on their Way to the Hel Peninsula' project. This initiative encourages children and young people with mental disabilities to set ambitious goals and overcome the challenges they face. Last year, a group of young people from the foster care centre in Działdowo embarked on an unforgettable bike trip, visiting every lighthouse on the Polish coast of the Baltic Sea. For the third year in a row, we also worked with the Day Centre for Warsaw Uprising Veterans we made friends with as it is located in the immediate vicinity of Norblin Factory.



The Capital Park Group is entering 2023 with positive momentum and a host of new projects, and our plans for the year include:

- Continually improving the rental income and value of our investment properties,
- Leveraging market conditions to sell stable projects and achieve target returns,
- Further developing our pipeline projects, in particular the Polski Hak and Nowy Welnowiec projects,
- Exploring new investment opportunities, new joint venture partnerships and financing sources to further development of the Group,
- Focusing on sustainability projects and initiatives, as we strive to implement ESG strategies and reduce the carbon footprint of our investment portfolio.

In 2023, we have not one, but two amazing milestones to celebrate. Our Company was founded 20 years ago with a mission to build an organisation that would be something more than yet another property developer, one that would make a difference in the real property market, introduce a new quality, and take on a different perspective. With projects like Eurocentrum Office Complex, Royal Wilanów, and Norblin Factory under our belt, we are proud to say that we have succeeded in our mission. With each new project, we take our business to

the next level. We firmly believe that the role of property developers is changing, and we are leading this transformation. We have the ability to give our projects a unique identity, creating spaces that offer something special, places that people love to visit, work, and spend their free time. And we are not just developing these projects – we are operating them, repurposing them, and making them even better.

We are also thrilled to celebrate the 10th anniversary of our IPO on the Warsaw Stock Exchange. It feels like just yesterday that we were filled with excitement and ambition for the future. Looking back, we are proud to say that we have achieved our goals and surpassed our expectations. But we are not stopping here. We are hungry for more.

We owe our success to our dedicated team, whose unwavering commitment and support over the past two decades has propelled us to where we are today. We take pride in our ability to design and execute projects that transform urban spaces, delight tenants, and capture global attention, drawing in both residents and tourists. To our team, we extend our heartfelt appreciation for your creative contributions, unwavering commitment to excellence, and efficiency in bringing our vision to reality. We also extend our gratitude to our investors, banks, tenants, suppliers, and business partners for their continued support and trust. It is your unwavering commitment that has enabled us to create value for 20 years and counting!

With kind regards,

Jan Motz, President of the Management Board, CEO
Kinga Nowakowska, Member of the Management Board, COO

Marcin Juszczak, Member of the Management Board, CFO/CIO



Capital Park is a recognised investor, property developer and manager on the Polish real estate market, managing properties with a total area of 172 thousand m² and a market value of PLN 2.8bn, with 79% of the properties located in Warsaw. The Group has extensive experience in developing high-quality modern mixed-use properties and revitalisation projects, with new unique residential projects in the pipeline. Capital Park S.A. has been listed on the Warsaw Stock Exchange since 2013.

PLN 2.8m

Value of the property portfolio under management at the end of 2022

172,000 m²

Total area of the property portfolio under management

20 years

Experience on the Polish property market

10 years

Since listing on the Warsaw Stock Exchange

CAPITAL PARK GROUP



High-quality property portfolio

The portfolio of completed properties comprises a diverse range of modern office, retail, and mixed-use spaces. Notable projects include the prestigious Royal Wilanów and the recently revitalized Norblin Factory complex.



Proven business model

We have a proven ability to develop and deliver unique projects and raise project funding. Further unique projects, including Polski Hak and Nowy Wełnowiec, are in the pipeline.



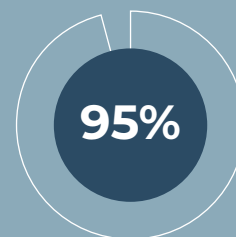
Experienced team

Our employees have unique ideas and competencies to create projects that generate value for the Company's stakeholders. Our experienced, dedicated and loyal team consists of 89 professionals responsible for the comprehensive implementation of development processes.

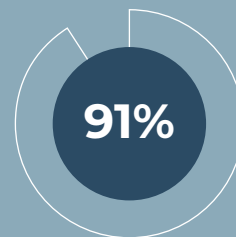


Sustainability

As we manage properties and develop new projects, we take into account their impact on local communities, the city fabric, natural environment and climate. In each of our new developments, we employ pro-environmental solutions that help reduce service charges for tenants and increase occupant comfort. We conduct our activities in compliance with the law, good practices and modern corporate governance principles.

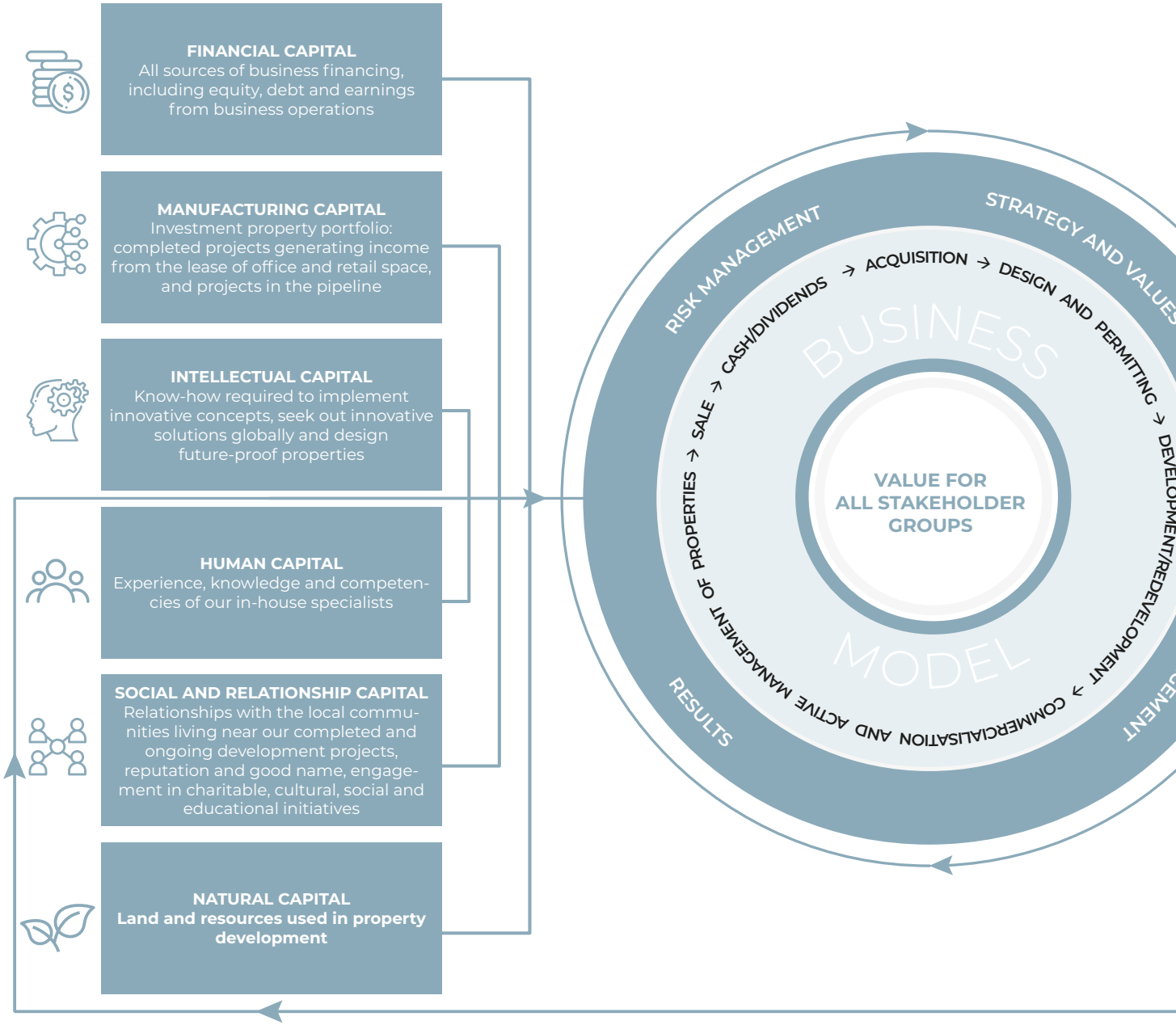


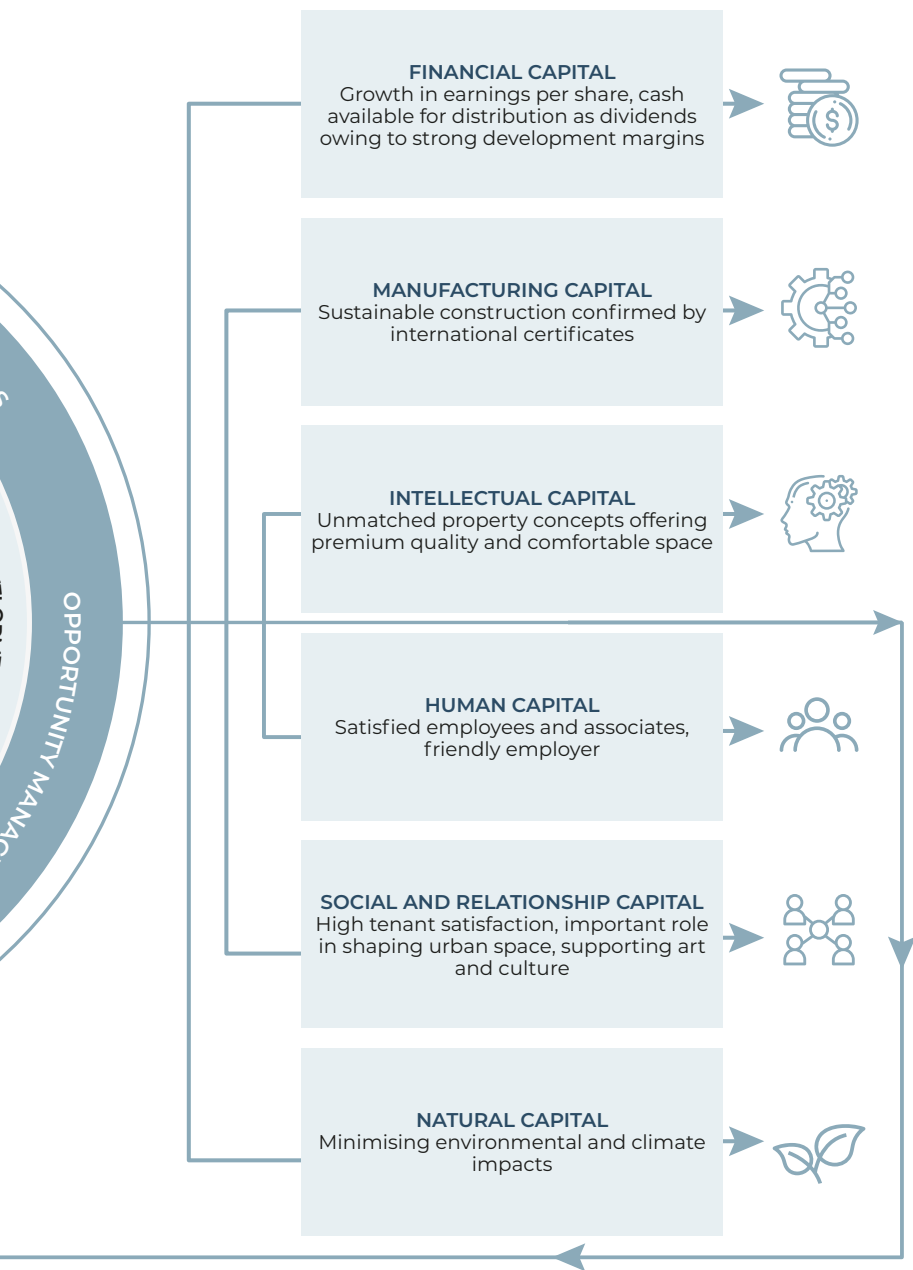
Occupancy rate of completed income-generating projects



91% are properties located in Warsaw (solely owned by the Group)

BUSINESS MODEL AND CAPITALS





OUR CAPITALS



FINANCIAL CAPITAL

2022 RESULTS:

PLN 1.2bn

equity

PLN 2.6bn

assets

PLN 127m

revenue

PLN 66m

net profit

PLN 107m

dividend paid

PLN 181m

proceeds from borrowings

DEFINED RISKS:

- risk of macroeconomic volatility
- foreign exchange risk
- interest rate risk
- competition risk
- liquidity risk

OPPORTUNITIES:

- favourable terms of financing development projects
- high development margins
- dividend potential

CAPITAL MANAGEMENT:

- cooperation with the strategic investor and minority shareholders
- communicating with lenders to work out efficient financing solutions
- joint ventures with reputable funds, developers and landowners
- seeking to maintain a stable cash position and healthy balance sheet

IMPACT ON THE OTHER CAPITALS:

Influencing all the other capitals, financial capital enables us to fund innovative ideas (of our own employees and hired architects), purchases of materials for property development (produced capital), human capital (attractive salary), and social capital (impact on the city fabric and local communities).



DEFINED RISKS:

- risk related to loss of tenants
- risk related to property valuation
- risk related to project pipeline
- risk related to administrative procedures
- competition risk
- risk of macroeconomic volatility

OPPORTUNITIES:

- creating unmatched property concepts open to the city, offering comfortable space to tenants, buyers and local communities alike
- developing high-quality sustainable buildings compliant with the most exacting standards
- stronger growth in residential projects
- efficient use of the land bank to create value for all stakeholders

CAPITAL MANAGEMENT:

- identification of attractive development opportunities, building a project pipeline
- acquiring controlling interests in prime properties and portfolios in promising markets in Poland
- optimising the potential of our existing property portfolio and actively managing income-generating projects to maximise income and enhance project value

IMPACT ON THE OTHER CAPITALS:

Produced capital allows us to conduct our business activities – lease out usable space to generate rental income and monetise properties through sale. The success of a property is reflected in our financial capital (profit growth, dividend distributions), social capital (benefits enjoyed by local residents and communities), and employee satisfaction.



MANUFACTURING CAPITAL

2022 RESULTS:

172,000 m²

total area of properties under management (49 projects)

PLN 2.8bn

value of the property portfolio under management

95%

commercialisation of wholly-owned properties

3

residential projects in the pipeline

Land

in three locations in Poland



INTELLECTUAL CAPITAL

2022 RESULTS:

20 years

of experience on the Polish property market

Qualified management

staff with 30 years' experience in property development and management

Ability

to select partners for creating up-to-date solutions

Mobile app

Developed a multi-purpose Norblin Factory mobile app

DEFINED RISKS:

- risk of loss of competitive advantage provided by the unique know-how
- risk of incorrect assessment of potential strategic transactions and investments
- risk of projects in the pipeline failing to meet tenants' and local communities' expectations

OPPORTUNITIES:

- potential to implement new unique projects using our know-how in Poland and the know-how of our foreign shareholders
- tracking and early implementation of new industry trends
- seeking out market niches that have not yet been discovered in Poland but are successfully served in other markets

CAPITAL MANAGEMENT:

- seeking out projects with a high value creation potential
- execution of complex revitalisation projects and unique property concepts
- converting obsolete projects into modern, functional space meeting the latest standards, particularly in environmental sustainability
- rollout of the 'Office +' concept and delivery of value-added services
- providing active asset management to foster tenant loyalty

IMPACT ON THE OTHER CAPITALS:

Intellectual capital allows us to convert our financial capital into produced capital and social capital. It also underpins our future-oriented mindset and our commitment to shareholder value creation, also bolstering our financial capital.

DEFINED RISKS:

- risk of loss of human capital
- risk of stagnation in HR development
- risk related to division and effective delegation of responsibilities
- risk of human rights violations

OPPORTUNITIES:

- unlocking the diversity potential of our employees and associates to drive competitive advantage
- expanding our human capital through active participation of our specialists in industry conferences and a broad range of development opportunities
- benefits of promoting flexible working hours and work-life balance

CAPITAL MANAGEMENT:

- investing in the development and upskilling of employees and associates
- clear, transparent and honest communication with employees about our mission and growth plans
- implementing a Code of Ethics and a mechanism for reporting violations
- supporting industry mentoring programmes

IMPACT ON THE OTHER CAPITALS:

Our team is one of our most valuable assets that drive the Company's success. Our employees and associates help us create new ideas and build our know-how (intellectual capital), expanding our produced capital and financial capital.



HUMAN CAPITAL

2022 RESULTS:

89

specialists

Diversity

62% women and 38% men

Low employee turnover

of 12%

17 hours

is the average number of training hours per employee

1 specialist

won the prestigious 'Top Woman in Real Estate' title



SOCIAL AND RELATIONSHIP CAPITAL

2022 RESULTS:

4,010 hours

contributed to community engagement initiatives

387

social, cultural and charitable events hosted

**PLN 460
thousand**

in grants donated to charitable, cultural and sports initiatives

11

community projects supported through donations

Membership

of three organisations, and expert support provided to six industry events

10 awards

for the Norblin Factory

DEFINED RISKS:

- risk of inadequate ESG management
- reputational risk

OPPORTUNITIES:

- continued improvement of customer satisfaction
- strengthening engagement with local communities living around our properties
- leveraging our strong reputation to acquire new projects

CAPITAL MANAGEMENT:

- developing projects that form integral part of local communities in the cities where they operate
- forging and fostering positive relationships with local communities and driving positive change for external stakeholders
- engaging in charitable, cultural, social and educational initiatives

IMPACT ON THE OTHER CAPITALS:

Social and relationship capital has a considerable bearing on the other capitals and the Group's growth potential. Strong reputation is our hallmark allowing us to acquire new projects and partners, which in turn enables us to raise financial capital and harness our intellectual and human capital to build produced capital.

DEFINED RISKS:

- risk related to environmental regulations and adapting the Group's operations to the EU climate policy
- climate transition risks
- physical climate risks

OPPORTUNITIES:

- taking action to reduce electricity, water and heat consumption in our buildings
- taking action to measure and reduce our carbon footprint

CAPITAL MANAGEMENT:

- implementing sustainable practices at all stages of project execution
- educating and building around our projects environmentally conscious communities, who would not be indifferent to the challenges of climate change
- implementing environmentally-friendly projects that are open to the city and people

IMPACT ON THE OTHER CAPITALS:

Natural capital is essential to conducting our business as a source of materials used to build our projects (produced capital). At the same time, our expanding produced capital, and thus financial capital, has a bearing on our natural capital – the more properties we own, the greater our climate and environmental impacts, which is something we are working on.



NATURAL CAPITAL

2022 RESULTS:

102,400 m²

of space awarded BREEAM certification

5,822 m³

of water recovered at Norblin Factory

STRATEGY AND VALUES

OUR VALUES

We regard corporate responsibility as integral to our business, and we seek to maintain a reputation as a reliable partner for all stakeholders. The values which are embedded in our approach to business set us apart from competitors and help us build a brand of choice for people and organisations.



Source: JTI Polska sp. z o.o.

EFFECTIVENESS

WE ARE PROUD OF OUR ACHIEVEMENTS AND THE WAY WE MANAGE OUR FACILITIES

- we deliver on our goals – despite the headwinds created by the pandemic and the war in Ukraine, we paid dividends twice in 2022, totalling PLN 107m (PLN 0.99 per share)
- our flagship project, Norblin Factory, received a number of coveted industry awards in Poland and internationally
- occupancy rate in Norblin Factory increased from 86% to 94%, with the occupancy rate for all completed wholly-owned projects at 95%

CONFIDENCE

WE THINK AHEAD AND BUILD LONG-TERM RELATIONSHIPS WITH OUR STAKEHOLDERS

- we forge strong relationships with investors and banks
- we have close and direct relationships with tenants confirmed by satisfaction surveys and lease extensions – last year we signed leases for 4.8 thousand m² in Royal Wilanów alone, representing around 13% of the project's total GLA (2021: 7.6 thousand m²)
- we are an experienced team with a strong sense of commitment and the necessary resources to deliver development projects from concept to completion
- our contractors and partners value our work, often inviting us to join them in new projects



INVESTING IN SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT IS AN INTEGRAL PART OF OUR CORE VALUES AND INVESTMENT STRATEGY

- in designing buildings we use cutting-edge green solutions, as confirmed by certificates of environmental sustainability
- our projects create modern public space with access to culture and entertainment, integrating local communities
- we encourage pro-environmental attitudes among tenants, employees and local communities
- we incorporate sustainability in all stages of our development projects

VALUE BUILDING

VALUE UNDERPINS SUCCESS ON THE PROPERTY MARKET

- we develop high-quality smart buildings in premium locations
- we have a portfolio of properties marked by high commercialisation rates and reputable tenants with established market positions
- we plan further value creation – we have new unique projects in the pipeline

INNOVATION

WE ARE A FORERUNNER ON THE POLISH MARKET IN OFFERING UNIQUE SERVICES AND BUILDINGS

- we have created the 'Office +' and 'Office Doctor' concepts and were among the first to offer concierge service in office buildings
- we develop PropTech systems, including mobile apps, and use advanced technologies to enhance customer experience and optimise the performance of buildings
- we create up-to-date entertainment concepts and often operate them ourselves – examples include the boutique cinema KinoGram located in Norblin Factory
- we deploy unique solutions and actively manage public spaces, for example by investing in infrastructure and hosting music events on the premises of Norblin Factory

KEY OBJECTIVES AND THEIR ACHIEVEMENT



KEY BUSINESS OBJECTIVES FOR 2023–2024

The Capital Park Group's objectives include maximising the value of existing projects, unlocking the created value of its property portfolio through sale of stabilised assets and gradual cash distributions to shareholders, and acquiring new projects to drive growth.

ACHIEVEMENTS IN 2022

STABILISE PROJECTS

- We raised our portfolio occupancy rate to 95%
- We handed over space to anchor tenants in Norblin Factory, and we opened a number of new service concepts (Medicover, Dr Irena Eris, Smart Kids Planet, Dębski Clinic) and food concepts (Bocca, SOUL on the Grill, Paradiso, Blue Cactus, MOXO), achieving 100% office occupancy and 84% retail occupancy in the project.
- Norblin Factory won many prestigious awards, including ULI Global Awards for Excellence

SALE OF PROJECTS

- We are in the process of selling Royal Wilanów

DISTRIBUTIONS TO SHAREHOLDERS

- We paid dividends twice in 2022, totalling PLN 107m

ACQUIRE NEW PROJECTS AND CONTINUE TO DEVELOP THE PROPERTY PORTFOLIO

- We finalised the purchase and joint venture agreements for a 1.3 ha plot in Gdańsk, between the Motława and Martwa Wisła rivers, in the area called 'Polski Hak'
- We purchased a townhouse at Aleja Fontann in Szczecin to build a residential project
- We are developing a new project pipeline

”

In 2022, our main focus was on completing the commercialisation and stabilisation of the Norblin Factory project. We were able to increase the occupancy level of the complex to 94%, attract a number of prestigious tenants, and convert the construction loan into an investment loan.

However, the year 2022 was difficult for real estate transactions due to the outbreak of war in Ukraine and uncertainty related to inflation and rising interest rates. As a result, most investors put acquisitions on hold and adopted a wait-and-see approach. In response, we halted the sale process of the Royal Wilanów project that we had launched at the beginning of the year. Instead, we concentrated on extending leases expiring in 2022 and 2023, extending loan agreements, and increasing the amount of bank financing. By the end of the year, we had signed extensions to almost all expiring leases and secured an amendment to the facility agreement with ING and BNP Paribas, increasing the facility amount from EUR 52.8m to EUR 66.5m and extending its term for another five years.

In 2022, we paid dividends twice, with the total payments amounting to over PLN 107m. We also continued our investment activities by purchasing the Polski Hak project, acquiring a tenement house in Szczecin, and preparing for our investment in the Nowy Wełnowiec project, which will be carried out under a joint venture.

In 2023, we will continue our efforts to stabilise the Norblin Factory, and if the market situation allows, we will return to the processes of selling assets and acquiring new projects and joint venture partners.



Marcin Juszczyk,
Member of the Management
Board, CFO/CIO

PLANS FOR 2023 AND 2024

Stabilise our flagship Norblin Factory project

Complete the sale of Royal Wilanów

Finalise purchase transactions and joint venture agreements for secured projects and continue to search for new attractive property development opportunities

Secure new sources of funding



KEY ESG OBJECTIVES FOR 2023–2024

The Group is increasingly integrating sustainability into its business operations to build value for shareholders and other stakeholders.

ACHIEVEMENTS IN 2022

ENVIRONMENT AND CLIMATE

- Stronger integration of climate risks and opportunities in project planning, and continuation of carbon footprint calculations undertaken by the Group
- Feasibility analysis of installing solar PV panels in our selected projects
- Promoting pro-environmental attitudes among tenants and engaging employees in sustainability



PLANS FOR 2023 AND 2024

Optimise electricity procurement (green energy procurement) in our key projects

Ograniczenie emisji CO₂, m.in. poprzez instalację paneli fotowoltaicznych w projektach Grupy

Develop a decarbonisation plan for key projects

Implement green leases for tenants (including contractual clauses providing for delivery of utility consumption data and assistance in emissions reduction efforts)

EMPLOYEES AND SOCIETY

- Supporting diversity in the workplace: policies and actions
- Low employee turnover rate of 12%
- Continued support for local initiatives: support for Ukrainians, '28 Dreams – Disabled on their Way to the Hel Peninsula' project, Day Centre for Warsaw Uprising Veterans

CORPORATE GOVERNANCE

- Voluntary publication of the first sustainability report compliant with SASB Standards and TCFD recommendations
- Establishment of an interdepartmental ESG team under the supervision of Management Board members, whose role is to fully integrate ESG into the Group's business model

CAPITAL PARK GROUP CELEBRATES ITS 20TH ANNIVERSARY



**WE HAVE BEEN
CREATING VALUE
TOGETHER FOR 20
YEARS**



Building on our team's know-how and experience combined with our innovative approach to real estate projects, we have created a unique space to work, shop and relax, providing unparalleled experience for building users. Our projects are developed with the environment and society in mind. We are a top player on the Warsaw office market and the undisputed leader in delivering unique functional solutions for tenants, including our concierge, 'Office +' and 'Office Doctor' services, and our multi-purpose mobile app for tenants.

IN 2023, OUR COMPANY CELEBRATES ITS 20TH ANNIVERSARY ON THE POLISH REAL ESTATE MARKET. OVER THAT TIME:

We have carried out over

140

investment transactions worth

PLN 4.25bn

we have delivered nearly

320,000 m²

of space in office, retail, mixed-use and residential projects

we have built

89-strong team

of professionals who have the skills, competencies and knowledge necessary to deliver top-quality real estate projects



- we have become a leader in delivering unique functional solutions for tenants, including our concierge, 'Office +' and 'Office Doctor' services, and our multi-purpose mobile app for tenants
- we have helped to create Warsaw city fabric, having delivered to residents and tenants such projects as Norblin Factory (2021), Royal Wilanów (2016), Eurocentrum Office Complex (2014–2016), Raclawicka Point (2011), and the Rezydencje Pałacowa luxury suburban housing project (2014 and 2018)
- we have built a chain of convenience stores Street Mall Vis à Vis
- we have been an active market player operating across Poland, investing in projects to which we gave new value and functions, including among others:
 - revitalisation of historical townhouses presently housing Hampton by Hilton Old Town Gdańsk Hotel (2018)
 - upgrade of the Galeria Zaspas shopping centre situated at the former Gdańsk-Wrzeszcz airport (2016) and the first shopping centre in the Poznań region – ETC Swarzędz (2016)
 - redevelopment of a legendary building housing the Cristal restaurant in Gdańsk Wrzeszcz (2010)

Our growth potential lies in our project pipeline, which includes:

- **residential development project uniquely situated in Polski Hak in Gdańsk, a picturesque headland where the Motława joins the Martwa Wisła**
- **Nowy Wełnowiec residential project in Katowice, with an area of 44 ha**

ACHIEVEMENTS IN RAISING FINANCE

Capital Park has extensive experience in raising competitive financing both on public markets and through private placements.



EUR 1.3bn

Bank financing - obtained from 17 different banks and institutions (domestic and foreign)



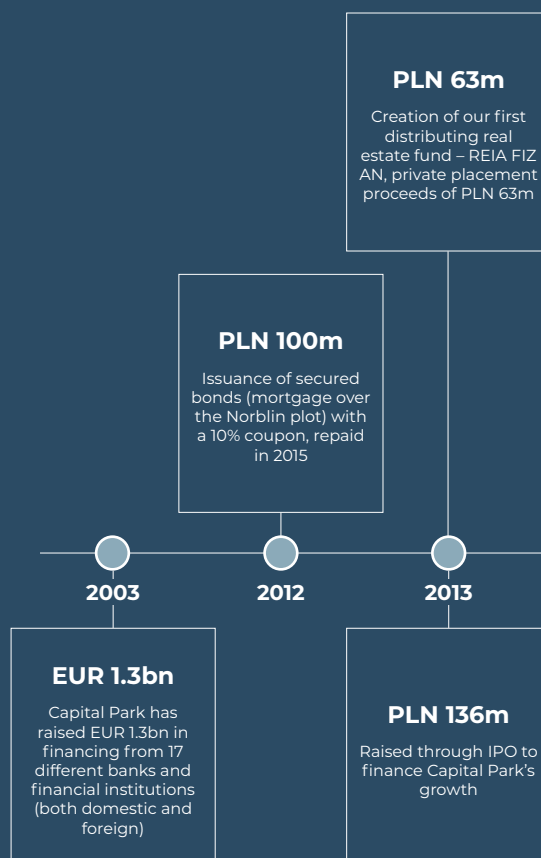
PLN 463m

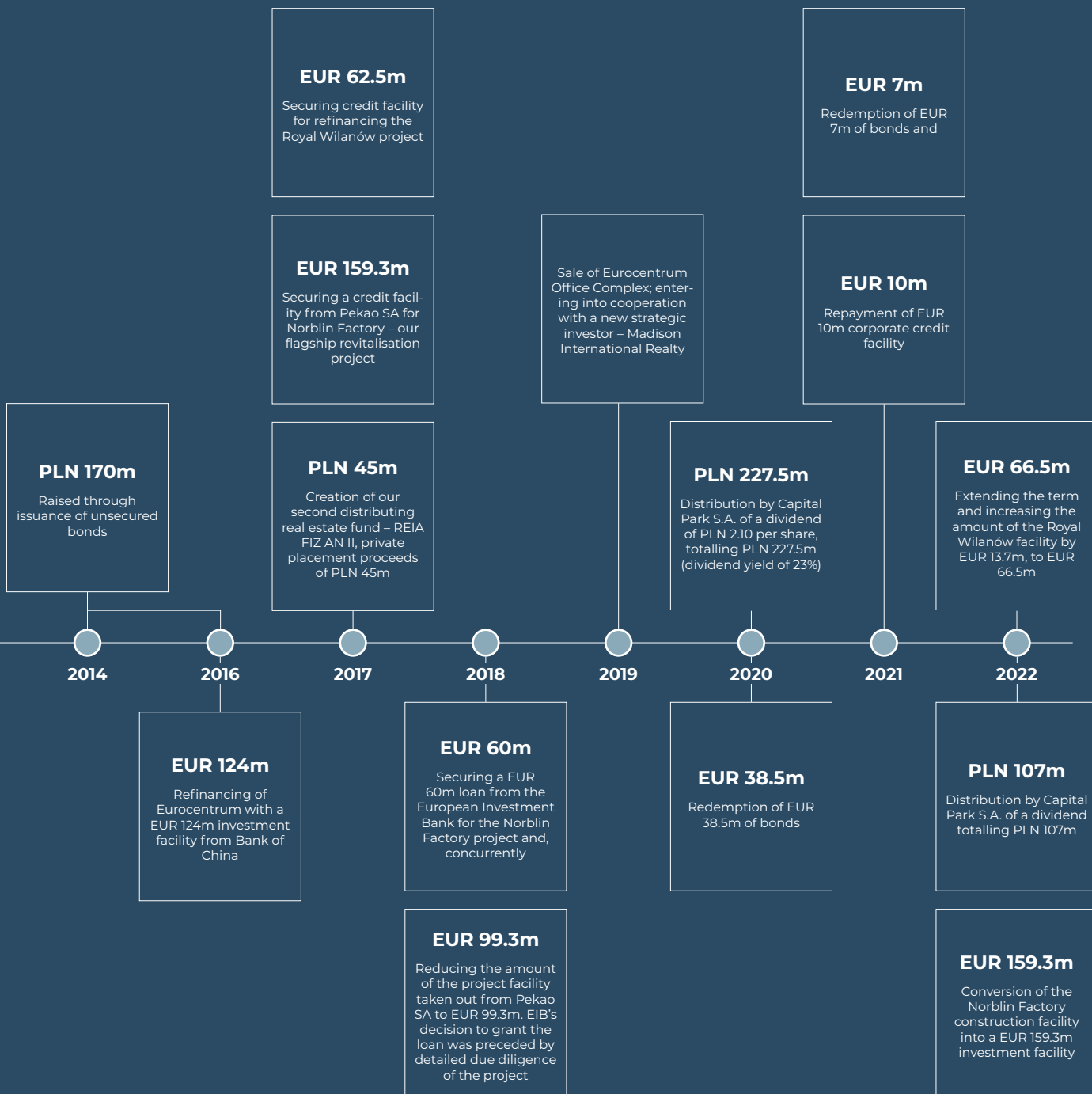
Bonds issued



PLN 136m

IPO proceeds from individual and institutional investors





HISTORY OF THE GROUP



2003

Capital Park is established

2005

Start of cooperation with the Patron Capital Partners Group
Joint acquisition of Neptun Film, owner of several dozen cinemas in Poland

2007-2009

Adding new types of real estate to the Group's portfolio, including:

- acquisition of Eurocentrum with one completed building Alfa
- plot of land in Wilanów for the office and retail project Royal Wilanów
- former Norblin Factory in the centre of Warsaw
- acquisition of development land in Warsaw and Łódź

2011

- Completion of Raławicka Point, an office building in Warsaw
- Completion of the first Street Mall Vis à Vis in Radom

2012

- Commencement of construction of Eurocentrum Office Complex in Warsaw – Beta and Gamma buildings



2013

- Creation of the first distributing fund on the Polish real estate market and sale of 85% of the fund certificates for a total of PLN 64m
- Start of Royal Wilanów construction
- Capital Park SA's PLN 136m IPO on the main market of the Warsaw Stock Exchange

2014

- Completion of Eurocentrum Office Complex – Beta and Gamma buildings
- Opening of the second Street Mall Vis à Vis in Łódź

2016

- Completion of the Royal Wilanów project
- Acquisition of a 53% interest in Galeria Zaspą in Gdańsk and start of redevelopment of the building jointly with the Akron Group
- Completion of the second stage of Eurocentrum Office Complex – Delta building
- Completion of the Galeria Zaspą modernisation project
- Creation of REIA II FIZAN, another distributing fund
- Completion of Topos, a small office building in the centre of Kraków
- Purchase of a 60% interest in and start of redevelopment of the ETC Swarzędz shopping centre

2017

- PLN 45m raised from the sale of 85% of investment certificates in REIA II FIZAN distributing fund
- Purchase of a 47% interest in the Galeria Zaspą project in Gdańsk
- Start of the Norblin Factory revitalisation project
- Completion of modernisation of the ETC shopping centre in Swarzędz

2018

Completion of:

- Hampton By Hilton Old Town Gdańsk
- Street Mall Vis à Vis Wilanów
- Phase two of the Rezydencje Pałacowa luxury suburban housing project

2019

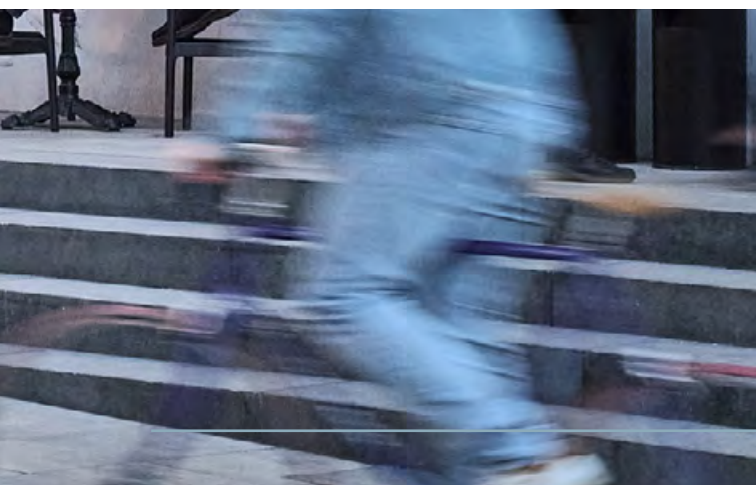
- Entering into cooperation with a new strategic investor, Madison International Realty LLC
- Sale of Eurocentrum Office Complex, the Group's largest office building, with a total gross leasable area of 85,100 m²

2020

- Acquisition of a 14.1% interest in the Company by Europi Property Group AB
- Payment of the first dividend in the Company's history, with the dividend yield at 23%

2021

- Completion of the Norblin Factory revitalisation project in Warsaw after more than three years
- Opening of original boutique cinema KinoGram
- Sale of the Eurocentrum Hotel i Rezydencje project and retail units at Belgradzka street in Warsaw



CAPITAL PARK IN 2022



FEBRUARY

- We entered into a joint-venture agreement with Baytree Real Estate Opportunities Limited (BREOL), which acquired a 74% ownership interest in Capital Park S.A.'s subsidiary Polski Hak sp. z o.o. The joint venture will build a mixed-use development project (comprising residential and commercial units) in Gdańsk.
- Initiatives to support Ukraine were launched in Capital Park Group's buildings, and the Group itself initiated projects to help Ukraine in response to Russia's invasion of the country.

MARCH

- We released our first Sustainability Report

APRIL

- We signed the final purchase agreement concerning two plots of land in Polski Hak in Gdańsk, with a total area of 1.3 ha
- We purchased a townhouse in Szczecin to build a residential project
- Norblin Factory was awarded the Best of the Best Legacy Development title for the best revitalisation project in the CEE region in CIJ Europe's HOF Awards 2022
- Kinga Nowakowska, member of the Management Board and Chief Operating Officer of the Capital Park Group, won a special jury award in the 'Personality of the Year' category of the Top Woman in Real Estate awards programme

MAY

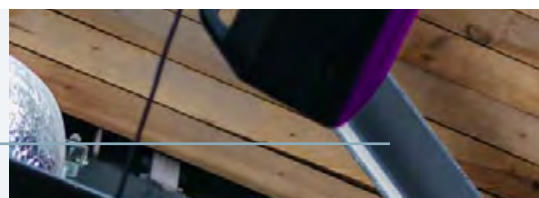
- We opened Poland's first automated underground bicycle parking facility for 96 bikes at Norblin Factory

JUNE

- Norblin Factory received the Retail Development of The Year award during Central & Eastern European Real Estate Quality Awards (CEEQA)
- Kinga Nowakowska, member of the Management Board and Chief Operating Officer of the Capital Park Group, was awarded the title of Personality of the Year in the Top Woman in Real Estate awards programme in recognition of the Norblin Factory project.

JULY

- On July 21st 2022, Capital Park S.A. paid a dividend of PLN 46.5m to investors.





AUGUST

- Norblin Factory celebrated the first anniversary of the occupancy permit and completion of a 46-month construction and revitalisation process

SEPTEMBER

- On September 28th 2022, Hazel Investments sp. z o.o., the owner of the Royal Wilanów project, signed an amending annex to the credit facility agreement with BNP Paribas and ING Bank Śląski, extending the facility term until September 2027 and raising the facility amount by EUR 13.7m to EUR 66.5m
- Norblin Factory won the awards:
 - New Office Building of the Year, CEE Region
 - Construction of the Year 2021 in the awards programme organised by the Polish Association of Construction Engineers and Technicians (PZITB)

OCTOBER

- Norblin Factory won the awards:
 - ULI Europe Awards for Excellence
 - Five Stars title and an award in the Best Commercial Renovation/Redevelopment Poland category of the International Property Awards
 - award in the Refurbishment/Retrofit Project category presented during the 12th Annual CEE Investment Awards gala organised by EuropaProperty.com
- Kinga Nowakowska received an award in the Professional category during the 12th Annual CEE Investment Awards gala organised by EuropaProperty.com

NOVEMBER

- On November 24th 2022, Capital Park S.A. paid an interim dividend of PLN 60.7m for 2022

DECEMBER

- Norblin Factory secured a BREEAM Excellent certificate for its office space
- On December 30th 2022, ArtN sp. z o.o., the owner of the Norblin Factory project, entered into an agreement to convert the construction credit facility from Pekao S.A. and the European Investment Bank (EIB) into an investment credit facility totalling EUR 159.3m. The PLN 35m revolving VAT facility provided to ArtN sp. z o.o. was repaid on December 16th 2022
- Kinga Nowakowska, Member of the Management Board of the Capital Park Group, won an award in the Responsible Capital category during the 7th Polish Capital Congress organised by Forbes Polska



IMPACT OF THE WAR IN UKRAINE ON THE GROUP'S BUSINESS IN 2022



Apart from delivering a strong blow to the real estate market environment, the military conflict in Ukraine has had no direct impact on the Group's operations, financial performance or growth prospects so far. The Group has no properties in Ukraine or Russia. The Group has no business relationships with companies operating in the territory of the warring countries and does not source its funding from entities subject to sanctions.

As the Group has no construction projects running right now, it has no direct exposure to any potential labour shortages at its contractors or trading partners. The Group is monitoring the situation on an ongoing basis to assess its impact on the Group's business.

Although the conflict in Ukraine has had no direct impact on the Group's business, it has coincided with significant global economic instability, and its repercussions may impact the Group's future prospects.

LISTED BELOW ARE THE POTENTIAL

CONSEQUENCES OF THE CONFLICT IN UKRAINE:

- significant growth of commodity prices, including those of crude oil and natural gas, which may have an adverse impact on the construction, steel and chemical industries
- increased global economic uncertainty, potentially leading to greater volatility of asset prices and exchange rates
- rising borrowing costs and risk premiums, coupled with higher inflation and interest rates
- high staff turnover and labour shortages leading to wage increases.

Also, supply chain bottlenecks caused by the pandemic continue to persist and are exacerbated by labour shortages and trade tensions.

All these factors can significantly affect the European economy as well as the Group's sector. In particular, the real estate industry is exposed to the risk of:

- reduced activity of tenants, resulting in suspension of or failure to enter into new lease contracts, in particular for retail and food court areas
- inability to start and therefore also to complete running projects on time and/or budget due to work stoppages faced by contractors, labour shortages, supply chain disruptions, and lengthening of the permitting process and other administrative procedures
- deterioration of the economic situation and uncertainty on the property market leading to temporary suspension/extension of the ongoing sale and investment processes
- stronger financial market volatility and rising interest rates that may put a damper on investment activity in the real estate market and limit access to finance in the longer term.

The Group has a number of tools in place to minimise the impact of these developments on the Group's operations. These are:

- diversified portfolio of office, retail and mixed-use properties
- long-term contracts – properties owned by the Group are 95% leased with a WAULT of more than six years
- interest rate hedges entered into when borrowing funds
- inflation-indexed rent escalation
- natural hedging, with projects financed in the same currency as rents.

The Group assesses its position and takes steps to minimise the negative impact of the economic downturn on an ongoing basis. As at the date of this report, the Group's financial position is stable and has not deteriorated. Capital Park currently holds PLN 67m in free cash, which helps it to maintain a safe liquidity position despite the economic turbulence caused by the ongoing armed conflict.

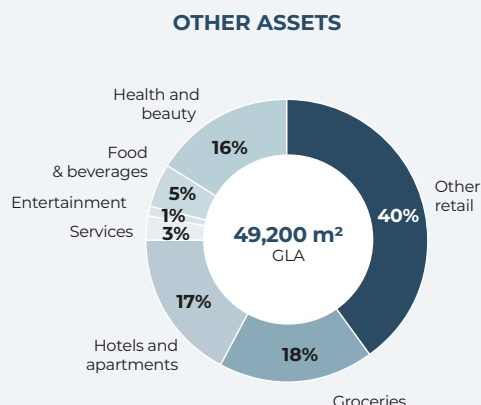
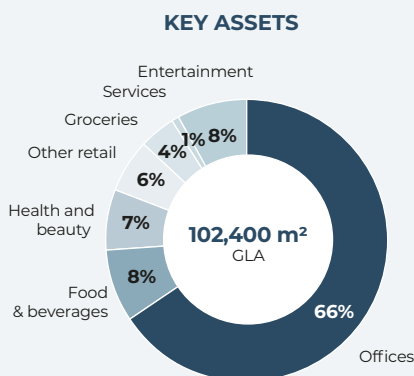
PROPERTY PORTFOLIO

PROPERTY PORTFOLIO OVERVIEW

We are the sole owner of a portfolio of properties with a total area of 126,700 m² and a carrying value of PLN 2.3bn as of 31st December 2022. We manage a property portfolio with a total area of 172,000 m² and a total value of PLN 2.8n.



REAL ESTATE PORTFOLIO BY FUNCTION



KEY ASSETS

OTHER ASSETS

2 PROJECTS

Income-generating commercial properties:

- Norblin Factory
- Royal Wilanów

GLA: 102,400 m²
GAV: PLN 2.1bn

7 COMPLETED PROJECTS

Income-generating commercial properties, including:

- Galeria Zaspą
- ETC Swarzędz (JV)
- Street Mall Vis a Vis Wilanów
- (JV)

GLA: 49,200 m²
GAV: PLN 0.5bn

3 PROJECTS IN THE PIPELINE

Residential projects

- Rezydencja Aleja Fontann
- Polski Hak
- Nowy Wełnowiec¹

Plot area: 45 hectares

¹On March 17th 2023 the Group acquired 10% of shares in Silesia Nova sp. z o.o., the owner of a plot with an area of 44 ha in Katowice, where a residential investment with commercial and service functions is planned



THE VALUE OF OUR PROPERTY PORTFOLIO ROSE FROM PLN 2.2BN AT THE END OF 2021 TO PLN 2.3BN IN 2022.

In 2022, changes in the value of the properties were caused mainly by:

- Capital expenditure of PLN 68m, mainly on the Norblin Factory project
- Gain on property revaluation, resulting from positive impact of EUR/PLN changes on property valuation of PLN 43m.

PROPERTY RENTAL

2022 was another successful year in terms of the number of executed lease contracts. Despite the post-pandemic decline in sentiment on the real estate market and the impact of the war in Ukraine on the real estate market environment, our lease teams signed contracts for a total of 11,000 m² of GLA, including over 7,000 m² under new leases (of which 4,600 m² was leased out in Norblin Factory), and 4,000 m² under lease extension contracts. Thanks to these efforts, the occupancy rate of Norblin Factory increased to 94% (up 6pp year on year) and the occupancy rate of our completed projects reached 95%, with the weighted average unexpired lease term at a solid six years. All this has secured rental income from lease of our properties in the coming years. The results so far and the progress of talks with prospective tenants support our belief that the remaining space in the properties will also be successfully leased out.

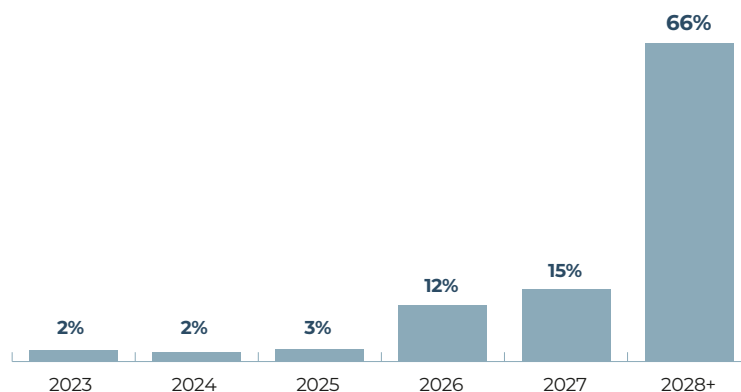
95%

the occupancy rate of our completed projects¹

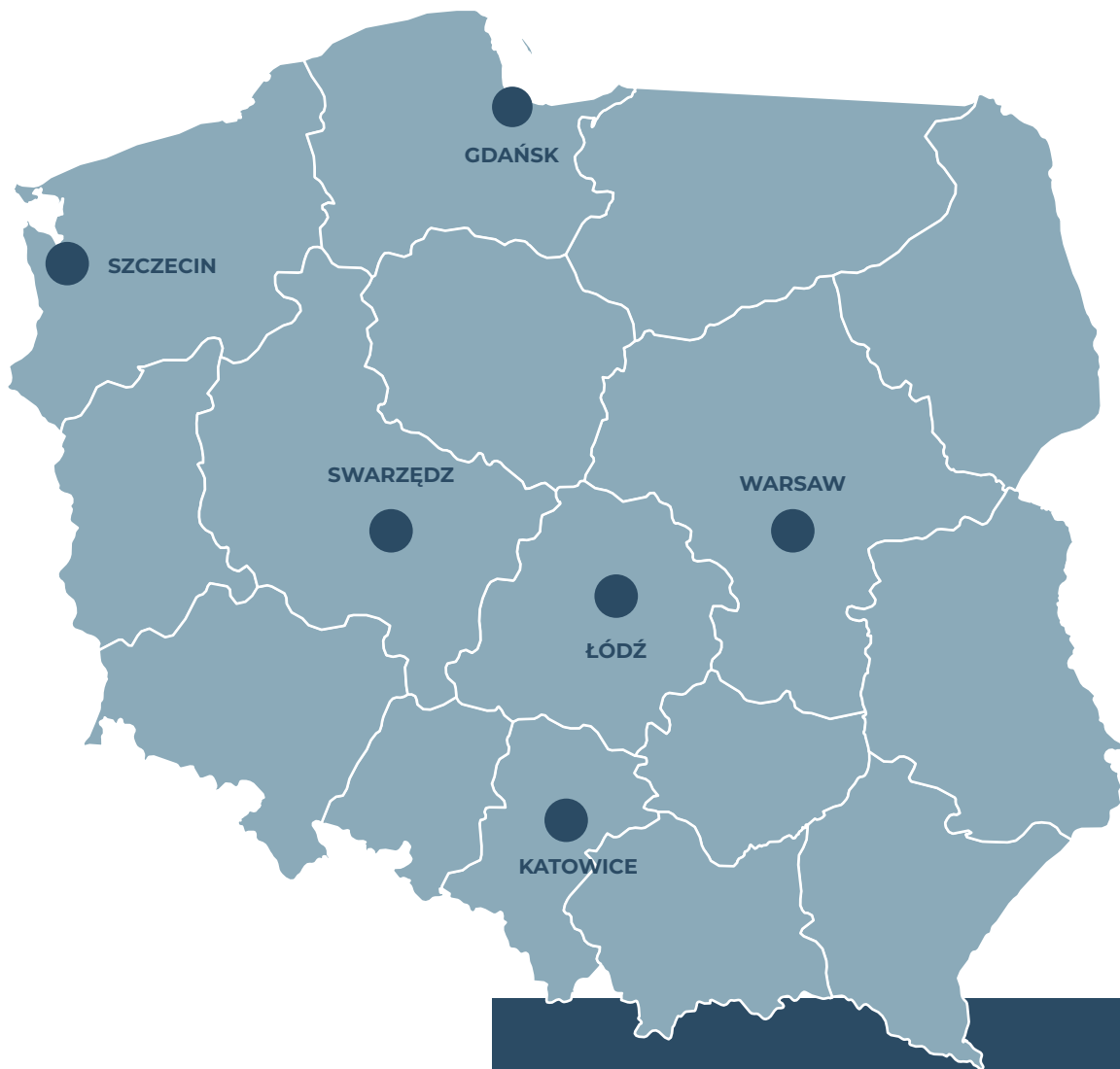
6.0 years

Weighted average unexpired lease term¹

UNEXPIRED LEASE TERMS¹



¹Applies to properties consolidated with the full method



LOCATION OF KEY PROPERTIES OF THE GROUP

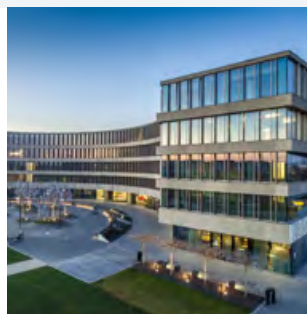
91%

of the value of the property portfolio owned solely by the Group is located in Warsaw, the most promising commercial property market in Central and Eastern Europe



Norblin Factory

Mixed-use
GLA: 65,591 m²
08/2021



Royal Wilanów

Mixed-use
GLA: 36,822 m²
08/2015



Hampton by Hilton Old Town Gdańsk¹

Hotel and retail
GLA: 8,884 m²
06/2018



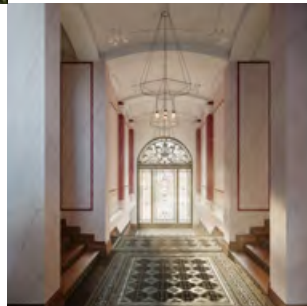
Galeria Zaspą

Retail
GLA: 8,670 m²
04/2016



Vis à Vis Łódź

Retail
GLA: 5,711 m²
12/2014



Rezydencja Aleja Fontann, Szczecin

Residential
GLA: 5,931 m²
Number of
apartments: 51
In the pipeline



ETC Swarzędz²

Retail
GLA: 20,757 m²
10/2017



Vis à Vis Wilanów²

Retail
GLA: 4,090 m²
12/2018



Nowy Wełnowiec²³

Residential,
Mixed-use
Plot: 44 ha
In the pipeline



Polski Hak²

Residential
Plot: 1.3 ha
In the pipeline

¹The project was sold on March 21st 2023

²Joint venture projects

²³Project acquired by the Group on March 17th 2023

PROPERTY PORTFOLIO SUMMARY

Property	Status	City	GLA (‘000 m ²)	Type	Occupancy rate
KEY PROJECTS					
Norblin Factory	completed	Warsaw	66	Mixed-use	94%
Royal Wilanów	completed	Warsaw	37	Mixed-use	98%
Total			102		95%
OTHER PROJECTS					
Galeria Zaspa	completed	Gdańsk	9	Retail	97%
Hampton By Hilton Old Town Gdańsk	completed	Gdańsk	9	Hotel	97%
Vis à Vis Łódź	completed	Łódź	6	Retail	95%
Warszawa Aleja KEN	completed	Warsaw	0	Retail	100%
Bydgoszcz Krasińskiego	completed	Bydgoszcz	0	Retail	100%
Rezydencja Aleja Fontann	in the pipeline	Szczecin	-	Residential	-
Other		5 cities	1	-	-
Total			24		95%
Total for fully-consolidated properties			127		95%
JOINT-VENTURE PROJECTS					
ETC Swarzędz	completed	Swarzędz	21	Retail	91%
Vis à Vis Wilanów	completed	Warsaw	4	Retail	100%
Polski Hak	in the pipeline	Gdańsk	-	Residential	-
Total			25		93%
TOTAL			152		95%

Source:

Capital Park; valuation reports on the Capital Park property portfolio as at December 31st 2022, prepared by Knight Frank sp. z o.o., Jones Lang LaSalle sp. z o.o., Emmerson Evaluation sp. z o.o. and Axi Immo Group sp. z o.o., covering carrying amount, target NOI and required capex. Data is presented in PLNm as at December 31st 2022, unless stated otherwise.

Notes:

1. Carrying amounts in PLN and EUR are presented excluding the impact of IFRS 16
2. The carrying amount of Hampton by Hilton Old Town Gdańsk is 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 2022
5. The table presents 100% of the property value and debt of the joint venture projects
6. Yield range for office projects: 5.00%–7.00%, for retail projects: 6.25%–8.50%, for hotel projects: 7.50%–8.50%
7. Capex budget for Rezydencja Aleja Fontann and Polski Hak is under preparation.

Carrying amount (EURm)	Carrying amount (PLNm)	WAULT (in years)	Debt (PLNm)	Target NOI (PLNm)	CAPEX to be incurred (PLNm)	Group's share (%)
331	1,551	6.2	747	88	19	100%
118	554	4.5	310	42	5	100%
449	2,105	5.7	1,057	130	24	
12	56	3.3	35	5	1	100%
17	78	15.1	48	7	0	100%
7	35	4.2	24	3	0	100%
1	6	3.2	0	0	0	100%
0	1	2.1	0	0	0	100%
4	17	n/a	0	0	0	100%
3	12	n/a	0	0	0	100%
44	204	6.0	107	15	1	
493	2,309		1,164	145	25	
34	160	3.1	123	13	1	60%
11	50	5.6	29	4	0.0	66%
12	55	n/a	0	n/a	n/a*	26%
56	265	3.7	152	17	1	
549	2 574	5.8	1,316	162	26	



NORBLIN FACTORY

Norblin Factory ranks among the most impressive revitalisation projects in Poland. The former Norblin, Buch Brothers and T. Werner factory spans an area of two hectares and comprises ten historical buildings housing a collection of 50 restored historical machines. The complex fuses historical buildings with modern architecture and state-of-the-art solutions. Norblin Factory has a total leasable area of 65,591 m², of which 41,794 m² is office space, with the remaining 23,797 m² dedicated to unique cultural, entertainment and food concepts. Open to visitors are KinoGram, an original boutique cinema, BioBazar, a marketplace selling organic food, Food Town, Warsaw's largest food court with restaurants offering table service, live music Piano Bar, the Norblin Factory Museum, the Art Box Experience gallery, Apple Museum Poland, Smart Kids Planet, an edutainment centre for children, MOXO music club & restaurant, as well as retail stores, service outlets, and a health and beauty zone.



65,591 m²

GLA



41,794 m²

Offices



724

Underground parking spaces



23,797 m²

Retail, services, food & beverages, entertainment

¹ Assuming full occupancy

² As at the date of this report

KEY PROJECTS

BREEAM Excellent

Green building certification

08.2021

Completed

PLN 1,551m

Carrying amount

PLN 88m

NOI¹

94%

Occupancy rate²

6.2 roku

WAULT



Location

The Norblin Factory complex spans an area of 2 ha between Prosta, Żelazna and Łucka streets in the heart of Warsaw within one of the city's fastest-growing office districts, City Centre West. The location provides excellent access to public transport services, including two underground lines (within a distance of 400 m), and numerous bus and tramway lines.

Anchor tenants

Office: Allegro, Japan Tobacco International, SEB Bank, ISS World Service Poland, Mount TFI, Beyond Office

Retail, food and entertainment: KinoGram, Smart Kids Planet, Food Town, BioBazar, Art Box Gallery, Medicover Stomatologia, Orange Theory, Moxo, Apple Museum Poland

Key information



EXTRAORDINARY HISTORY

Norblin Factory has revived the heart of Warsaw – once a metal plating factory, it has been transformed into a one-of-a-kind, modern, mixed-use facility with an amazing growth potential. Norblin Factory dates back 80 years and comprises ten revitalised old factory buildings.



OPEN SPACES AND LOFT-STYLE DESIGN

Norblin Factory offices have an exceptional architectural style inspired by the industrial history of the site. There is plenty of open space featuring loft-style interior design, dedicated to tenants looking for original solutions.



UNIQUE CONCEPTS CREATING A LIFESTYLE SPACE

The mixed-use space of Norblin Factory has something for everyone. The main office section is complemented by a diverse range of retail and entertainment outlets, including BioBazar, KinoGram, Food Town, Apple Museum and Art Box Experience Digital Gallery, helping to create a lifestyle space.



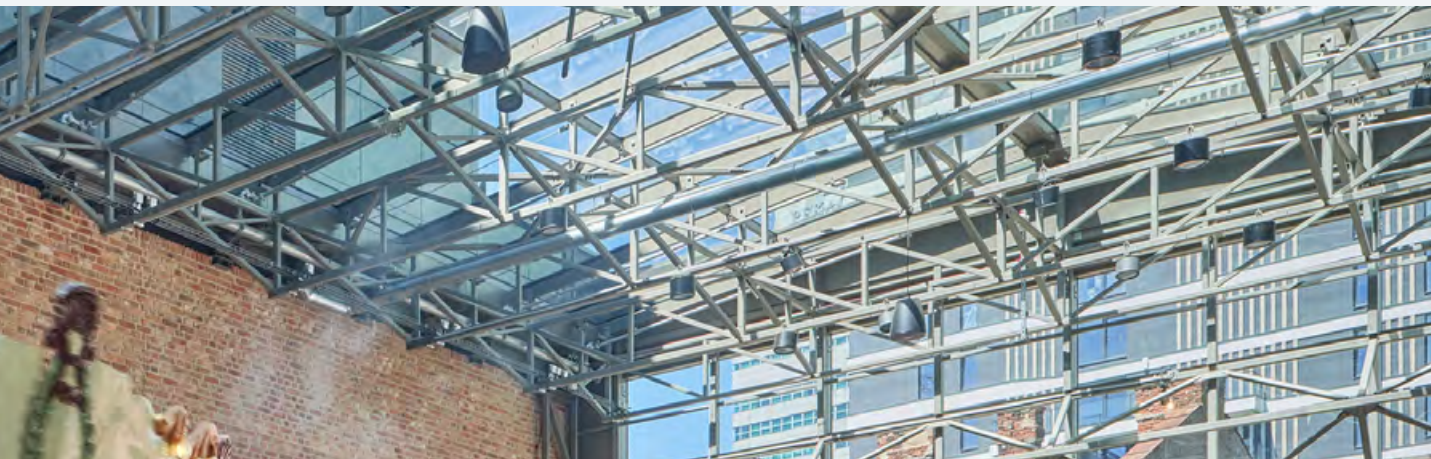
Check out how Poland's first automated underground bicycle garage works



Video of anniversary celebrations



Promotional video for the complex



AWARDS

Norblin Factory has earned recognition of property market experts. The awards received include ULI 2022 – Global Awards for Excellence, Europa Property 12. Annual CEE Investment Awards 2022 – Refurbishment / Retrofit Project European Property Awards 2022–2023 – Five Stars – Best Commercial Renovation / Redevelopment Poland.



BREEAM ICON

Norblin Factory has received the BREEAM International New Construction 2016 green building certificate with an 'Excellent' rating (overall score: 75.6%) for the office section, which means the building is compliant in terms of sustainable construction, operation and design. Obtaining the certificate requires a great deal of commitment during the design and construction phase and satisfaction of stringent requirements and detailed guidelines.



OUR OFFICE TENANTS

are recognisable international and Polish brands, including Allegro, Japan Tobacco International, International Service System, SEB



PRIME LOCATION

Norblin Factory is sited in one of the top-rated neighbourhoods in Warsaw, between two most sought-after office locations in CEE: Warsaw Core CBD and City Center West.



'OFFICE DOCTOR'

direct medical support service provided in the workplace that is unparalleled in Poland



NORBLIN FACTORY MUSEUM

This is no ordinary museum. It is a unique place occupying almost two hectares of land in the heart of Warsaw's Wola district. An open space comprising ten historical buildings, 50 machines that have returned to their place after many years, as well as a collection of Norblin platters produced in the former Norblin, Buch Brothers and T. Werner factory. Visiting our museum is like playing an urban game. It engages visitors, inviting them to track down exhibits and labels on their own.



ESG INITIATIVES



Environment and climate

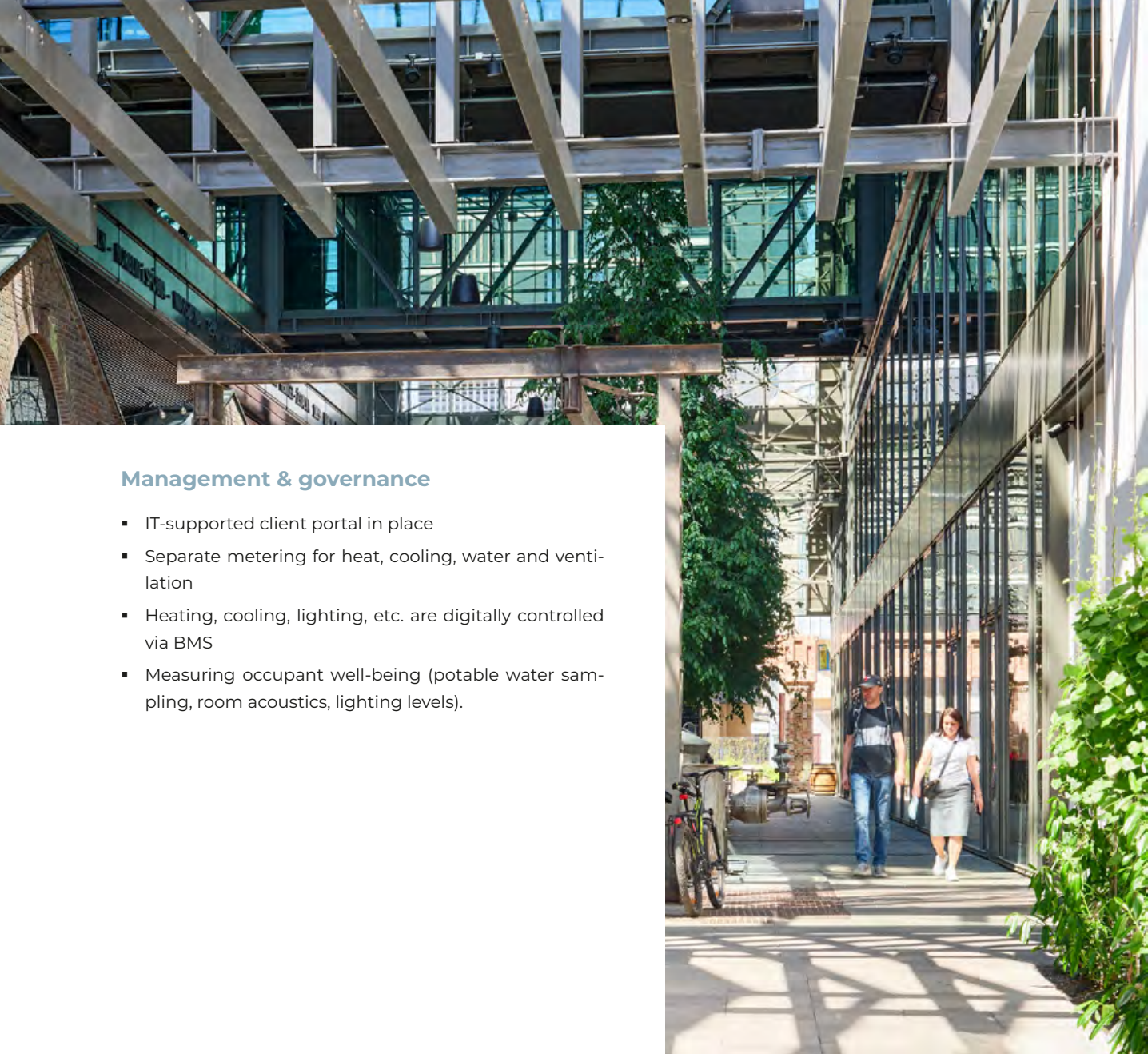
- Saving water: rainwater tanks (1,200 m³); water-saving bathroom fittings and fixtures, electrically-controlled valves preventing water leakage
- Saving energy: LED lighting installed in the entire facility, a lighting control system adjusting the light output based on the presence of people and the amount of daylight, a solar PV system (under construction) to partially cover electricity demand in the common areas of the retail section, energy recovery from passenger lifts, reduced CO₂ emissions achieved through enhanced wall and roof insulation
- Saving heat: heat recovered by air handling units in the retail section and from large hood systems, good U-values of the facade and roof (0.9 W/m²K or lower and 0.15 W/m²K or lower), high-efficiency exchangers in air handling units in the office section, heat from water loop heat pump systems used to pre-heat domestic water, exchangers in air handling units in the office section with cooling recovery, two levels of control on the operation of ventilation systems in conference rooms, capable of adjusting the supply of fresh air to the occupied space
- Reducing the impact on biodiversity: an extensive vegetative roof helping to minimise heat loss and reduce cooling needs in the building, green terraces with trees and natural plants, trees up to 10 metres tall planted along historical streets, a rooftop urban apiary, bird protection – collaboration with the Glass Traps foundation – installation of low-reflection glass in curtain walls and using patterns on guardrail glaz-

ing and the accumulator tower to help birds avoid collisions

- Circular economy solutions: sorting waste into fractions: mixed waste, bio-waste, paper, plastic, glass, construction waste, kitchen waste, and cardboard, detailed registration and documentation of waste volumes, reusing products and materials (floors, cast-iron plates, boards, etc.) or repurposing them as interior decorations, equipment components, works of art, etc.

Employees and society

- Numerous cycling facilities, including a public automated underground parking facility with 95 spaces, 200 cycle parking spaces for office staff, changing rooms with showers, self-service bike repair stations, and bike racks on the premises
- Public EV charging station for four vehicles
- Complex is accessible to people with disabilities
- Accessibility, disabled parking spaces and a multisensory lift
- High safety standards
- Various services for tenants: relaxation rooms, two automated parcel lockers, showers for cyclists
- High indoor comfort for tenants (operable windows, room temperature, controls, humidity)
- KinoGram, Art Box Gallery, Apple Museum and more



Management & governance

- IT-supported client portal in place
- Separate metering for heat, cooling, water and ventilation
- Heating, cooling, lighting, etc. are digitally controlled via BMS
- Measuring occupant well-being (potable water sampling, room acoustics, lighting levels).

Key environmental data:



10,278 MWh
annual electricity consumption



46,298 m³
total water consumption



Over two centuries of history

Norblin Factory dates back to the mid-18th century, when the area was a garden summer house of Franciszek Ryx, the butler of the last king of Poland, Stanislaus Augustus. In the mid-19th century, the land plot was bought by Edward Lukfield and later became home to a metal-plating factory owned by the Buch brothers, who continued the business of Gustaw Henniger's Warsaw-based manufacturing plant they had bought earlier. In 1882, the site now occupied by the Norblin Factory complex was purchased by Ludwik Norblin and Teodor Werner, and the factory was renamed to Norblin, Bracia Buch i T. Werner. In the late 19th century, the factory was a thriving business, and its silver-plated ware became a household name in remote corners of the world. Before World War I, the factory started to manufacture prefabricated products, including sheet metal, tubes and wires, which were gaining in popularity and generated higher profits. Unfortunately, the condition of the buildings gradually

deteriorated due to subsequent military operations and crises. As production was increasingly hampered by the obsolete machinery, the factory was closed down in 1981. Our adventure with Norblin Factory began in 2008 with a decision to buy the dilapidated post-industrial site and restore it to its former glory.

The author of the architectural design was PRC Architekci, and the general contractor on the project was Warbud S.A., partnered by Soletanche Polska, Maat4 and TKT Engineering, among others. The conservation work was entrusted to Monument Service. In 2022, the Group converted the EUR 159.3m construction facility from Bank Pekao S.A. and the European Investment Bank into an investment facility.

1. Norblin Factory celebrates its first anniversary

Last year, we celebrated the first anniversary of Norblin Factory, which opened in September 2021 after almost four years of construction, revitalisation and conservation work. Following revitalisation, Norblin Factory has become the beating heart of Warsaw and the city's number one cultural, entertainment and food destination.



Piano Bar, Norblin Factory

Norblin Factory welcomes new tenants

2022 saw new unique concept openings. A multisensory gallery, Art Box Experience, opened its doors at Norblin Factory, where visitors can enjoy shows and exhibitions full of audiovisual experience delivered with modern technology. Apple Museum Poland joined our tenant community with the world's largest collection of Apple products, housing over 1,600 exhibits. Poland's first showroom of the authorised Apple reseller Lantre moved into the former factory space last year. Norblin Factory expanded its portfolio to include an offer for children, with Smart Kids Planet having moved into the complex in the second half of 2022. Nine zones combining education, traditional games, new technology and developmental aspects were set up with children in mind. Last year, the health and beauty zone largely expanded its offer by adding new concepts: Kosmetyczny Instytut Dr Irena Eris, Medicover Stomatologia, Dębski Clinic, and hair salons Magia Blondu and Barber Garage.



Poland's largest food court

Norblin Factory's food court occupies more than 10,000 m² of floor area, making it the largest space of its kind in Poland.

The complex houses BioBazar, Poland's first food market with certified organic food that can be purchased directly from organic farmers and producers. What the exhibitors offer are in-season and locally sourced products, but also foodstuffs from around the world. BioBazar is not only a shopping venue, but also educational space with culinary demonstrations, training and workshops. BioBazar customers can choose between over 60 exhibitors offering more than a dozen thousand products.

Norblin Factory Food Town is Warsaw's biggest food hall spanning five historical halls with an area of 3,500 m², housing 24 food concepts offering customers a broad array of cuisines from around the world. Food Town also operates five themed bars with a 50-strong bar team. In total, Norblin Factory's food hall spans an area of 3,200 m², with one of the five halls dedicated to cultural and entertainment events.

Norblin Factory is home to the atmospheric Piano Bar located in the oldest facility of the complex. The concept offers wine, cocktails, tapas, and snacks. Live music played by professional artists sets the tone, with the repertoire tailored to the atmosphere and guests' requests.

One-of-a-kind cinema

The Norblin Factory complex includes KinoGram, a boutique cinema comprising seven small screening rooms seating 525 people in total. The rooms are furnished with styled velvet sofas, seats, and wooden stands. Customers can order coffee, tea, wine or a handcrafted cocktail to drink during the screening to make the experience even more enjoyable. KinoGram is also home to the Directors Guild of Poland, providing expert support for the cinema. Here we can see famous directors and filmmakers at work or meeting with fans. An authentic Oscar statuette provided by composer Jan A.P. Kaczmarek is on display in one of the rooms. The cinema foyer is also a place to appreciate art and attend private viewing events hosted by the Flow Art House gallery. KinoGram has become a must-visit destination in Warsaw. The cinema provided a gorgeous setting for more than 600 events in 2022, including film premieres, screenings, conferences, industry events, official galas, and festivals.

Norblin Factory Foundation

At Norblin Factory, we strive to preserve the cultural heritage of its first owners, the Norblin and Werner families, who were great art enthusiasts and supporters of all kinds of cultural initiatives. As the heritage is important to us, we are eager to engage in collaborations with artists, inviting them to our space to promote and develop artistic sense in people. The Norblin Factory Foundation, offering its patronage to support young talented artists, is a tribute to the former owners' cultural legacy. It supports various branches of art, including filmmaking, music and artistic design, and organises initiatives involving the most prominent figures of the Polish art scene.

Music MasterClass

Is a key project of the Norblin Factory Foundation and a scholarship programme for talented young musicians who want to share their work with a wider audience. The initiative is run in collaboration with Natalia Przybysz, Hania Rani, Adam Sztaba, Marek Napiórkowski, Kuba Badach, Andrzej Smolik and Piotr Metz as Music Masters. Eight musicians received scholarships under the programme. They worked on their own pieces under the supervision of Music Masters and produced them with the assistance of top music producers in a professional recording studio. Seven scholarship recipients have already released their work: Adam Woch and Robert Guzik duo, Małgorzata Majerska (GONO), Sandra Mika, Piotr Niesłuchowski, Julia Łozowska, Błażej Sudnikowicz (lessman) and music band Rejoin.

'Young Scene' Jam Session

Is a series of free concerts that attract amateur musicians as well as big names like Matt Dusk, Wojtek Pili-chowski, America's Got Talent finalist Sara James, and Mery Spolsky. Close to 50 concerts were held last year. The Norblin Factory Foundation also supports Music Declares Emergency, an initiative created by a group of artists and music industry professionals to address the climate emergency and develop common recommendations and an action plan to make lasting change.



'Summer Scene of the Norblin Factory'

Is another music initiative, after the Music MasterClass scholarship programme and Jam Session Scena Młodych, which provides quality entertainment while also offering real support and performance opportunities to promising new talent. Last year's edition of the initiative was held under the slogan 'Make Music Not War' and presented over 100 concerts. The group comprises mature artists, including contest winners with a track record of performing in front of an audience, music TV shows such as The Voice of Poland, as well as graduates of top Polish music universities, such as the Chopin University of Music and the Academy of Music in Katowice.

Long live art!

Norblin Factory is decorated with three large-format works by famous Polish artists: a mural based on Edward Dwurnik's 2009 painting 'Norblin Factory', a painting by Pola Dwurnik, which is an artistic invitation to the Norblin Factory Museum, and a mural by Tytus Brzozowski, inspired by the complex and its openness to the city.

Under a joint project of the Norblin Factory Foundation and the Academy of Fine Arts in Warsaw called "O(d)twórz drzwi", original doors found in the former Norblin factory were transformed into art installations and are permanently exhibited at the revitalised complex. Thanks to a collaboration with the School of Form, historical transport carts that used to move on the rail tracks preserved at the site were given a new life as benches and display case bases.

Throughout the summer holidays last year, the Norblin Factory Summer Gallery offered visitors a chance to appreciate works of young Polish artists as part of one of the art events hosted by Norblin Factory. The exhibitions visitors could see free of charge included Dominik Jan Gralak's "Finest Freedom", dr Ola Kot's remarkable typographic art installation "typo scratch", and Filip Zbrzeźniak's poster exhibition.





One-of-a-kind Norblin Factory Museum

The Norblin Factory Museum opened in December 2021 and forms an integral part of the Norblin Factory complex. The collection dating back 240 years comprises ten buildings, 50 pieces of machinery and equipment from the late 19th century to the 1960s, and around 400 silver-plated metal artefacts (sets and individual objects).

Four visitor trails are available: Architecture and Buildings, Machinery and Equipment, People and Products. The fifth trail combines assorted elements of the four main ones. Our visitors' journey through the history begins in the 18th century, when the site was still owned by Franciszek Ryx, through the years of prosperity of the Norblin, Buch Brothers and T. Werner factory, to its post-war activity as the Warsaw Metal Rolling Mill. The museum also shows what were the site's fortunes after 1982, when the factory production ended. Visitors can learn about the Werner and Norblin families, as well as other historical figures who were important or made a significant contribution to the factory, such as Franciszek Ryx and Julia Keilowa, an outstanding interwar designer working for Poland's major plating facilities, including the Norblin factory. On selected days, guides dressed in period clothes playing the role of the former factory owners take visitors on a tour around the complex. The museum content is available in three languages in the audio guide on the Norblin Factory mobile app.



Explore the Norblin Factory
Museum

AWARDS WON BY NORBLIN FACTORY



**CIJ Awards Poland 2021 Best
Legacy Development of the
Year**



**Europa Property 12. Annual CEE
Investment Awards 2022**
Refurbishment / Retrofit Project



**European Property Awards
2022-2023**
Five Stars – Best Commercial
Renovation / Redevelopment
Poland



**2022
ULI Europe and Global Awards
for Excellence**



**Eurobuild Awards
2022**
New Office Building of the Year,
CEE Region



CEEQA Awards 2022
Retail Development of the Year



CIJ EUROPE HOF Awards 2022
Best of the Best Legacy
Development of the Year



**Property Design Awards
2022**
special award



**Competition PZITB
"Construction of the Year 2021"**
First prize awarded to the
Capital Park Group for its Norblin
Factory project



To Norblin Factory by bike

Poland's first automated underground bicycle parking facility for 96 bikes opened at Norblin Factory last year. The system was put in place by MA-SISTEMAS, a Spanish company which has completed similar projects in Spain, Switzerland, Singapore, and Israel.

The 24/7 public garage is intended for people seeking a secure place to store their bikes and accessories (helmets, baskets, luggage, etc). The system is fully automated and extremely simple to use. It is activated by a panel at the docking station which calls out a cabin. A bicycle and other items are placed in a box which then locks and descends to a multi-storey underground garage. The process takes less than 15 seconds. Retrieving the bike is just as quick. Its exterior shell corresponds visually with the factory surroundings. A self-service bicycle repair station is located right next to the parking facility.

There are also 26 external bicycle stands. Two bicycles can be attached to each of them. An additional 200 bicycle spaces are dedicated to the tenants' employees, together with the accompanying infrastructure, including locker rooms, showers, and a repair station.



Norblin Factory in your phone

The Norblin Factory complex has its own dedicated cutting-edge building app offering three levels of access: for visitors, office tenants, and suppliers. The solution enables visitors to pay less for a parking space or buy a ticket to the Norblin Factory Museum. The app enables office tenants' employees to access pre-defined parts of the building from the moment they enter the parking lot to the moment they enter the office. Suppliers of goods can book parking space in the delivery area. The app can be download free of charge and offers numerous advantages. It has been downloaded more than 107 thousand times and has over 43 thousand active users spending an average 3 minutes and 22 seconds per visit on the app. We have recorded over 57 thousand car park transactions, 58 thousand delivery area bookings, just under 30 thousand cinema ticket purchases, 3.5 thousand defect reports received via the help desk, and over 4 thousand notifications of planned building works.

World-class revitalisation project

Last year, Norblin Factory won top industry awards in Poland and globally. We find great satisfaction in knowing that many years' work of numerous teams and professionals on the extremely demanding revitalisation project has been recognised in Poland and internationally.

Royal Wilanów

ROYAL WILANÓW

Royal Wilanów is an iconic Class A+ mixed-use building with modern space designed by the JEMS studio. It houses a diverse range of shops, restaurants, cafes, boutiques, service outlets as well as beauty and hair parlours. The building has been designed with care for the environment and is BREEAM-certified with a 'Very Good' rating.



36,822 m²

GLA



25,833 m²

Offices



908

Underground parking spaces



10,990 m²

Retail and food & beverages

¹ Assuming full occupancy

² As at the date of this report

KEY PROJECTS



09.2015

Completed

PLN 554m

Carrying amount

PLN 42m

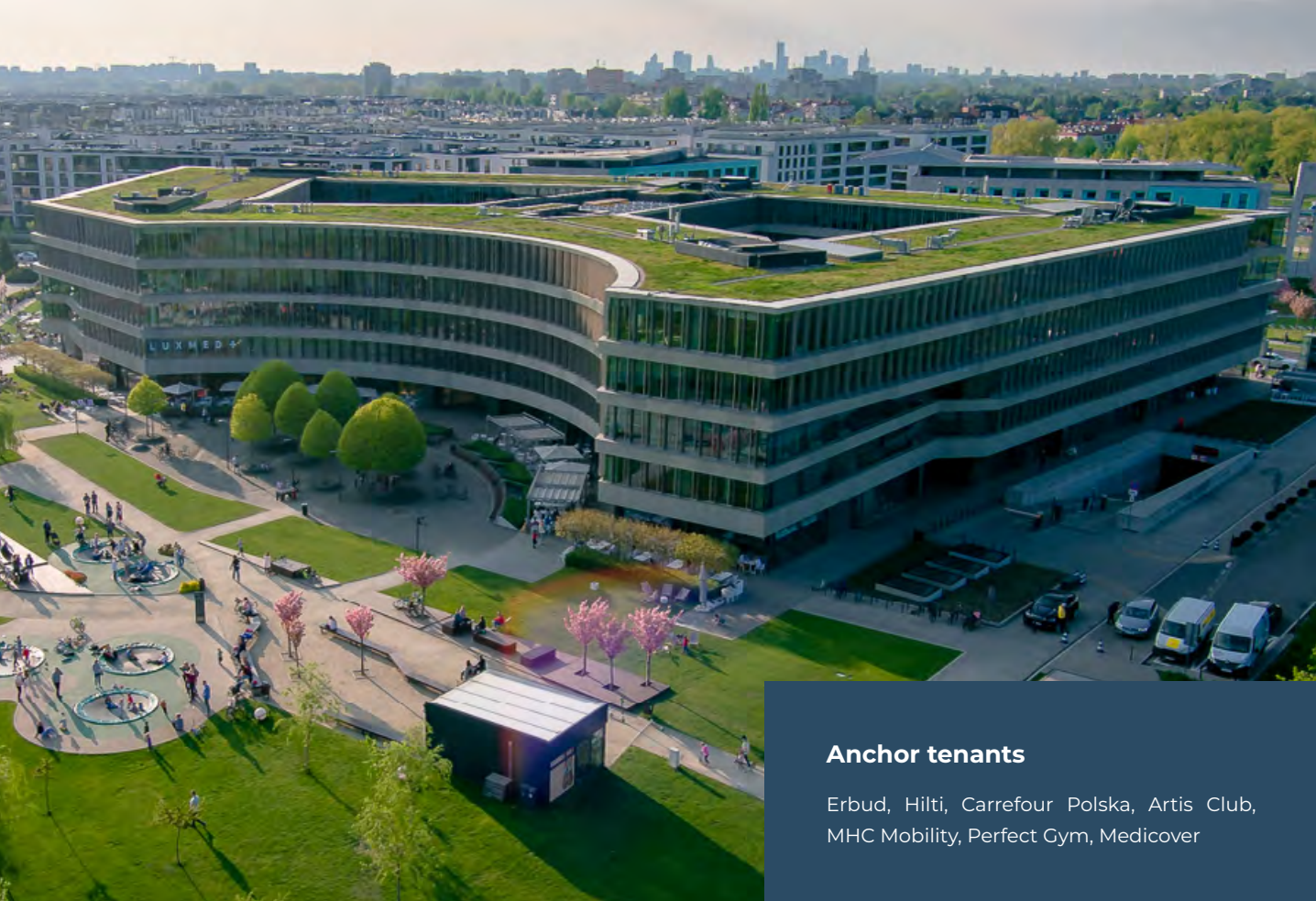
NOI¹

98%

Occupancy rate²

4.5 years

WAULT



Anchor tenants

Erbud, Hilti, Carrefour Polska, Artis Club, MHC Mobility, Perfect Gym, Medcover

Location

The project is located in the very centre of Wilanów, in the neighbourhood of the historical Wilanów Palace and district hall, surrounded by modern housing estates. Immediate accessibility of public transport makes commuting to the city centre fast and easy. With the completion of the S2 Southern Warsaw Bypass, the accessibility of the capital city's other districts and satellite towns has improved significantly. The tunnel directly connecting the S2 road with Wilanów has noticeably reduced traffic, thus shortening commuting times. Concurrently, key district roads have been upgraded and broadened, linking directly the districts of Wilanów and Ursynów. Two new bus lines have been launched, connecting Wilanów with Ursynów, and also with Wawer located on the other side of the Vistula.





ESG INITIATIVES



Environment and climate

- Saving water: 300 m³ rainwater tanks supplying water for gardening, water-saving bathroom fittings and fixtures
- Saving energy: motion-sensor based LED lighting installed in common areas, toilets and the underground garage, lifts with low electricity consumption, additionally programmed to operate in a night mode to reduce energy used for lighting and operation purposes
- Reducing the impact on biodiversity: an extensive vegetative roof, internal atria with trees and natural climbing plants on all building floors, rooftop beehives (with a record 50 kg of honey collected last year), bird nesting boxes, anti-smog meadows
- Waste sorting: all tenants at Royal Wilanów are provided with MultiSort waste sorting containers, allowing them to sort waste into paper, plastic, glass, metal, and mixed waste.

Employees and society

- Four-car public EV charging station, one of the fastest in Warsaw, located in the underground car park of the building. Equipped with four 100 kW DC connectors, the station is open 24 hours a day to everyone, not only tenants and customers of the facility
- Numerous cycling facilities: parking racks, changing rooms with showers, self-service bicycle repair stations, and a nearby city bike station
- Complex is accessible to people with disabilities
- High safety standards
- A broad selection of retail stores, restaurants, cafes, boutiques, service outlets, and beauty salons.
- High indoor comfort for tenants (access to daylight with large glazed areas improving employee well-being and productivity, operable windows, room temperature, controls, humidity)
- Sports and recreational spaces accessible to the general public



Management & governance

- IT-supported client portal in place
- Separate metering for heat, cooling, water and ventilation
- Heating, cooling, lighting, etc. are digitally controlled via BMS
- Optimisation system – ongoing online management services provided by VP Plant Management
- Tenant handbook and a green guide on well-being and sustainability



Key environmental data:



6,529 MWh
annual energy consumption



35,845 m³
total water consumption

Key information



Royal Wilanów is an iconic mixed-use building with a significant scale, which consistently outperforms the Warsaw office market.



The building has maintained the highest occupancy rates since 2015 and has delivered rental income growth as demand for high-quality office space has been rising in this prime location.



A diversified rental income base (no tenant accounts for more than 7% of total NOI) and recognisable international tenants including Boehringer Ingelheim, Lindt & Sprungli, Hilti, and Gedeon Richter



Royal Wilanów is BREEAM-certified with a 'Very Good' rating (overall score: 60.3%), which means the building is compliant in terms of sustainable construction, operation and design. Obtaining the certificate requires a great deal of commitment during the design and construction phase and satisfaction of stringent requirements and detailed guidelines.



'Office Doctor' – direct medical support service provided in the workplace that is unparalleled in Poland



Located in the vicinity of Miasteczko Wilanów, Ursynów and Warsaw's suburbs, Royal Wilanów is the first office location outside the city centre that fits into growing demand for suburban office space, generated by an increased focus on work-life balance, wellbeing and the advantages of being part of a local community, which offer tangible benefits to employees.



Royal Wilanów operates our own original co-working space Bee Creative. It is 650 m² of creatively arranged space dedicated to freelancers, small businesses, and individuals working remotely. All available office space is currently leased, and the number of inquiries concerning availability and demand for more office space are constantly growing.



Royal Wilanów is more than just a place of work. It is an open space and a meeting place for the local community. Two squares surrounding the building have been transformed into a space that has become the centre of cultural and sporting events in Wilanów.

- publicly accessible sports and recreational space (an ice rink in winter, a climbing wall, outdoor chess, six trampolines, a street workout zone, a minigolf course)
- Outdoor cinema – Filmowa Stolica Lata (Summer Film Capital)
- nighttime projects – Nocne Granie (Night-Time Playing) and Teatr Plenerowy (Open-Air Theatre)
- football training for girls from the Diamonds Academy
- Wilanów Days, Grand Children's Day, Pumpkin Festival, football championships and more
- games, workshops, sports activities and cultural events for children
- amenities for mothers with young children



Royal Wilanów is an iconic Class A+ mixed-use building with modern space designed by the JEMS studio. It houses a diverse range of shops, restaurants, cafes, boutiques, service outlets as well as beauty and hair parlours. The building has been designed with care for the environment and is BREEAM-certified with a 'Very Good' rating. Trees grow in the inner atria, live plants climb across all floors in its reception areas, and urban beehives are kept on the roof, which produced a record 50 kg of honey last year. Royal Wilanów is surrounded by publicly accessible green and leisure areas with trampolines, a climbing wall, attractions for children and sports fields. Open air cinema screenings, live music concerts and other events are held here during summers, organised together with the district authorities, and an ice rink is set up in winters, making Royal Wilanów a vibrant district centre and an integral element of the urban fabric.

Royal Wilanów is committed to sustainable transport. A four-car public EV charging station, one of the fastest in Warsaw, is located in the underground car park of the building. Equipped with four 100 kW DC connectors, the station is open 24 hours a day to everyone, not only tenants and customers of the facility. The Royal Wilanów building also offers numerous cycling facilities: parking racks, changing rooms with showers, and self-service bicycle repair stations. There is a city bike station nearby, too.

The occupancy rate for the entire building is over 98%. New tenants moved into Royal Wilanów at the beginning of 2022: Nanowo.store, a professional repairer and seller of Apple products, Salad Story, a popular food concept, and Good Mood Butique, a fashion boutique.

Royal Wilanów operates our own original co-working space Bee Creative. It is 650 m² of creatively arranged space dedicated to freelancers, small businesses, and individuals working remotely. All available office space is currently leased, and the number of inquiries concerning availability and demand for more office space are constantly growing.

Tenants can use Office Doctor, a direct medical support service provided in the workplace that is unparalleled in Poland. A blood testing and COVID-19 and influenza vaccination point continues to operate at the complex even after the pandemic. Operating seven days a week, the point is open to the public, including Royal Wilanów employees but also local residents.

Royal Wilanów is a place for the local community to have fun and spend time. We hosted numerous events and activities for our visitors – as in previous years, an ice rink was set up and skating classes were held in the winter season, and in the spring and summer visitors could use the available football grounds, take part in grass hockey and outdoor fitness classes, play minigolf, and jump on trampolines, which were immensely popular. Throughout the summer, Royal Wilanów brought together local residents to enjoy night music concerts organised as part of the Nocne Granie project, which also featured Ukrainian music last year. Our outdoor stage hosted a new Warsaw festival, Wilanów Jazz Fest 2022, and singer Halina Młynkova. Many fun and sports activities, workshops, and cultural events, including a puppet theatre performance, are organised for children.



GALERIA ZASP A

Galeria ZaspA is the shopping centre of choice for residents of Gdańsk's ZaspA district. Its two floors are home to an Intermarché supermarket, a Rossmann beauty supply store, a Euro RTV AGD store, Pepco and gym operator Calypso. The shopping centre also houses Cukiernia Sowa, Piekarnia Szydłowski, Dominos Pizza and numerous service outlets, including a currency exchange store, a flower store, a photo store, a pharmacy, and a dry cleaner. A broad selection of stores and service outlets allows customers to shop and run errands all in one place.

Anchor tenants

Intermarché, Euro RTV AGD, Pepco, KiK, Rossmann, Maxi Zoo, PKO BP, Apteka DOZ, Sinsay, Dominos Pizza, Żabka, Sowa confectioner

Location

The shopping centre is conveniently located in the heart of Gdańsk's ZaspA district, surrounded by numerous housing estates. The shopping centre is well served by bus and tram lines. Customers are provided with a conveniently-designed overground car park with almost 200 spaces, bicycle stands and a self-service bike repair station.

OTHER PROJECTS

8,689 m²

GLA

04.2016

Completed

PLN 56m

Carrying amount

PLN 5m

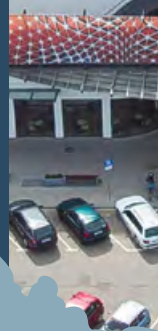
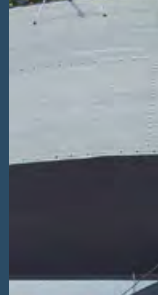
NOI

97%

Occupancy rate

3.3 years

WAULT





ESG INITIATIVES

Environment and climate

- We changed ventilation system settings to minimise heat consumption in the building
- We reduced the amount of lighting in the retail section, and we turned off the exterior lighting at night
- We launched a waste sorting system in the retail section and technical areas, and we promoted recycling through environmental workshops held at the shopping centre
- We removed sick and damaged trees and made room for new plants
- We reduced the amount of plastic generated – we used eco-friendly Christmas decorations and reduced the amount of plastic promotional items
- We ran an Earth Hour event and switched off the lights in the retail section for an hour
- We ran a collection of electronic waste in which we collected more than 2.5 tonnes of e-waste and helped to raise environmental awareness during a spring event

Employees and society

- Numerous cycling facilities: cycle parking facilities, a bicycle repair station, 125 bicycles inspected as part of our anti-smog initiative
- We regularly engage in local community initiatives:
 - Galeria ZaspA sponsors the Running Grand Prix of Gdańsk Districts held as part of the ZaspA district festival.
 - We have partnered with Geneva Trust Poland to organise, more than a dozen times a year, free mammography screening programmes for local female residents.
 - The shopping centre participates in charity drives, and supports pro-climate initiatives.
 - In 2022, Galeria ZaspA hosted numerous fun activities for children, promotional and sales campaigns for adults, and projects for seniors.

Management & governance

- Separate metering for heat, cooling, water and ventilation



HAMPTON BY HILTON OLD TOWN GDAŃSK

Hampton by Hilton Old Town Gdańsk hotel opened in 2018 is located in the heart of the Main City of Gdańsk, the erstwhile location of the iconic Gdańsk Film Centre. Modern interiors of the hotel feature elements reminiscent of the unique history of the place. What makes the hotel particularly exceptional is a small cinema room decorated with a retro twist, located in its historical underground chambers. The main lobby features a restored metal gate, once leading to the cinema, and a renovated piece of historical sgraffito with the Gdańsk coat of arms of, which used to decorate the wall of the cinema lobby.

The hotel offers 174 rooms, a business area with two conference rooms, and a 24/7 gym. Apart from the hotel, the four-storey building accommodates retail space leased by Manufaktura Nalewki and the Pan Kejk pancake house, to name just a few tenants.

Since its opening, the hotel has topped the rankings of tourist websites, such as Booking.com, Trivago.pl and Travelist.pl, and in 2021 won the Tripadvisor Travellers' Choice Award. In 2022, the hotel received the Hilton Award of Excellence, presented by the Hilton chain to just 5% of all Hampton by Hilton facilities as a recognition of the excellent quality of their product and services, as supported by customer satisfaction, and their commitment to actively pursuing the chain's social responsibility policy.

On March 21st 2023, the property was sold by the Group.

OTHER PROJECTS

8,884 m²

GLA

8,219 m²

Hotel

665 m²

Retail

06.2018

Completed

PLN 78m

Carrying amount

PLN 7m

Target NOI

97%

Occupancy rate

15.1 years

WAULT



ESG INITIATIVES

Environment and climate

- Circular economy solutions: preservation of historical objects and repurposing them as internal decorations, elements of equipment, works of art, etc., reusing products and materials (the few original windows remaining on the premises preserved in their place as 'witnesses to history', an original decorative grid and original sgraffito preserved as interior wall decorations)

Employees and society

- Complex is accessible to people with disabilities
- Accessibility, disabled parking spaces
- High safety standards
- Diverse range of services, including a gym, conference rooms, a boutique cinema, Manufaktura Nalewki, the Pan Kejk pancake house
- High indoor comfort for users (operable windows, room temperature control)

Management & governance

- Separate metering for heat, cooling, water and ventilation

Anchor tenants

VHM (Hampton By Hilton hotel operator), Pankejk, Wiśniewski

Location

The hotel is located in the very heart of Gdańsk – in the Old City district, between Długa, Kaletnicza, Piwna and Lektykarska Streets, roughly 1.5 km from Gdańsk Główny railroad station and 15 km from Gdańsk Lech Wałęsa Airport. An indisputable advantage of the hotel's location is the proximity of the most popular tourist sites of the city, such as: St. Mary's Basilica (50 m), Fountain of Neptune (150 m) and the Crane, as well as luxurious town houses, numerous cafes and restaurants.

Gdańsk
Długa 57/58



STREET MALL VIS A VIS ŁÓDŹ

'Vis à Vis Łódź' has been in operation since December 2014. It is a convenience shopping centre with an area of 5,711 m², located in Bałuty – one of Łódź's largest districts, in the northern part of the city, featuring a Lidl supermarket as well as 16 retail and service outlets, and offering over 100 parking spaces. Street Mall Vis à Vis is designed around the concept of a fast and convenient shopping experience. With the individual outlets accessible directly from the street and car park, minimised common use areas gained importance at the time of the pandemic, when safety and social distancing became the main criteria for shoppers' choices. Small retail venues, such as Street Mall Vis à Vis, were the first ones to return to the pre-pandemic numbers of shoppers.

Anchor tenants

Lidl, Pepco, Rossmann, FitFabric fitness club, Domino's Pizza, Euro Apteka, M&P Alkohole Świata

Location

Street Mall Vis à Vis is located in the northern part of Łódź and surrounded by the city's largest housing estates, in the immediate vicinity of a Castorama outlet. Its location near one of the city's major transport hubs, the intersection of Zgierska, Aleja Włókniarzy and Sikorskiego Streets, ensures excellent exposure and very good access, both for local residents and inhabitants of Zgierz commuting to work in Łódź.

OTHER PROJECTS

5,711 m²

GLA

12.2014

Completed

PLN 35m

Carrying amount

PLN 3m

Target NOI

95%

Occupancy rate

4.2 years

WAULT





ESG INITIATIVES

Environment and climate

- Reducing electricity consumption: LED lighting, upgrade of the exterior lighting control system (shorter lighting times, installation of electricity meters to measure the electricity consumption of condensing units and air handling units)
- Reducing heat consumption: change of parameters and operating hours of air handling units

Employees and society

- Cycle parking facilities and a bike repair station
- Complex is accessible to people with disabilities, disabled parking spaces

Management & governance method

- Separate metering for heat, cooling and water
- Installation of a mini BMS solution to enable monitoring and better control of air handling units

Łódź
Zgierska 211



ETC SWARZĘDZ

ETC Swarzędz is much more than a shopping centre. After an upgrade, recommercialisation and repositioning of the building in 2016 as part of a joint venture between the Capital Park Group and the Akron Group, ETC, in addition to a broad fashion and service offering, hosts numerous community events and is one of the most-liked meeting places for local residents.

The shopping centre is home to famous brands, including CCC, Deichman, Sinsay, Reserved, Empik, Rossmann, Medicine, Yes, and Home & You. The ETC portfolio also includes important service outlets, numerous restaurants, a hair salon and a fitness club. The shopping centre features a playground for children and leisure facilities. ETC has a free parking lot for over 1,000 cars, bike racks and parking spaces and a self-service bike repair station. The shopping centre is fully adapted to the needs of families with children and mobility impaired visitors.

ETC Swarzędz is a great place for family entertainment, providing the setting for workshops, activities for children, competitions with prizes, and demonstrations and workshops for adults. The shopping centre regularly engages in community initiatives, including those partnered by local government authorities, organising blood donation drives, free breast cancer screening, and donation drives for animals. After the pandemic subsided in 2022 the shopping centre launched events bringing together families and friends. Customers and local residents were given an opportunity to participate in spring environmental workshops, a birthday event, and Children's Day, back-to-school and Christmas activities. Last year, ETC Swarzędz was joined by a new tenant, UP fitness club, which occupies over 1,500 m² of space.

OTHER PROJECTS

20,886 m²

GLA

10.2017

Carrying amount

PLN 160m

Wartość księgowa

PLN 13m

Target NOI

91%

Occupancy rate

3.1 years

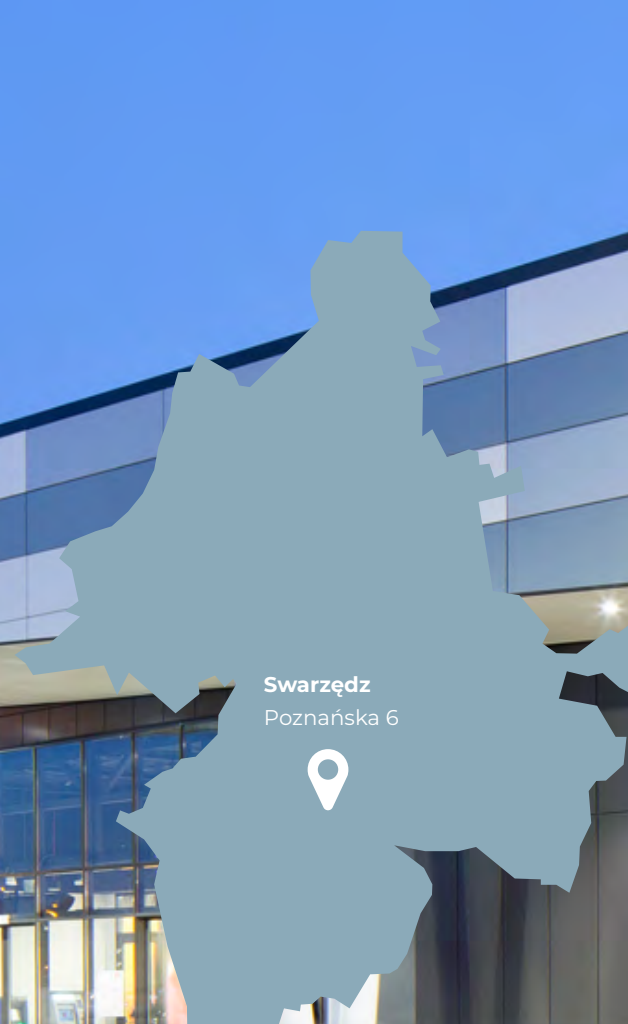
WAULT

60%

Group's share

Akron Group

JV Partner



Swarzędz
Poznańska 6

Anchor tenants

Intermarché, Reserved, Top Secret, Euro RTV AGD, CCC, Deichmann, Home & You, KIK, Dealz, 4F, Sinsay, Empik, Pepco, Smyk, Rossmann, Martes Sport, Kids OK, Maxi Zoo, Rossmann, YES, Diverse, Big Star

Location

A strength of ETC Swarzędz is its strategic location at National Road 92 linking Poznań and Warsaw, which provides quick access for Swarzędz residents and customers living in neighbouring towns.

ESG INITIATIVES

Environment and climate

- Saving electricity: LED lighting, reduction of the amount of lighting in the retail section and switching off the exterior lighting at night, installation of programmable timer switches for LED advertising screens, which turn the screens off after the end of business hours
- Reducing heat consumption: change of settings and operating hours of air handling units to minimise heat consumption in the building
- Saving water: water-saving bathroom fittings and fixtures, electrically-controlled valves preventing water leakage
- Waste sorting system in the retail section and technical areas of the shopping centre
- Minimising the impact on biodiversity: an insect hotel installed near the building, removal of 16 sick or dead trees, and preparing the site for new plantings planned for 2023

Employees and society

- Cycle parking facilities and a bike repair station
- Commencement of work on the deployment of an electric car charging station
- Complex is accessible to people with disabilities
- Accessibility, disabled parking spaces
- Some of the projects promoting environmental protection included a spring environmental awareness event (plants and seeds were distributed among customers to create their own wildflower meadow), promoting recycling during marketing events at the shopping centre – a spring environmental awareness event and the autumn furniture trail at ETC

Management & governance

- Separate metering for heat, ventilation and water
- Waste monitoring



STREET MALL VIS A VIS WILANÓW

Opened on December 1st 2018, Street Mall Vis à Vis Wilanów is an intimate shopping arcade, located at 219 Przyczółkowa Street, at the border of Błonia Wilanowskie and Powsin. It offers over 4 thousand m² of retail space and 17 units housing grocery stores, service outlets and restaurants. Vis à Vis is home to recognisable and well-liked brands that operate in an entirely new format. A case in point is Decathlon, which has taken up a smaller space than usual but offers a fresh concept, not available anywhere else. Some brands have chosen Vis à Vis Wilanów as the place to make their debuts in the capital city. These include the Swedish restaurant chain Max Premium Burgers.

The place is distinguished by friendly architecture, green surroundings and convenient access to the premises directly from the parking lot with 105 parking spaces. The facility is biker friendly, providing approximately 60 bike parking spaces and a self-service bicycle repair station. Its unique location in the heart of the Wilanów district of Warsaw and the adjacent recreational areas support a combination of leisure with convenience shopping functions.

An agreeable low-rise silhouette fitting seamlessly into the surroundings, outdoor areas covered by vegetation, discreet street furniture, and above all, its appealing and diversified offering have made Vis à Vis Wilanów a go-to place for convenience shopping and leisure for residents of this city district.

OTHER PROJECTS

4,090 m²

GLA

12.2018

Completed

PLN 50m

Carrying amount

PLN 4m

Target NOI

100%

Occupancy rate

5,6 years

WAULT

66%

Group's share

Real Management SA

JV Partner



Anchor tenants

- Max Burgers, Decathlon, Villa Nova Dental Clinic, Euro RTV AGD, Hebe, Pet Expert

Location

- Vis à Vis in Warsaw is located at 219/221/223 Przyczółkowa Street, at road 724 between Warsaw and Konstancin-Jeziorna. A few hundred metres away a junction of the S2 Warsaw Southern Bypass was built, along with the longest tunnel in Poland, which was opened in December 2021, providing easy access to the main exit routes from the city. Moreover, there is a public bus stop serving seven routes in the immediate vicinity of the arcade.

REZYDENCJA ALEJA FONTANN, SZCZECIN

In April 2022, the Capital Park Group purchased a historical central Szczecin townhouse dating back to the end of the 19th century. The property is located in the picturesque Aleja Fontann street near the Grunwaldzki Square built with a radial plan that is characteristic of the city. Eight streets extend outward from the square, forming a star-shaped urban layout. The Grunwaldzki Square, which also serves as a park, is the largest urban layout of this type in Szczecin. The square was designed in the 1860s by German engineer James Hobrecht and was to resemble Parisian squares.

The townhouse purchased by Capital Park has one underground and four overground storeys. It is a neo-baroque building that stands out for its bay windows. All the preserved stairway equipment and interior are of high artistic, craftsmanship and historical value, which makes them suitable for preservation and comprehensive conservation and restoration work. The two main historical stairways are furnished with wooden flights of stairs with massive, carved balusters. The floors are made of multicolour ceramic tiles, while the walls have been marbleised. Colourful paintings with geometric and floral motifs, some of which have been covered with a gilding layer, can be spotted in some places. One original main entry gate has been preserved in the building.

Work is under way to prepare technical documentation for the project. Preparations are being made for a survey and assessment of the condition and technical parameters of individual elements of the building to assess whether they are fit for future use. Capital Park plans to revitalise the townhouse, restore it to its former glory and convert it to apartments.



Rezydencja Aleja Fontann, Szczecin - current state, before reconstruction



Location

The townhouse at 12 Aleja Papieża Jana Pawła II is an important building located near the Grunwaldzki Square in Szczecin. It is situated in close proximity to Aleja Fontann, a pedestrian street around 250 metres in length, lined with buildings some of which were erected in the late 19th and early 20th century. The property is located near the City Hall and the University of Szczecin.

The largest city and capital of Western Pomerania, Szczecin is also one of the largest business hubs in northern Poland. It is a major business, tourist, cultural and academic hotspot. The centre of Szczecin is known for its large roundabouts and streets with eclectic multi-storey townhouses. The better part of the city centre has a radial layout, with its squares and wide streets lined with trees. The Grunwaldzki Square is the largest and most spectacular example of the radial urban layout in Szczecin.

In addition to having strong business potential, the Szczecin-based project also supports geographic diversification of the Group's business in Poland.



SZCZECIN

Jana Pawła II 12



Polski Hak - wizualizacja



Gdańsk
Polski Hak

POLSKI HAK

In March 2022, the Capital Park Group concluded the final purchase agreement concerning two plots of land in Polski Hak, with a total area of 1.3 ha. It is one of the most prestigious locations in the heart of the Tricity (Gdańsk-Gdynia-Sopot conurbation), situated on the picturesque headland where the Motława joins the Martwa Wisła. The planned project is a residential development, with retail and service functions on the ground floors of the buildings. A key feature will be a recreational promenade open to all Gdańsk residents and tourists, with food & drink services and carefully designed greenery, running along the renovated quay. Piers for mooring small vessels from the side of the Martwa Wisła river are also planned. The project's architecture opens up most apartments to river views. A distinctive feature giving

the project its unique character are additional spaces and functions, including a green courtyard, an intimate swimming pool, a gym, co-working rooms and separate playrooms for small children and teenagers. The author of the winning architectural concept for the development is JEMS Architekci of Warsaw.

Polski Hak is an area with a rich historical past. In the 16th century, it was a water entrance into the city, occupied mainly by fishermen who had their settlement there. The name 'Polski Hak' comes from the Low German language (Plautdietsch), where 'Hake' meant a cape or shoal. In the mid-19 century, the land was acquired by Julius Klawitter who began to expand the Klawitter Shipyard, established back in 1827. In the early 20th century, all its shipbuilding operations were moved to Polski Hak. During the interwar period and times of the Free City of Danzing (Gdańsk), it served as a marina of the Polish Rowing Club in Gdańsk. After the Second World War, a fish processing plant ('Zakłady Rybne Gdańsk') and a fishermen's cooperative base ('Jedność Rybacka') were established there. The former plant buildings have been demolished and presently the area is unbuilt. However, the neighbourhood is filling up with new housing estates and is being systematically revitalised by local authorities and managers of water areas. Due to the poor technical condition of the Polski Hak quay and huge investor interest in the land, in 2020-2021 the Maritime Office in Gdynia carried out its major renovation.

Location:

The project will be located on Sienna Grobla Street, running along the waterfront of Polski Hak, near the Main Town and landmarks such as the Fountain of Neptune, the Basilica of the Assumption of the Blessed Virgin Mary and the famous Crane. Also, the European Solidarity Centre, the World War II Museum, the Gdańsk Shipyard and the Hevelianum educational and recreational centre are located nearby. Sitting at the confluence of two rivers, the Motława and Martwa Wisła, and offering a panorama spanning the port and the waterfront, the area provides an extremely attractive location.

NOWY WEŁNOWIEC

Nowy Wełnowiec is a green, multifunctional district to be developed in the northern part of Katowice between Wojciecha Korfantego Alley and Konduktorska Street, as well as in Siemianowice Śląskie. A 44-ha post-industrial site will be remediated, revitalised and returned to the city.

The author of the concept of Nowy Wełnowiec is JEMS Architekci, the studio behind the design of the International Congress Centre in Katowice. The project is to be constructed on land owned by Silesia Nova. The Capital Park Group is a shareholder and the strategic partner responsible for managing the project and development supervision. INVESTEKO carried out a detailed soil investigation and prepared a preliminary development concept.

The history of Wełnowiec, the northern district of Katowice, is inextricably linked with industry. In the past, the project site contained a steelworks belonging to the Hohenlohe family. After the war and numerous changes, the steelworks operated as part of the Silesia Metallurgical Plant. Employing innovative technologies, the steelworks produced large amounts of zinc and zinc products, contributing to the economic development of Poland. The plant was closed down in the late 1980s.

Nowy Wełnowiec: people, climate and space

Nowy Wełnowiec will become a meeting and social bonding place and a multi-generational, sustainable and multifunctional district that will put people and the climate at its core. The new neighbourhood will be an open and sustainable space with all car traffic to be moved underground. The development will be mostly residential, with the remaining space designated for office, food & drink service, retail, entertainment, cultural, scientific and social functions. Recreational and entertainment areas will also be created.

The project will address social needs, but also those



Nowy Wełnowiec - visualization



related to the climate and environment. The design minimises the use of concrete and asphalt, maximising green spaces, and will include a 4-ha central park, green squares, plazas, wildflower meadows, lawns, forest zones, and numerous plant beds. The greenery combined with cutting-edge technology will help to reduce energy consumption and CO₂ emissions and to support rainwater harvesting in the district. The plans include low-energy homes, renewable energy sources, green roofs and terraces, rain gardens and other rainwater harvesting solutions.

Eliminating car traffic will maximise the area available for recreation and free and safe movement of residents, employees and visitors using the services offered by the district. Naturally, the design also addresses the needs of motorists, with a motorist-friendly underground parking lot with access roads to be built for vehicle owners.

Location:

The project is located in the quarter between Wojciecha Korfantego street and Konduktorska street in Katowice. Nowy Wełnowiec is located approximately 1.5 km away from the Spodek arena and 2 km away from the city centre with the railway and bus stations. A tram line and city bus lines run along the project site. The site will offer excellent transport links enabling district residents and people from Katowice and the GZM Metropolis to freely use the on-site transport services. Also, office and warehousing space will be built in Siemianowice Śląskie on 14 ha of land adjacent to Nowy Wełnowiec.

RISKS RELATED TO THE PROPERTY PORTFOLIO AND THEIR MANAGEMENT

	RISK RELATED TO LOSS OF TENANTS	RISK RELATED TO PROPERTY VALUATION
RISK FACTORS	<ul style="list-style-type: none"> ▪ Loss of tenants for office or retail space, or difficulties in finding such tenants ▪ Failure to attract tenants for office space in Warsaw on large over-supply ▪ Loss of anchor tenant ▪ Tenant bankruptcies 	<ul style="list-style-type: none"> ▪ Decrease in the value of properties recognised as loss on revaluation ▪ Adoption of erroneous assumptions leading to mis-valuation of properties and implementation of wrong strategies for a given project
POTENTIAL IMPACT	<p>Loss of income and liquidity due to:</p> <ul style="list-style-type: none"> ▪ Lower rental income ▪ Inability to sell properties ▪ Inability to raise bank financing 	<ul style="list-style-type: none"> ▪ Lower-than-expected income from rents and sale of properties ▪ Carrying amount of properties that fails to reflect their fair value
RISK MITIGATING MEASURES	<ul style="list-style-type: none"> ▪ Careful choice of tenants ▪ Cooperation with reputable external firms specialising in real property agency services ▪ Attractive offering for tenants ▪ Active asset management and fostering close relationships with tenants ▪ Regular monitoring of tenants' satisfaction and taking remedial action 	<ul style="list-style-type: none"> ▪ Cooperation with independent property appraisers ▪ Careful choice of valuation methods ▪ Valuation approval procedure consisting of several stages ▪ Regular property reviews, and monitoring of the key assumptions

RISK RELATED TO PROJECT PIPELINE	RISK RELATED TO ADMINISTRATIVE PROCEDURES	COMPETITION RISK
<ul style="list-style-type: none"> ▪ Failure to secure administrative decisions (environmental decisions, building permits, decisions relating to conservation of historical heritage) ▪ Risk associated with project purchase ▪ Materialisation of legal risks associated with title to properties ▪ Risk related to performance of contractual obligations by sellers or JV partners 	<ul style="list-style-type: none"> ▪ Sluggish public administration sector in Poland ▪ Actions by non-governmental organisations or owners of neighbouring properties and local residents ▪ Lack of local zoning plans 	<ul style="list-style-type: none"> ▪ Competitor activity ▪ Activity of local private investors
<ul style="list-style-type: none"> ▪ Increase in project implementation costs and/or a need to incur additional investment expenses (capex) in standing buildings ▪ Constrained access to financing ▪ Restrictions on acquiring new investment lands 	<ul style="list-style-type: none"> ▪ Failure to receive or delayed receipt of permits and administrative decisions, leading to delays in or abandonment of projects ▪ Prolonged process of obtaining permits adversely affecting profitability of projects ▪ Revocation of permits 	<ul style="list-style-type: none"> ▪ Declining rents and selling prices of properties ▪ More unoccupied space/units ▪ Increase in prices and costs of properties ▪ Project development process becoming longer and more difficult
<ul style="list-style-type: none"> ▪ Cooperation with reputable contractors of sound financial standing ▪ Security mechanisms included in general contractor agreements ▪ Ongoing monitoring and supervision of construction work by building inspectors or specialised external firms 	<ul style="list-style-type: none"> ▪ Drawing on experience in going through administrative procedures ▪ Recruiting specialists in relevant areas, including finance, law, construction and administrative procedures 	<ul style="list-style-type: none"> ▪ Careful selection of properties and taking advantage of opportunities related to distressed assets ▪ Building on experience in project execution and knowledge of the market to implement unique projects ▪ Leveraging the Group's financial and organisational potential ▪ Active management of properties ▪ Developing unique concepts to distinguish Capital Park projects on the market – 'Office +', 'Office Doctor' and 'The place to be, the place to work'

STAKEHOLDERS

STAKEHOLDER OVERVIEW

The stakeholder groups defined for the purposes of the first sustainability report have remained unchanged. We have seven stakeholder groups defined by reference to their influence on and interest in the Group, the Group's impact, as well as the frequency and type of interaction. These include both internal and external stakeholders of the Group.

As the Capital Park Group, we strive to maintain regular dialogue with all stakeholders. We make sure that our current activities are transparent and clear for our target groups. We believe that only open and two-way communication with our partners is able to build long-term relationships that translate into business success. To ensure the highest quality of relationships with each stakeholder group we respond to their expectations and information needs on a regular basis.

EMPLOYEES AND ASSOCIATES

IMPACT

Our employees and associates (independent contractors) are our internal stakeholders. With them we can do business, develop new projects, execute ongoing work and grow as a Group.

FORM OF DIALOGUE

- Training and workshops
- Satisfaction surveys
- Team-building meetings

INVESTORS, BANKS, JV PARTNERS, OTHER CAPITAL MARKET REPRESENTATIVES

IMPACT

Institutional investors are both our shareholders and bondholders. Some of them have significant shareholdings and are represented on the Supervisory Board. Banks provide us with liquidity and help finance long-term investments that add value to the Group. Some of our projects are carried out together with partners under joint venture agreements. Individual investors and equity analysts who publish reports and recommendations on our Group are also important to us.

FORM OF DIALOGUE

- Investor Relations Office
- Dedicated IR website <http://investor.capitalpark.pl/>
- Periodic and current reports
- Quarterly presentations summarising financial and operating results
- Direct dialogue at meetings and conferences (one-on-one and group meetings)
- Ongoing e-mail and phone contact



CLIENTS (PROPERTY TENANTS, HOME BUYERS)

IMPACT

Tenants are our key clients. Our commercial and residential projects are developed with them in mind. When designing our properties, we consider the comfort, safety and usability of space for tenants, as well as its accessibility and appealing proposals for local residents. A separate group of clients are the buyers of our properties, who appreciate their quality and environmental sustainability, as well as location and commercial potential.

FORM OF DIALOGUE

- Ongoing contact via e-mail, phone and in person
- Tenant satisfaction surveys
- Social media
- Newsletters
- Organisation of events
- Guidelines for tenants
- Project-dedicated websites

LOCAL AND REGIONAL AUTHORITIES, ASSOCIATIONS (NGOS), LOCAL COMMUNITIES AT THE PROJECT SITE

IMPACT

Stakeholders associated with our project locations are important to us. When designing our properties, we factor in legal matters, opinions of local and regional authorities, associations, and the local community. During the construction process, we keep in mind the comfort of our neighbours and the environmental impact of our properties.

FORM OF DIALOGUE

- Process of obtaining and managing permits and authorisations
- Cooperation on local events
- Public consultations
- Project-dedicated websites
- Social media accounts for individual projects
- Event sponsorship
- Organisation of events promoting sports and healthy lifestyles, cultural and social events
- Presentations and lectures
- Site visits
- Organisation of joint events



PROJECT CONTRACTORS, BUSINESS PARTNERS, ARCHITECTS, SUPPLIERS

IMPACT

Architects and contractors are our business partners who design our projects and execute the designs. From our suppliers we buy all services and goods required to build and expand our properties and for our day-to-day activities.

FORM OF DIALOGUE

- Phone and e-mail contact
- Corporate website
- Conferences and fairs
- Social media
- Sponsorship of industry events
- Participation in real estate associations
- Participation in working groups

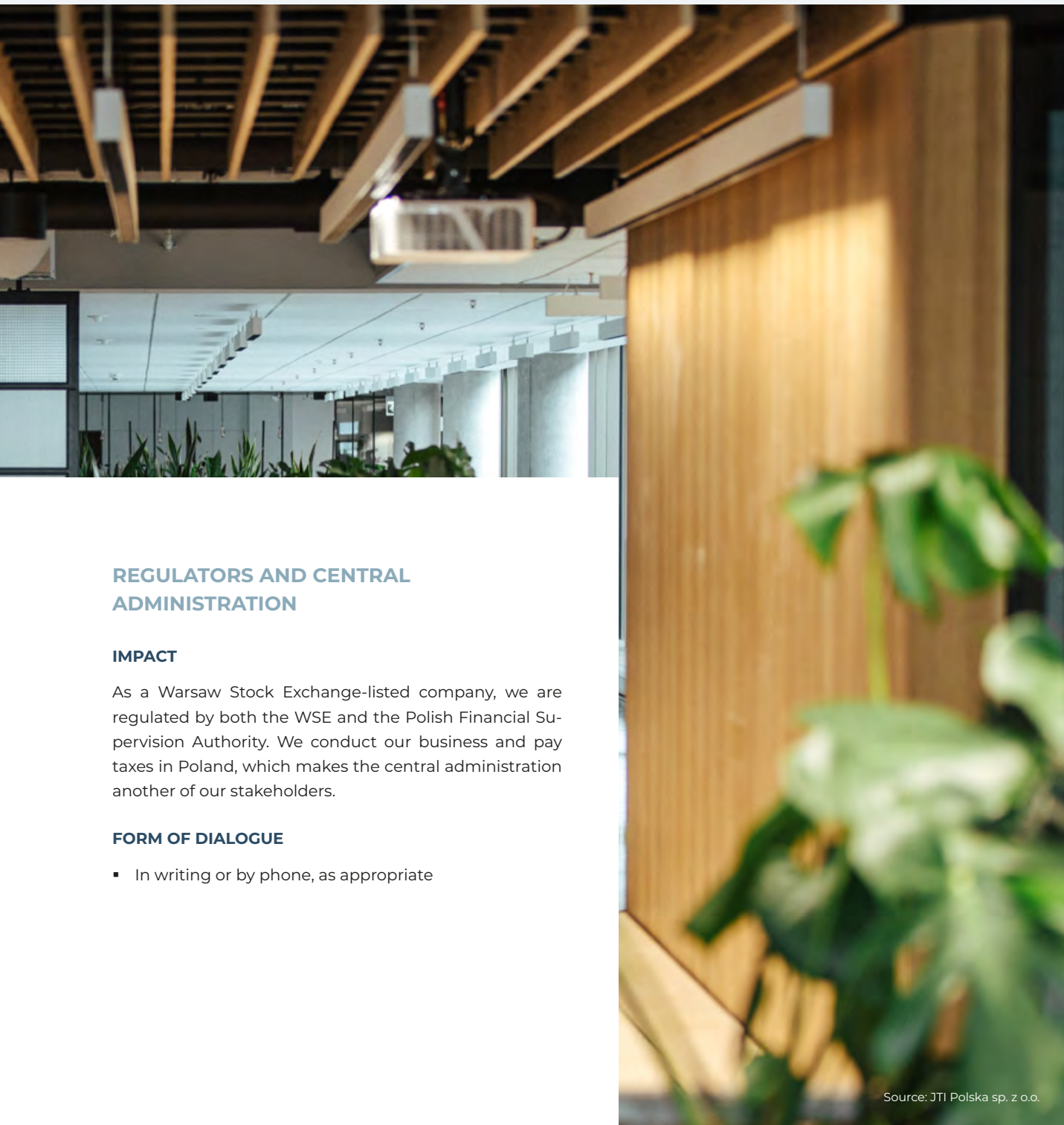
MEDIA AND INDUSTRY ORGANISATIONS

IMPACT

Thanks to the media and industry organisations, we can communicate with our stakeholders and present our activities and plans.

FORM OF DIALOGUE

- PR and press office of the Group
- Conferences and fairs
- Events related to the investment process of an individual project
- Interviews
- Press meetings on the property premises
- Marketing and advertising cooperation
- Social media
- Corporate website



REGULATORS AND CENTRAL ADMINISTRATION

IMPACT

As a Warsaw Stock Exchange-listed company, we are regulated by both the WSE and the Polish Financial Supervision Authority. We conduct our business and pay taxes in Poland, which makes the central administration another of our stakeholders.

FORM OF DIALOGUE

- In writing or by phone, as appropriate

Source: JTI Polska sp. z o.o.

STAKEHOLDER MATERIALITY ASSESSMENT

As the war in Ukraine and its economic repercussions have had no major impact on the Group's business model and prospects in the past year, the findings of the materiality assessment carried out in January 2022 in the form of an anonymous electronic survey remain valid. Based on 72 questionnaires from respondents in Poland and abroad, we identified aspects of relevance to our stakeholders which they believe should be reported on, as well as matters that, according to these stakeholders, are likely to have a significant impact on the Group's business model over the next three years.

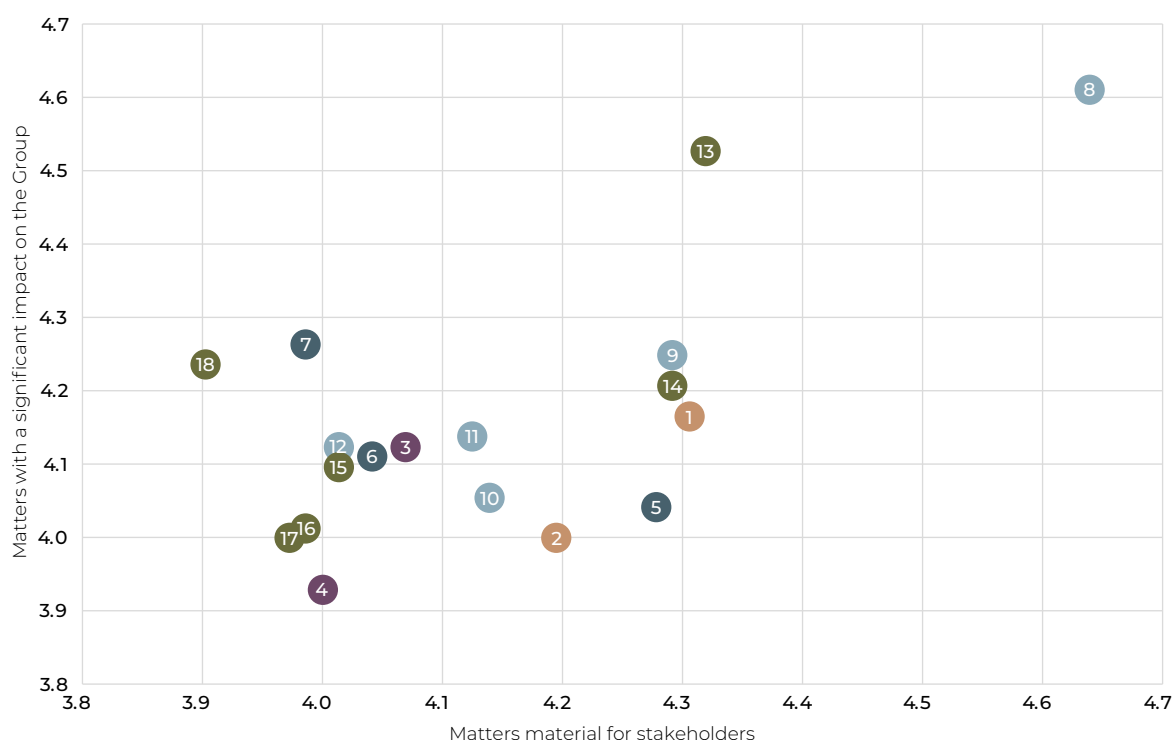
During the 2022 materiality assessment, we divided the key questions into five categories: (i) environmental and climate matters, (ii) labour and social matters, (iii) local community matters, (iv) ethics and legal matters, and (v) financial and risk management matters. The respondents stated that ethics and legal matters were the most important to them, while financial and risk management matters were set to have the greatest impact on the Group's business model. However, the differences between these categories were insignificant.

At the same time, for each of these five categories, stakeholders identified the most important issues and aspects with the greatest impact. The key themes included regulatory compliance, financial performance, ethical and responsible stakeholder communication, a sustainability strategy integrated into the business strategy, use of renewable energy, and efforts to reduce the environmental impact of properties. The key aspects are shown on the materiality matrix below. The indications by external and internal stakeholders for both materiality and impact were very similar.



STAKEHOLDER MATERIALITY MATRIX

Stakeholder feedback is very important to us and has been used in the preparation of this and the previous report. We will engage in continued dialogue with our stakeholders to provide them with relevant sustainability information.



Environmental matters

1. Use of renewable energy
2. Sustainability policy with environmental impact reduction targets

Labour and social matters

3. Job stability for employees/associates (...)
4. Human capital development (...)

Local community matters and impact on urban areas

5. Efforts to reduce the environmental impact of projects
6. Building environmentally certified projects
7. Creating mixed-use property (...)

Legal matters and ethics

8. Compliance with the law
9. Ethical and responsible stakeholder communication
10. Efforts to counteract corruption and bribery
11. Compliance with corporate governance standards
12. Cyber security, personal data protection

Financial performance and risk management

13. Financial performance
14. Having a business strategy combined with sustainability strategy in place
15. Group's debt
16. Building stakeholder value
17. Managing climate risks and opportunities
18. Building shareholder value

ENVIRONMENT AND CLIMATE



As an investor, we are aware of how every new building affects the increasingly dense urban space. Already at the design stage, we implement solutions to minimise the adverse environmental and climate impact of our projects.

We design sustainable projects, striving to use the available resources in a rational way. We undertake far-ranging measures to reduce our environmental and climate impacts through water consumption management, electricity consumption management, waste management, carbon footprint measurement, and integration of climate risks and opportunities throughout our properties' life cycle.





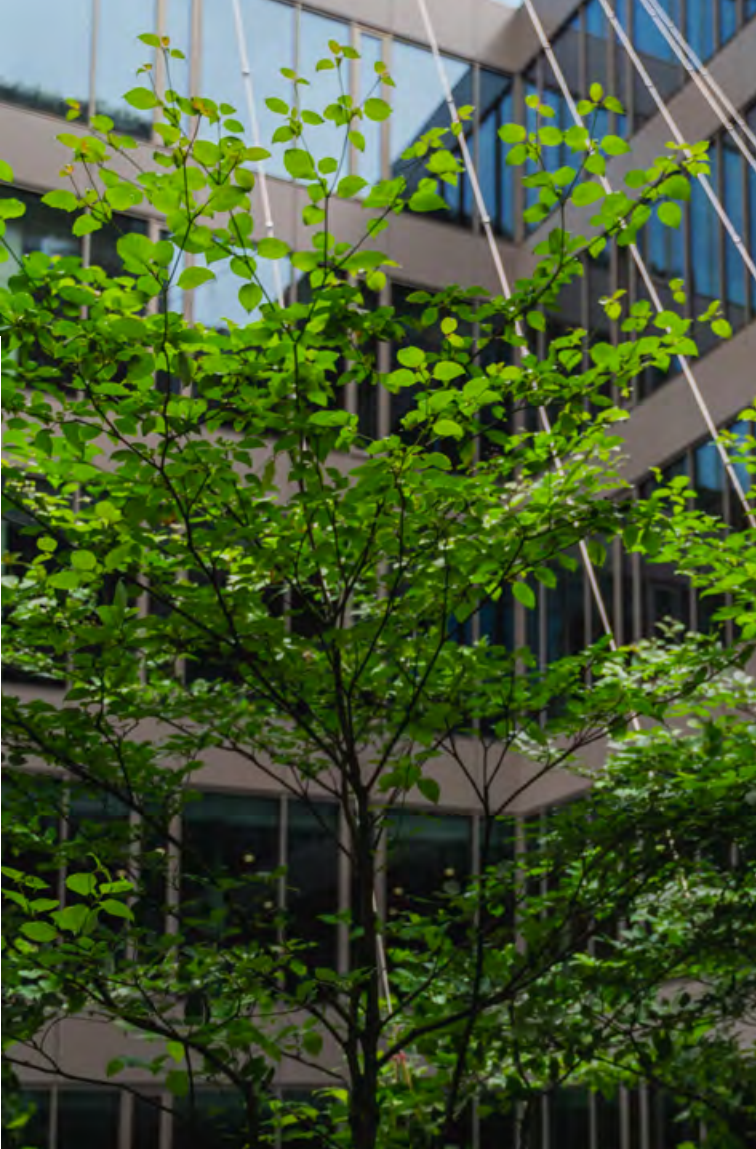
IMPACT CONSCIOUS INVESTMENTS

For many years, our properties have been certified for sustainability according to BREEAM and LEED, the world's leading environmental certification schemes.

We consider ESG factors to be part of our investment strategy, and we work to integrate them across our business. In performing the sustainability assessment of our existing buildings and potential projects, we rely on selected proven criteria applied in Europe.

Norblin Factory, our flagship project, was awarded BREEAM 'Excellent' for office section and BREEAM 'Very Good' for retail section post-construction certification pol, providing a badge of assurance from an independent third party that the building conforms to the principles of sustainable design and construction. BREEAM (Building Research Establishment Environmental Assessment Method) is one of the most important certification systems in the world today, setting standards in sustainable design and construction. To earn the certificate, the building had to meet a number of rigorous criteria concerning the quality of construction materials used, water and energy consumption, waste management, access to transport, user comfort and well-being, procedures and activities employed at the construction stage to minimise the project's adverse impact on the environment and its immediate surroundings. The building is fitted with energy-efficient air conditioning, heating and lighting systems – all with the building users and the environment in mind. In view of its historical fabric and absence of biologically active areas, the site called for well-thought-out solutions to meet the unique requirements of a historical site.

Royal Wilanów, our second iconic project, has been BREEAM certified with a 'Very Good' rating, which proves that a number of environmentally-friendly solutions and conscious efforts were implemented with occupant comfort and the environment in mind. These



172,900 m²

floor area of completed green-certified buildings

81%

share of green-certified buildings in the floor area wholly-owned by the Group at year-end 2022 (no change year on year)



include one of the first rooftop apiaries in Warsaw, an anti-smog meadow next to the building, and the fastest electric vehicle charging station in Warsaw, opened in 2021. Since 2020, a comfort and HVAC performance monitoring solution has been used in the management of the Royal Wilanów building. It was developed by Virtual Power Plant sp. z o.o. (VPPlant), a specialist in the optimisation of modern large-size buildings. The company delivers advanced technologies to improve the energy efficiency of our building, helping to reduce its carbon footprint.

Our first green project was Eurocentrum Office Complex, with an area of 70,400 m², completed by the Group in 2014–2016 and sold in 2019. Eurocentrum Office is the largest sustainable office complex in Warsaw with the highest LEED (Leadership in Energy and Environmental Design) 'Platinum' certification.

We plan our projects with due respect paid to the climate, project surroundings and local communities, striving to minimise the adverse environmental impacts of the development both during the construction phase and post-construction. All projects in the planning phase are assessed in terms of climate risks and opportunities – the solutions to be applied in the Polski Hak project in Gdańsk include elevation of the building above the 500-year flood plain.

Eco-friendly solutions planned for the Polski Hak project:

CONSTRUCTION PHASE:

- Regularly transferring waste for recycling by licensed waste disposal facilities
- Keeping the construction site and access roads clean
- Possibly using Lumon glass panels to reduce noise pollution levels for residents
- Using filters on air intake vents to prevent polluted air from entering the building
- Using silent construction machinery to reduce noise pollution for local residents and communities
- Providing training to subcontractors' employees in how to perform their work without causing environmental pollution
- Measuring and reducing carbon footprint
- Using materials with a lower carbon footprint (mineral wool instead of styrofoam, certified wood only (FSC, PEFC), etc.)
- Reducing electricity and fuel consumption through optimal use of construction equipment and efficient organisation of construction works

SAVING WATER

- Rooftop rainwater harvesting solutions
- Rainwater tanks supplying water for gardening
- Water-saving bathroom fittings and fixtures (touchless taps, aerators, dishwashers, etc.) in common areas

SAVING ENERGY

- Lifts with energy recovery systems
- LED lighting – motion-sensor based LED lighting in common areas, toilets and the underground garage
- Home automation systems for controlling and reducing energy consumption (as an option for future residents)

REDUCING HEAT CONSUMPTION

- Mechanical ventilation with heat recovery in residential units
- Building energy management system (BSM)
- Using heat pumps for domestic hot water and space heating
- Thermostat in every room
- Recovery of heat from retail services space

PROMOTING WORK-LIFE BALANCE

- Planned co-working space for residents

Integrating environmental and climate factors into our existing assets, we commenced a comprehensive assessment of our projects in 2022. The purpose of the assessment is to check whether our properties meet the technical eligibility criteria set out in the EU Taxonomy, to assess the buildings according to four categories: environmental, economic, social and functional (operational), and to identify measures that may help upgrade the rating of our properties and reduce their carbon footprint.

WE ENCOURAGE TENANTS TO ACT SUSTAINABLY

We understand it is not only our activities, but also those of our tenants, that have an impact on the climate and environment. Our contracts with tenants do not provide for reimbursement of their capital expenditure on efficiency improvements. Therefore we make sure that our tenants have access to sustainable solutions. We are in the process of drafting green lease contracts to foster co-operation of building owners and tenants in promoting energy efficiency and sustainability efforts.



67 hours

spent engaging tenants and local communities in environmental protection efforts



OUR TENANTS ARE PROVIDED WITH THE FOLLOWING SOLUTIONS:

- ability to manage a tenant's own environmental and climate impacts with separate meters to bill their water and (partly) electricity consumption
- support in proper waste segregation
- tenants in Norblin Factory are provided with a cutting-edge building app including an access control feature enabling users to access offices using their smartphone (we do not use plastic cards); work is under way to implement a new sharing economy feature for tenants
- Royal Wilanów app enabling employees to share rides to work
- sustainable transport options, such as public transport services (convenient location of our properties), facilities for cyclists (bike parking spaces with changing rooms and showers, repair stations), and charging stations for electric vehicles
- numerous climate change initiatives and workshops run in our buildings to promote waste segregation, green transport and pro-environmental behaviour

MEASURING WATER CONSUMPTION

We monitor water usage in each property within our portfolio to employ water saving solutions. A total of 114.3 thousand m³ of water was used across our properties in 2022. Office buildings, which make up the largest part of our property portfolio, accounted for the highest water usage (approximately 50%). The increase in water consumption by 66% relative to 2021, of 69.0 thousand m³, was mainly due to the fact that we presented the first full year of operation of Norblin Factory. We have water meters for tenants across our floor space. We present water usage data for our entire property footprint, including joint venture projects (in proportion to our ownership interest in a project).

We have not adopted a formal water management policy. However, we take proactive measures to reduce water consumption across our properties and thus address this risk:

- we install rainwater collection tanks (Royal Wilanów – 330 m³, Norblin Factory – 1,200 m³). The collected water is used to flush toilets and to water plants in the atria and inside the buildings
- we use water-saving sanitary fittings and fixtures (touchless taps, aerators, dishwashers, etc.)



We think of long-term outcomes when deciding where to locate our projects, considering any attendant environmental and climate risks. One such risk is ground-water scarcity and land drying, which could affect the availability and cost of water in our buildings. Only one of our properties is located in an affected area: the 5,711 m² Street Mall Vis a Vis Łódź (no change year on year). In 2022, the property used 2,435 m³ of water, or 2.1% of our total water consumption (2021: 2.3%).

2022 data	Water consumption (m ³)	Share of total	Floor area (m ²)	Water onsumption in m ³ per m ²
Office	57,644	50.4%	70,553	0.8
Retail	45,689	40.0%	60,443	0.8
Hotels	9,327	8.2%	8,219	1.1
Other	1,685	1.5%	2,298	0.7
Total	114,346	100.0%	141,513	0.8

2021 data	Water consumption (m ³)	Share of total	Floor area (m ²)	Water onsumption in m ³ per m ²
Office	31,172	45.2%	70,553	0.4
Retail	30,191	43.7%	60,443	0.5
Hotels	7,447	10.8%	8,219	0.9
Other	217	0.3%	2,298	0.1
Total	69,026	100.0%	141,513	0.5



MANAGING ENERGY CONSUMPTION

As required by the Energy Efficiency Act of May 20th 2016, our properties undergo regular energy audits. We have electricity consumption data available for all types of spaces across our portfolio. In 2022, our properties used 23.7 GWh (85,209 GJ) of electricity. The increase in electricity consumption by 55% relative to the prior year, of 15.3 GWh (55,049 GJ), was mainly due to the fact that we presented the first full year of operation of Norblin Factory.

2022 data	Electricity consumption (MWh)	Share of total	Floor area (m ²)	Electricity consumption per m ²
Office	11,658	49.3%	70,553	0.2
Retail	10,922	46.1%	60,443	0.2
Hotels	724	3.1%	8,219	0.1
Other	365	1.5%	2,298	0.2
Total	23,669	100.0%	141,513	0.2

2021 data	Electricity consumption (MWh)	Share of total	Floor area (m ²)	Electricity consumption per m ²
Office	6,424	42.0%	70,553	0.1
Retail	8,128	53.2%	60,443	0.1
Hotels	693	4.5%	8,219	0.1
Other	46	0.3%	2,298	0.0
Total	15,291	100.0%	141,513	0.1

The data covers the total floor area of the properties wholly owned by the Group and the floor area of joint venture projects (retail space) in proportion to the ownership interest held by the Group in those projects.

Our properties are supplied with grid electricity. At the end of 2021 and 2022, we did not own any sources of renewable energy. We are in the process of installing 46 kW solar PV panels at Norblin Factory to partially cover electricity demand in common areas of the retail section. We are analysing the feasibility of installing renewable energy sources at our other properties.

We have identified risks associated with electricity consumption. The first one is the scale of our grid electricity usage. We recognise that our tenants, like us, look to reduce their carbon footprint. Therefore, we employ advanced energy-saving technology solutions in the project design phase:

- we use reflective glass to reduce the need for air conditioning (Royal Wilanów)
- we install lifts with energy-efficient/regenerative drives
- we operate the VP Plant Management system to optimise energy management – ongoing online management services provided by VP Plant
- we use LED lighting with motion sensors in rooms, common areas, garages, and parking lots
- we reduced the amount of lighting in the retail section, and we turned off the exterior lighting at night
- we install programmable timer switches for LED advertising screens, which turn the screens off after the end of business hours

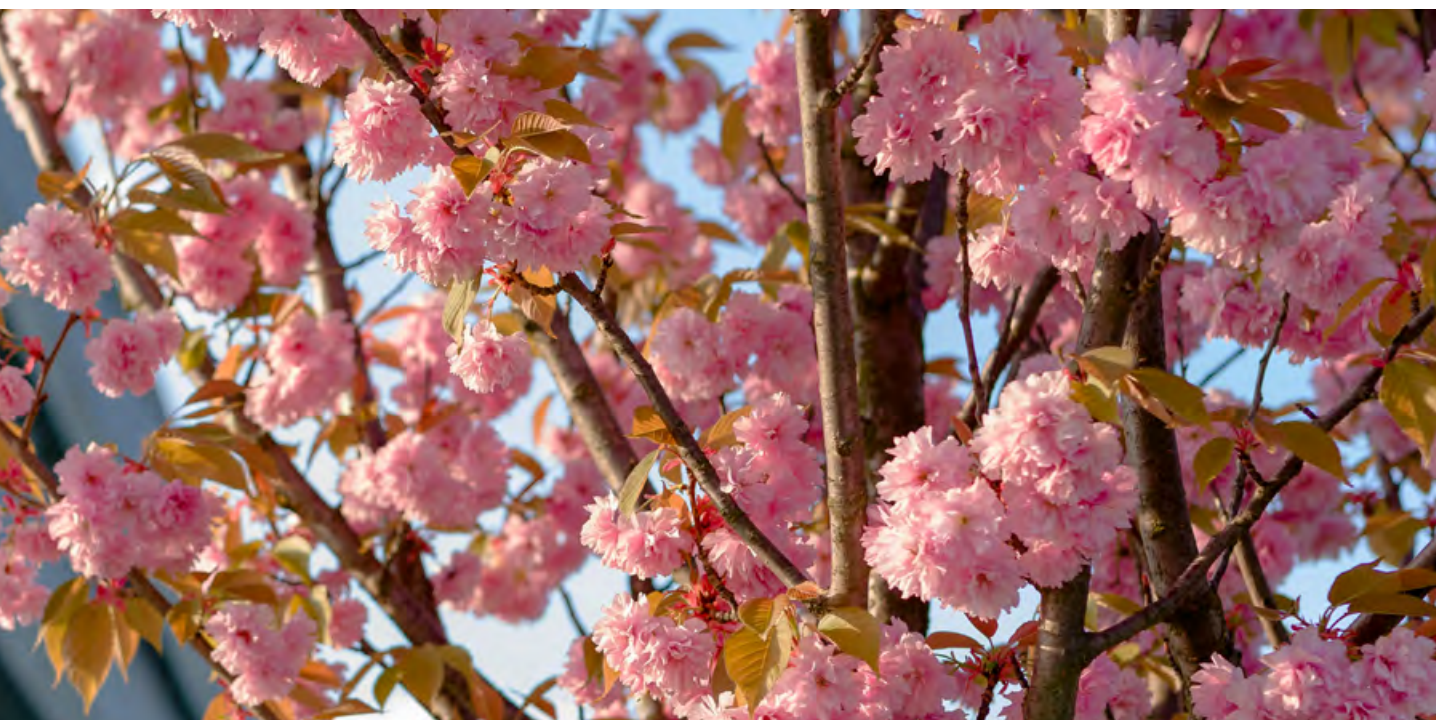
The other risk factor is the rising electricity prices. In addition to tenant education on ways to reduce their electricity consumption, we also engage in price negotiations with electricity suppliers whenever possible.



MANAGING HEAT CONSUMPTION

In addition to managing our water and electricity consumption, we take a number of measures to reduce the amount of heat consumed across our properties:

- we use reflective glass to prevent the buildings from overheating
- we use building materials and systems that can collect heat inside the buildings (HVAC systems)
- we have installed water loop heat pump systems (Norblin Factory, Vis a Vis Wilanów)
- we recover heat from retail spaces, electric lifts and hood systems
- we changed ventilation system settings to minimise heat consumption



2022 data	Heat consumption (GJ)	Share of total	Floor area (m ²)	Heat consumption per m ²
Office	20,368	54.5%	70,553	0,3
Retail	12,915	34.5%	60,443	0,2
Hotels	3,434	9.2%	8 219	0,4
Other	687	1.8%	2 298	0,3
Total	37,404	100.0%	141,513	0,3

2021 data	Heat consumption (GJ)	Share of total	Floor area (m ²)	Heat consumption per m ²
Office	8,817	44,6%	70,553	0.1
Retail	6,389	32,3%	60,443	0.1
Hotels	4,497	22,7%	8,219	0.5
Other	85	0,4%	2,298	0.0
Total	19,788	100,0%	141,513	0.1

The data covers the total floor area of the properties wholly owned by the Group and the total floor area of joint venture projects in proportion to the ownership interest held by the Group in those projects.

MANAGING WASTE

We are committed to implementing the concept of circular economy. In addition to detailed registration and documentation of the waste volumes generated by our properties, we take measures, both at the building construction and operation stage, aiming to reduce utilities consumption, recover waste and minimise the adverse impact of pollution on the environment.

- In most of our building, we sort waste into three or more fractions: municipal waste, bio-waste, paper, cardboard, glass, plastic, metal, mixed packaging waste, and batteries. We provide all tenants in Royal Wilanów with Multi-Sort waste sorting containers, which means waste collected from tenants is already segregated.
 - Waste is stored in dedicated rooms in sealed containers protected from third-party access in such a way as to prevent the mixing of different types of waste.
 - Waste is transferred to licensed third parties for recovery or disposal under individual contracts and in accordance with agreed schedules.
 - Prior to discharge, wastewater from car washes and underground garages is treated in high-efficiency suspension and petroleum substance separators, and wastewater from the food services section is pretreated in fat separators.
 - In property maintenance, we use the services of professional technical service providers who are required to properly dispose of consumables and spare parts used for maintenance and repair, such as filters in air handling units, lighting, electrical components, etc.
- We regularly conduct e-waste collections in our buildings to safely dispose of the waste, and we host events promoting waste segregation among tenants and local communities.
 - We manage waste and contaminants generated during construction, modernisation or revitalisation work through:
 - Monitoring and rational management of waste in line with BREEAM criteria
 - Using products and materials in circulation, e.g. bricks, floors, plates and boards, and repurposing them as decorative items, equipment components or works of art.
 - Taking organisational measures to protect groundwater and soil against contamination with petroleum substances from machinery and equipment

Rezydencja Aleja Fontann, Szczecin



In 2022, the Group generated 618 thousand tonnes of waste, mostly cardboard and waste paper (222 tonnes), debris (129 tonnes) and municipal waste (119 tonnes).

2022 data	tonnes
Cardboard and waste paper	222
Debris and construction waste	129
Municipal waste	119
Mixed packaging waste	55
Plastic waste and films	54
Multi-material	17
Kitchen (catering) waste	16
Glass	4
Metal and foils	2
Total	618

The data covers 93% of the floor area of the properties wholly owned by the Group and 100% of the floor area of joint venture projects in proportion to the Group's share of profits generated by these projects.

The Group companies generate no radioactive waste within the meaning of Article 3(7) of Council Directive 2011/70/Euratom, and they generate negligible amounts of hazardous waste within the meaning of Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council.

Sanitary wastewater from all our properties is discharged into the municipal sewage system. A total of 114.3 thousand m³ of wastewater was generated by our properties in 2022, compared with 69.0 thousand m³ generated in 2021. The year-on-year increase primarily reflected the first full year of operation of Norblin Factory, completed in August 2021, and the gradual handover of space to tenants. The data covers 100% of the Group's fully-consolidated properties and joint venture projects (in proportion to the Group's share of profits generated by these projects).



SUPPORTING BIODIVERSITY

Recognising the benefits and threats to biodiversity, in our buildings we deploy advanced solutions supporting the green economy and creating long-term value for people and our planet. When designing new urban space, we create occupant-friendly places to live and relax. The unique quality of our green areas stems from the abundance of plant species carefully selected to match the local vegetation.

Green roofs, urban apiaries and plants on terraces and squares are a hallmark of Norblin Factory, Royal Wilanów and Eurocentrum Office Complex. We also seek to promote biodiversity by:

- installing insect hotels near our buildings
- removing sick and dead trees and planting new trees
- installing beehives on the roofs of buildings as part of an urban beekeeping project
- mounting bird nesting boxes on trees growing in the grounds of our buildings and in the surrounding areas

As part of the planned residential projects Polski Hak in Gdańsk and Nowy Wełnowiec in Katowice, we are revitalising post-industrial land that has been altered by humans – not only are we not contributing to the erosion of ecosystems but we are actually helping to restore vegetation on the project sites. The projects are designed to include varied tall plantings, rain gardens, perennial beds and ground cover plants under trees, flower meadows, wild lawns, and intensive and extensive green roofs. The selected plant species support biodiversity and include a large proportion of honey plants and species attractive to insects as well as shrubs attracting birds (edible shrubs as a source of food and nesting places). Extensive vegetative roofs will be used as locations for urban hives.

At Polski Hak, the plant selection criteria will include, apart from aesthetic value, the needs of people suffering from allergies – no allergenic species (birch, hazel, alder, etc.) will be used. The large green areas will mitigate the urban heat island effect and thus reduce exposure to allergens – higher temperatures in cities make plants produce more pollen and extend the pollination period.

Sustainable rainwater harvesting is an important factor in adapting to climate change. In addition to its pro-environmental function (minimising the amount of water discharged directly to rainwater drainage systems, fostering biodiversity), rainwater harvesting offers economic, educational and recreational value. The Polish Hak project envisages maximising the area of water-permeable surfaces, including greenery, permeable and semi-permeable floors and green roofs, so as to facilitate rainwater harvesting.



As the Group, we derive no revenue from production, refining or distribution of fossil fuels. The Group owns several properties in the vicinity of or within protected areas or areas of high biodiversity. These are our standing buildings Royal Wilanów and Vis à Vis Wilanów, our pipeline project Polski Hak in Gdańsk and our development land in Mielno and Krynica-Zdrój. The Group was not subject to any environmental fines in respect of any of its activities in 2021 or 2022. No adverse environmental impacts were reported in 2021 or 2022.



OUR ACTIVITIES QUALIFY AS ENVIRONMENTALLY SUSTAINABLE UNDER THE EU TAXONOMY

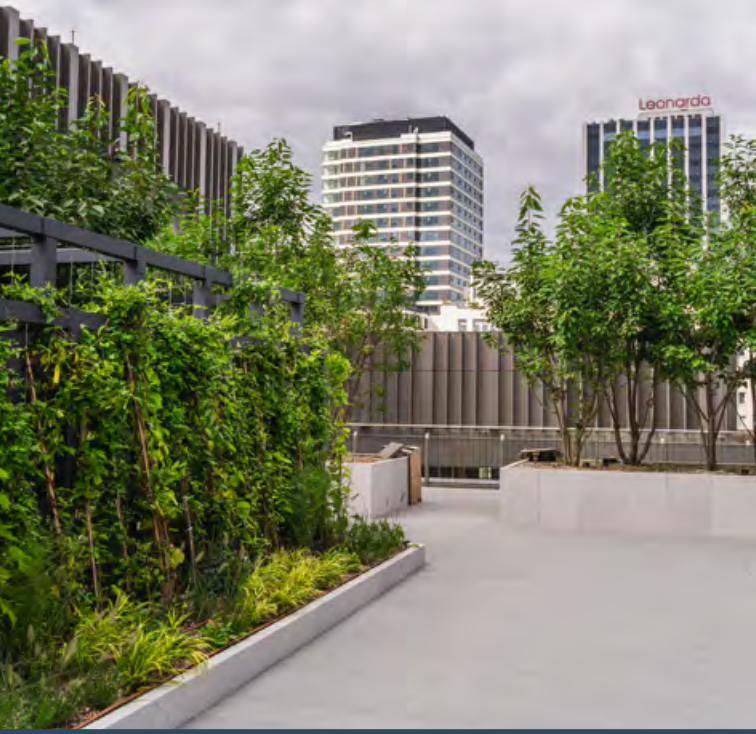
Seeking to meet the expectations of our stakeholders, the Group undertook an assessment of the eligibility and alignment of its activities under the EU Taxonomy for sustainable activities. The assessment was based on:

- Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18th 2020 on the establishment of a framework to facilitate sustainable investment (Regulation 2020/852), and in particular Article 8 thereof,
- Commission Delegated Regulation (EU) 2021/2139 of June 4th 2021 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (technical screening criteria),
- Commission Delegated Regulation (EU) 2021/2178 of July 6th 2021 supplementing Regulation 2020/852 by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU, and specifying the methodology to comply with that disclosure obligation (Disclosures Regulation),
- Commission Delegated Regulation (EU) 2022/1214 of March 9th 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

Based on this legislation, the Capital Park Group established that the following activities qualify as taxonomy eligible: construction of new buildings (7.1), renovation of existing buildings (7.2), installation, maintenance and repair of energy efficiency equipment (7.3), installation,

maintenance and repair of charging stations for electric vehicles in buildings (and in car parks next to buildings) (7.4), installation, maintenance and repair of renewable energy technologies (7.6), acquisition and ownership of buildings (7.7), and data processing, hosting and related activities (8.1).

The Group is working to establish Taxonomy alignment against both technical screening criteria and minimum safeguards.



Activities according to the Taxonomy	Activities of the Capital Park Group
7.1 Construction of new buildings	Capital expenditure of CP Group
7.2 Renovation of existing buildings	Capital expenditure of CP Group
7.3 Installation, maintenance and repair of energy efficiency equipment	Capital expenditure of CP Group
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in car parks next to buildings)	Capital expenditure of CP Group
7.6 Installation, maintenance and repair of renewable energy technologies	Capital expenditure of CP Group
7.7 Acquisition and ownership of buildings	Revenue/capital expenditure/operating expenditure of CP Group
8.1 Data processing, hosting and related activities	Capital expenditure of CP Group

MEASURING OUR CARBON FOOTPRINT

In 2022, we continued to measure our carbon footprint in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Based on this methodology, we have defined our organisational boundaries (the calculations cover all companies under

our operational or financial control and, in line with our interest, we have incorporated joint-venture projects) and operational boundaries (we separately account for and report on Scopes 1, 2 and 3). This report presents our estimates for Scope 1 (direct emissions) and Scope 2 (indirect emissions).

We also started work to understand our Scope 3 carbon footprint. Out of the 15 categories of Scope 3 emissions, we calculated emissions in the business travel, waste,

employee commuting categories and partly related to energy consumption in the value chain (concerning home-office). We plan to develop and expand the methodology for calculating greenhouse gas emissions in the coming years.

The analysis of the Group's activity revealed no Scope 1 GHG emissions. The Group has no production facilities or its own vehicles. The Group's Scope 2 emissions are emissions from electricity and heat consumption. The reported figures represent location method emissions, based on benchmark values publicly available on the KOBIZE (National Centre for Emissions Balancing and

Management) and URE (Energy Regulatory Office) website. Conversion factors available on the on UK administration website were used to calculate our Scope 3 emissions.

Additionally we also calculate greenhouse gas emissions in CO₂ equivalent per m². These are the key indicators that will be used to monitor our climate-related risks and opportunities.

2022 data	CO ₂ e emissions (tonnes)	CO ₂ e emissions (tonnes) per m ²
Scope 1		
- emissions from stationary sources	0	0
- emissions from mobile sources	0	0
Total Scope 1	0	0
Scope 2		
- emissions from electricity consumption	18,012.2	0.13
- emissions from heat consumption	3,437.5	0.02
Total Scope 2	21,449.7	0.15
Total Scope 1 and 2	21,449.7	0.15
Scope 3 (selected items)		
- business travel	20.6	-
- employee commuting	90.7	-
- energy consumption (concerning home-office)	10.0	-
- waste	36.9	-
Total Scope 3	158.2	

2021 data	CO ₂ e emissions (tonnes)	CO ₂ e emissions (tonnes) per m ²
Scope 1		
- emissions from stationary sources	0	0
- emissions from mobile sources	0	0
Total	0	0
Scope 2		
- emissions from electricity consumption	11,636.7	0,08
- emissions from heat consumption	1,523.0	0,01
Total	13,159.7	0,08
Total Scope 1 and 2	13,159.7	0,08

RECOGNISING CLIMATE-RELATED RISKS AND OPPORTUNITIES

We identify both risks and opportunities associated with climate change that affect the Group's operations. We carry out climate change analyses to predict short (through 2030), medium (through 2050), and long term (through 2100) developments.



SHORT TERM DEVELOPMENTS

CLIMATE-RELATED RISKS

- Extreme weather events that may cause local flooding, with a short-term impact on the availability of our properties (acute physical risks)
- Transition risks associated with policies – the EU's sustainable finance requirements may increase the cost of debt capital for companies that do not take sufficient action and do not disclose the required sustainability information

CLIMATE-RELATED OPPORTUNITIES

- Attracting new long-term tenants by deploying state-of-the-art solutions that reduce environmental impacts and by seeking to have the properties certified in terms of their environmental and sustainability performance.
- Reducing reliance on the national power grid

MEDIUM TERM DEVELOPMENTS

CLIMATE-RELATED RISKS

- Market transition risks – clients seeking only properties with the highest environmental certification status and the least climate and environmental impacts
- Market transition risks – lower demand for office space and growing trend towards remote work models perceived as a means to further reduce environmental impact
- Reputational transition risks – insufficient action on sustainability may damage the Group's reputation and cause problems with attracting talent and retaining employees
- Regulatory transition risks – the EU's further sustainability regulations may lead to higher prices of construction materials used to build new properties
- Impact of acute physical risks – heavier downpours and more violent weather events may have a negative impact on the affected areas
- Impact of chronic physical risks – rising water levels are of particular concern

CLIMATE-RELATED OPPORTUNITIES

- Further upgrade of portfolio properties to meet the highest environmental standards and tenants' requirements
- Continued sustainability efforts that will enhance the Group's reputation, allowing it to retain commitment of employees and attract new ones
- Further diversification of the business model towards residential properties



We take account of climate-related (transition and physical) risks and opportunities in our plans and decisions, because we are aware of their possible impact on our business model. The Group's development projects are recognised for their environmentally friendly solutions. We want to maintain this strategic approach to minimise the environmental impact of our projects and build the Group's competitive advantage on the property market. This will allow us to maintain high occupancy rates in our properties and favourable lease terms, with a positive effect on our operating cash flows, creditworthiness of the Group's companies and value of the property portfolio. Additionally, when choosing locations for our projects, we take into account physical risks, in particular the risk of rising surface water levels. Based on the data available at <https://isok.gov.pl/hydroportal>, only one of our projects (in Bydgoszcz, GLA 160 m²) is at risk of flooding (0.001% of our portfolio).

LONG TERM DEVELOPMENTS

CLIMATE-RELATED RISKS

- Chronic physical risks – rising sea and ocean levels might threaten our existing properties in the Tricity
- Chronic physical risks – high and rising temperatures may have an adverse impact on retail and office buildings, e.g. through more intensive use of air conditioning

CLIMATE-RELATED OPPORTUNITIES

- Investing in green building solutions, deploying state-of-the-art technologies

ASSESSING OUR BUSINESS MODEL'S RESILIENCE TO CLIMATE CHANGE

As recommended by the Task Force for Climate-Related Financial Disclosures (TCFD), we have also examined the resilience of our business model and strategy to two climate-related scenarios: the 'warming below 2°C' scenario and the 'warming above 2°C' scenario. The scenario analyses were qualitative rather than quantitative, and based on publicly available climate-related scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), included in the Sixth Assessment Report (AR6) published in 2021.

SCENARIO SSP1-2.6 – LOW GREENHOUSE GAS EMISSIONS SCENARIO, WHERE GLOBAL WARMING OF 2°C IS UNLIKELY TO BE EXCEEDED

POSSIBLE IMPACT OF CLIMATE-RELATED RISKS

Under this scenario, states and companies would need to take real and meaningful action in the coming years to significantly bring down greenhouse gas emissions. This, however, would likely produce considerable climate-related risks resulting from the transition to a low-carbon economy. These risks could eventuate as:

- implementation of stringent requirements for building materials used for construction of properties, which could drive up the cost of new development projects;
- implementation of stringent energy and water consumption requirements for properties, which could necessitate upgrades of some of our projects;
- implementation by the Group's clients and tenants of measures to reduce their carbon footprint, which could involve reducing office or retail space, as well as a greater shift to remote working or online sales.

Under this scenario, physical risks, especially of the chronic kind, could be mitigated in the long term as a result of keeping the global warming below 2°C.

POSSIBLE ACTIONS

Assuming such a scenario, the Management Board will take all necessary steps for the Group to be optimally positioned, which may include accelerated deployment of pro-environmental measures, particularly those improving the energy efficiency of buildings. The Group has extensive experience in developing various types of commercial and residential property, and thus it can flexibly adapt its projects to address existing demand and market conditions.





SCENARIO SSP3- 7.0 – HIGH GREENHOUSE GAS EMISSIONS SCENARIO, WHERE GLOBAL WARMING OF 2°C IS LIKELY TO BE EXCEEDED

POSSIBLE IMPACT OF CLIMATE-RELATED RISKS

This scenario would mean exposure to acute physical risks in the medium and long term, resulting from failure to take action on the part of states and companies to reduce greenhouse gas emissions. Arguably, it would mean lower transition risks than in the case of the first scenario.

We have identified three significant physical risks:

- rising sea and ocean levels, which might have a negative impact on properties located by the sea and rivers;
- higher temperatures, which might impair occupancy comfort for the properties owned by the Group;
- extreme weather events, which may occur with increased frequency and have more severe adverse impacts on the Group's properties, their accessibility and usability.

POSSIBLE ACTIONS

If such a scenario materialises, the Management Board will take steps to apply building materials and technologies that respond to changing climate conditions: by increasing the resistance of buildings to gusty winds, draining rainwater in the case of heavy downpours and adapting HVAC systems to high temperatures.

OUR EMPLOYEES



As part of our sustainability efforts we run numerous gender equality initiatives:

- We promote diversity in the workplace
- We foster a friendly environment supporting professional development and employee engagement
- We promote equal pay to men and women
- We respond to employee needs and expand training opportunities
- We manage employment responsibly
- We build our employer brand

- Capital Park is an integrated and fully functional operating platform, with internal resources capable of implementing investment processes on an end-to-end basis.
- The Group employs 89 professionals (employees and associates) who have the knowledge, experience and skills necessary to seek out promising projects, perform due diligence, secure funding, obtain permits, develop conceptual designs, implement projects, commercialise space and actively manage properties.
- The senior officers and department managers have on average 24 years of relevant professional experience, including 12 years with Capital Park. 55% of employees and associates have worked for the Capital Park Group for five years or longer. The long employment periods are reflected in low employee turnover rates. In 2022, 16 professionals joined our team, while 11 left the Group, which translated into a turnover rate of 12%.
- Our team is one of our most valuable assets. Our goal is to recruit and retain top professionals whose experience, competence and commitment will consolidate our competitive advantage.

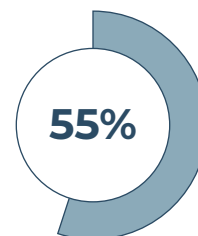
WE SUPPORT DIVERSITY IN THE WORKPLACE

Diversity, tolerance, mutual respect and trust are among the core values underpinning Capital Park's business. Supporting equal rights, preventing discrimination and providing equal career development opportunities for employees is a fundamental value for us as they drive the Group's business success and keep employee satisfaction high.

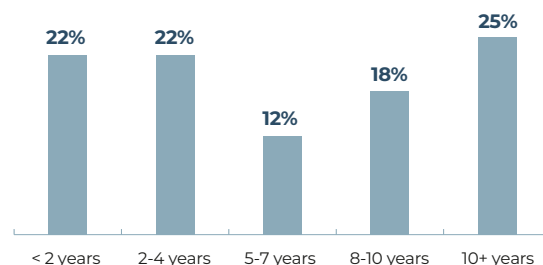
In 2022, the Management Board ratified a diversity policy for the Capital Park Group, which aims to:

- Create a workplace and work environment where all employees, regardless of the type of their employment relationship, feel respected and valued for who they are.
- Build trust, foster a positive work environment and counter discrimination.

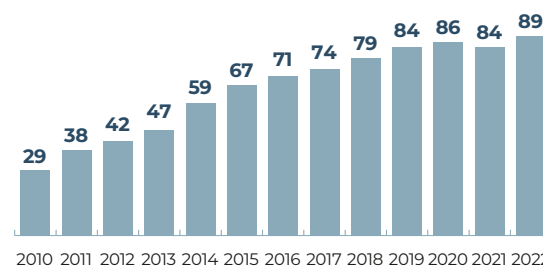
55% OF OUR EMPLOYEES AND ASSOCIATES HAVE BEEN WITH THE CAPITAL PARK GROUP FOR FIVE YEARS OR LONGER



YEARS WITH THE GROUP



CAPITAL PARK TEAM



As an employer, we follow an equal opportunities policy that prohibits any forms of discrimination (on the grounds of gender, race, colour, ethnic or social origin, genetic features, language, religion or beliefs, political or other opinions, membership of a national minority, financial status, family background, disability, age or sexual orientation).

We seek to foster a diverse and inclusive workplace through:

- Recruiting and building diverse teams who demonstrate strong commitment and are a driving force of innovative property development.
- Fostering an atmosphere and organisational culture of openness and tolerance.
- Creating a diverse and inclusive work environment that attracts, motivates and retains a diverse workforce
- Engaging in dialogue with employees on the adopted diversity management policy
- Maintaining a communication policy to inform stakeholders on the applied diversity management model and its results
- Annual reporting of actions taken and their practical results
- Promoting diversity management in Poland

The Group employs both women and men of various ages, based on candidates' merits only. As at the end of 2022, 62% of the employees and associates were women.

The Management Board and Supervisory Board include members qualified in such areas as law, economics and finance, with diverse professional experience. As at December 31st 2022, the Management Board was composed of one woman and two men, while the Supervisory Board comprised two women and four men. For more information on Management and Supervisory Board diversity, see the Management Board and Supervisory Board overview in the Corporate Governance section.



Key management personnel, including the managing directors of the investment, finance, accounting, construction, lease and property management departments, consist of four women and two men. The key management personnel have university degrees in such fields as finance, law, construction, marketing, management, and psychology.



Moxo Music Club, the Norblin Factory

KEY MANAGEMENT PERSONNEL DIVERSITY DIMENSIONS:

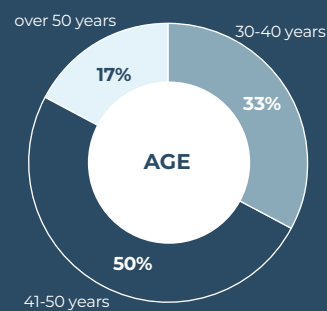
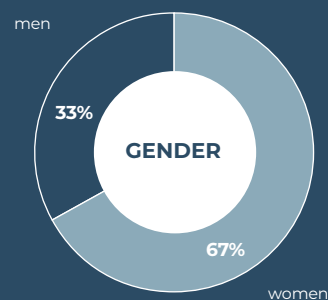
10 years

Average length of service at the Capital Park Group

20 years

Average professional experience

EMPLOYEES AND ASSOCIATES BY PROFESSION



COMPETITIVE PAY

We take care to ensure our employees are paid in line with competitor rates in order to attract, incentivise, develop and retain talent. The Group has put in place a remuneration policy for members of its Management and Supervisory Boards, which has been presented in the relevant remuneration reports. The remuneration of Management Board members consists of:

- fixed monthly pay (which is adjusted by reference to the annual consumer price index announced by the President of Statistics Poland)
- variable pay components (linked to performance against targets set for Management Board members by the Supervisory Board and subsequently verified by the Supervisory Board; they may be linked to the sale of the Company's assets, successful fundraising or funding disbursement, etc.)
- additional benefits: D&O insurance, support in administrative and court proceedings (where not covered by the D&O insurance policy), reimbursement of reasonable expenses and health insurance costs (subject to the Supervisory Board's approval)

The remuneration of Supervisory Board members comprises fixed cash remuneration paid under a resolution granting remuneration for service on the Supervisory Board. The remuneration is payable at a fixed monthly amount irrespective of the number of Supervisory Board meetings.

We regularly review our pay and bonus systems in order to closely monitor the professional development of our employees and their contribution to the Group's growth.



Source: JTI Polska sp. z o.o.

We have no formal remuneration policy in place for key management personnel and employees similar to the remuneration policy we have implemented for Management and Supervisor Board members. Our remuneration practice is founded on fair and transparent treatment of all employees and associates, and we counteract any unjustified pay differences. The remuneration of employees and associates consists of:

- fixed component (base salary)
- variable component (bonuses) linked to the achievement of targets set separately for each employee and associate
- additional benefits including extra leave time granted as a reward, medical care, training and career development opportunities, sabbatical leave for personal development or a career break, and remote work options

BUILDING HUMAN CAPITAL

The Capital Park Group is made up of top class professionals. We create a culture of accountability and independence for our employees and associates. We are committed to making their knowledge up to date and enhancing their skills and qualifications. Every year we organise training for our employees on subjects related to the Group's operations. These training programmes improve the work comfort of our team in the changing market environment, and build our Group's competitive advantage in the real estate market. In 2022, the average number of training hours for all employees and associates was 17 (2021: 12).

Our employees and representatives are also contributing to the development of employment standards in the Polish property sector. Together with the organiser of the 'Top Woman in Real Estate' competition we participated in a mentoring programme for young women who intend to pursue their professional careers on this market. The programme aims to support women in business, promote diversity and provide mentoring support for those working in the real estate business. The group of mentors who share their knowledge and experience with the programme participants include the Capital Park Group representatives: Kinga Nowakowska, member of the Management Board and Chief Operating Officer of the Group, has been involved in numerous initiatives promoting women's rights and equal opportunities for many years. She is the originator and founder of the Black Swan Fund in Poland, which promotes women's entrepreneurship.

Our female employees have frequently received the coveted title of Top Woman in Real Estate, as presented below:

2022

PERSONALITY OF THE YEAR

Kinga Nowakowska
Management Board Member and Chief Operating Officer

2021

ARCHITECTURE, DESIGN AND WORK PLACE

Małgorzata Badzyńska
Architect & Design Director

2020

BANKING & FINANCE

Anna Tomaszewska
Investment Director

2019

PROJECT MANAGEMENT

Sylwia Filewicz
Head of Construction Department

2018

BUSINESS MANAGEMENT

Kinga Nowakowska
Management Board Member and Chief Operating Officer

Source: JTI Polska sp. z o.o.



OUR EMPLOYEES AND ASSOCIATES ARE SAFE

We take care to protect the health and safety of our employees and associates on a daily basis. Together with the Office Doctor medical support team, we make sure that:

- Workstations and common areas are adequately protected
- Office space undergoes regular professional disinfection
- Employee illness is monitored
- Coronavirus tests are performed as a preventive measure
- Our employees are kept up-to-date on current recommendations and restrictions

We do our best to provide a comfortable and safe work environment for our office staff and encourage them to live a healthy lifestyle and take good care of their own and their families' health.

To consistently raise OHS awareness among employees, we provide them with OHS training and participate in educational campaigns. The number of OHS training sessions held in 2022 and 2021 was eight and three, respectively. The fact that there were no workplace accidents recorded in 2022 and 2021 confirms our employees and associates are safe. As a result, the accident rate (number of accidents per thousand employees) was zero. As the number of days of inability to work was zero, the severity rate (lost days/number of accidents) was also zero in 2022 and 2021.



To make sure we are prepared for unexpected events, we regularly organise first aid training for employees, conducted by the Office Doctor paramedics. The Capital Park Group also supports the 'Watch Out for Fire!' fire prevention programme run in partnership with the Voluntary Fire Brigades Association of Poland and aimed at popularising safe fire fighting standards.



PROMOTING WORK-LIFE BALANCE

We believe that work-life balance makes our employees feel more motivated and helps create a positive working atmosphere. The Capital Park Group supports employees and their families through:

- Hybrid work model combining remote and office work
- Time off for unplanned events or emergencies involving family members, difficult life situations, etc.
- Support for working parents in balancing their work and family responsibilities, including through flexible working hours or reduced working time
- Participation in fun family events and meetings
- Kindergartens in company office buildings

GROUP CODE OF CONDUCT

We have developed a comprehensive Group Code of Conduct that serves as a foundation for maintaining integrity and compliance throughout our organization. This code supports our employees and associates in making sound, ethical business decisions and taking appropriate action. Our business activities are guided by the credo "Together We Create Value". We are committed to conducting our operations responsibly and being a reliable partner that is valued by all stakeholders. Our approach is reflected in the Group's values, which set us apart from other companies and contribute to building a brand that is sought after by individuals and organizations alike. It is the responsibility of every employee and colleague to comply with the principles outlined below in all their activities and business relationships. Furthermore, they are expected to promote these principles through their behaviour and attitude.

Compliance and Integrity:

It is imperative that every employee and associate is well-versed in the laws and regulations that apply to their role, to ensure that the Group conducts its operations lawfully. Engaging in illegal or fraudulent activities and practices can have a detrimental impact on the Group's reputation and the trust of our stakeholders, and may lead to financial penalties and other adverse consequences.

All employees and contractors are expected to conduct their business activities and relationships with integrity and trustworthiness.

Furthermore, it is essential that all employees and associates comply with the Capital Park S.A. Group's Human Rights Protection Policy.

We continuously review and update our structure and ethics and compliance practices to accommodate the complexities of our real estate business.

Relationships with Employees and Associates:

The Group understands the significance of fostering a healthy work environment and maintaining positive relationships amongst employees and contractors. Therefore, every individual should:

- Strive to cultivate positive relationships with contractors and exhibit a friendly demeanour towards them;
- Consistently condemn any form of harassment, discrimination or bullying and take appropriate action when witnessing such behaviour;
- Respect the personal rights of contractors, particularly their dignity and good name;
- Exhibit a high level of personal professionalism in their interactions with contractors and external stakeholders.

Equal Employment Opportunities and Group Relations:

The Group ensures that all employees and associates have equal opportunities for employment, promotion, and development support. Decisions regarding employment are based on qualifications for the position and performance, which includes education, experience, skills, abilities, and outcomes. Employee and associate evaluations are conducted based on objective criteria. The Group adheres to all laws governing freedom of association, privacy, collective agreements, wages and working hours, as well as laws prohibiting discrimination and harassment.





Avoiding Conflicts of Interest

The loyalty of the Group's employees and associates is a critical factor that influences the effectiveness of the Group's operations and its growth. This loyalty may be compromised by conflicts of interest, which arise when personal and business interests overlap, leading employees and associates to be unable to maintain the required level of impartiality and loyalty in the performance of their duties.

To avoid the conflicts of interest described above, employees and associates must:

- Avoid using their position or providing official information for their personal benefit or that of individuals close to them;
- Adhere to the principles outlined in the applicable Anti-Corruption Procedure at Capital Park S.A. Group;
- Refrain from engaging in situations where relatives would be in a subordinate relationship to the employee or colleague;
- Avoid participating in decision-making processes that may question their integrity, impartiality, and loyalty to the Group;
- Avoid using Group resources, intellectual property, time or Company facilities for personal gain.

External Relations

The Group conducts business activities that involve interactions with various parties, such as contractors, business partners, governmental and non-governmental organisations, the media, and competitors. All such relationships must be established on principles of respect for the other party, compliance with the law, honesty, and adherence to the principles of the free market.

Moreover, the Group promotes the respect for human rights in its own supply chain.

Local Community

The Group endeavours to establish positive relationships and foster a constructive environment, not only in its business operations but also in its interactions with local communities. The Group aims to contribute to the economic development of these communities and to be perceived as a valuable neighbour and a positive contributor to the community. This is demonstrated through support for selected charitable initiatives and projects that focus on education, social welfare, environmental protection, development, and entertainment.

Environmental Protection

The Group recognises the significance of environmental protection, not only for the present but also for future generations. The Group operates in accordance with environmental regulations to minimise the negative impact of its operations on the environment.

The Group's environmental policy is not limited to compliance with existing regulations but includes proactive pro-environmental behaviours.

Furthermore, the Group collaborates with counterparties who declare and implement respect for these principles in their actions.

If there are concerns about compliance with the Code or if any behaviour is perceived as a breach of the Code, an immediate report should be made in accordance with the Group's Anonymous Whistleblowing Procedure, adopted by the Company's Management Board. The report will be handled in compliance with the said procedure.



RESPECTING HUMAN RIGHTS

Respect for human rights is at the core of sustainable development of the Capital Park Group and our local communities. We treat all our employees, associates, clients and their employees and our business partners with due respect, recognising their dignity and rights, regardless of nationality, gender, language, religion, political views, social background or financial status.

In 2023, the Management Board adopted a formal Human Rights Policy based on the principles set out in the UN Universal Declaration of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms and other internationally recognised standards. We seek to ensure that our business activities are carried out respecting human rights, therefore:

- We work with trading partners (tenants, service providers, contractors and suppliers) who respect fundamental human rights.
- We exercise all due care to identify and evaluate our negative impact.
- We exercise all due care to mitigate the risk of human rights violations in the course of our operations.
- We integrate respect for human rights in our business activities.
- We communicate and promote human rights awareness among our employees, associates, trading partners and other stakeholders.

The human rights standards in place at the Group include in particular:

LOCAL COMMUNITIES AND STAKEHOLDER ENGAGEMENT

We are aware of our impact on the local communities living near our operations. We engage in dialogue with all our stakeholders to understand their perspectives and take them into account in our business activities.

SUPPORTING DIVERSITY IN THE WORKPLACE

We aim to create a friendly and inclusive workplace where all employees and associates are provided with opportunities to fully realise their potential.

NON-DISCRIMINATION

We follow an equal opportunities policy that prohibits any forms of discrimination (on the grounds of gender, race, colour, ethnic or social origin, genetic features, language, religion or beliefs, political or other opinions, membership of a national minority, financial status, family background, disability, age or sexual orientation). We strive for a discrimination-free workplace.

ZERO TOLERANCE FOR CHILD LABOUR

We do not employ persons who have not reached the minimum legal working age, and we apply a zero tolerance approach on child labour at our trading partners.

ZERO TOLERANCE FOR FORCED LABOUR

We respect the right to work in freedom, and we will not tolerate forced labour.



CREATING A SAFE WORK ENVIRONMENT

Our priority is the health, safety and well-being of our employees and associates. We operate in compliance with all applicable health and safety regulations.

FAIR REMUNERATION

We comply with all applicable laws and regulations, particularly the provisions of labour law. We offer decent working and pay conditions, holiday entitlements, and equal promotion and development opportunities.

FREEDOM OF ASSOCIATION

We respect everyone's right to freedom of opinion and expression. We operate in a culture of debate and discussion, seeking to arrive at shared conclusions and work out solutions by joint effort. At the same time, we respect the freedom of association and the right of employees to form and join trade unions. There are no trade unions at the Company or the Group, which is due to our staffing structure and no need to engage in such initiatives.

RESPECT FOR THE ENVIRONMENT

Promoting a preventive approach to the natural environment, particularly when erecting and managing buildings. Implementing and promoting environmentally-friendly technologies in our buildings.

ANTI-CORRUPTION

We prohibit corruption.

MISCONDUCT REPORTING AND INVESTIGATION

The Group has a whistleblowing procedure for anonymous reporting of misconduct in place that was approved by the Management Board on January 10th 2020. The procedure ensures full confidentiality in reporting violations of laws, internal regulations and ethical standards, and provides protection against retaliation. The anonymous whistleblowing system is accessible to both internal and external stakeholders. Any cases of misconduct can be reported, via a form available on our website, to the coordinator responsible for handling reports of misconduct, and should a report concern a Management Board member – to Katarzyna Ishikawa, a member of the Supervisory Board. After a report is made, a Committee appointed by the Company's Management Board proceeds to investigate the incident. The Committee is composed of three persons, including the whistleblowing officer, unless the report concerns the officer. Then, those responsible are brought to account and appropriate disciplinary, organisational or legal measures are taken with respect to them by the Management Board, acting on the basis of the committee's recommendation. The system ensures anonymity and no retaliation against the whistleblowers. No reports of misconduct were received in 2022 or 2021. We respect the law – anyone accused of misconduct has the right to defend their good name and to be judged in an independent and impartial manner.

RESPECT AND PROTECTION OF PRIVACY

An important aspect of our operations is protecting the privacy of individuals whose personal data is stored in our systems. We exercise due diligence in this area, having implemented a GDPR policy. There were no data leaks in 2022 or 2021, and no notification to the Data Protection Authority were filed with respect to the Company or other members of its Group.





ANTI-CORRUPTION AND BRIBERY

We act to prevent corruption and provide employees with anti-corruption training. We care to maintain professional business relationships with our partners and make sure that any gifts accepted from them are permitted under Polish law. No cases of corruption or bribery occurred at the Group in 2022 or 2021.

We strive to minimise bribery through our anti-corruption procedure aimed at counteracting corruption understood as acts falling within the scope of the offences defined in Art. 229, 230, 230a, 296a and 305 of the Penal Code of June 6th 1997 (the "Penal Code") and reducing the risk of its occurrence within the Group.

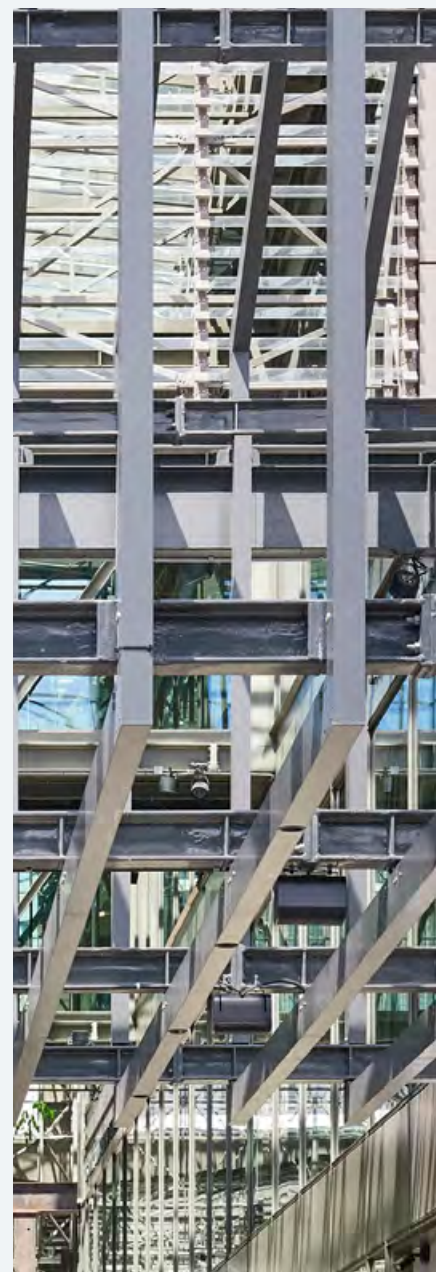
We make it clear that preventing, counteracting, detecting and reporting corruption is the duty of all associates of the Group, who should be prepared to cooperate with us in efforts to combat corruption. All employees have the responsibility to prevent and report corruption. Suspected corrupt conduct can be reported online via https://capitalpark.pl/?page_id=961

Any cases of misconduct can be reported using a form available on our website to Kinga Nowakowska, a member of the Company's Management Board, and in special cases to Katarzyna Ishikawa, a member of the Supervisory Board. Once a report is submitted, an investigation process is launched. Then, those responsible are brought to account and appropriate disciplinary, organisational or legal measures are taken with respect to them by the Management Board, acting on the basis of the committee's recommendation.

HUMAN CAPITAL RISKS AND THEIR MANAGEMENT

	RISK OF LOSS OF HUMAN CAPITAL	RISK OF STAGNATION IN HR DEVELOPMENT
RISK FACTORS	<ul style="list-style-type: none"> ▪ Competitor activity ▪ Loss of employees across all levels of the Group ▪ Inability to attract talent 	<ul style="list-style-type: none"> ▪ Incorrect or inadequate identification of training needs ▪ Reluctant approach to applying new solutions
POTENTIAL IMPACT	<ul style="list-style-type: none"> ▪ Decline in operational capacity ▪ Loss of key executive and management personnel ▪ Scaling down of the Group's expansion plans ▪ Excessive staff turnover ▪ High costs 	<ul style="list-style-type: none"> ▪ Loss of the company's know-how potential ▪ Employees' failure to obtain the required qualifications ▪ Failure to increase employee efficiency ▪ Failure to deliver return on investment in employee upskilling
RISK MITIGATING MEASURES	<ul style="list-style-type: none"> ▪ Employee development programme ▪ Employee education and upskilling ▪ Ensuring decent working conditions ▪ Providing support programmes, including medical packages ▪ Promoting a balanced lifestyle, appropriate work-life balance, flexible working hours ▪ Clear, transparent and honest communication with employees about our mission and growth plans. 	<ul style="list-style-type: none"> ▪ Ongoing monitoring of staff training needs ▪ Regular reviews of remuneration and bonus schemes ▪ Encouraging employees to pursue personal and professional development ▪ Collaboration with industry institutions ▪ Participation in a mentoring programme

RISK RELATED TO DIVISION AND EFFECTIVE DELEGATION OF RESPONSIBILITIES	RISK OF HUMAN RIGHTS VIOLATIONS
<ul style="list-style-type: none"> ▪ No link between employee efficiency and remuneration ▪ Repeating the same working methods ▪ Employees' disconnection from the company and its goals 	<ul style="list-style-type: none"> ▪ Failure to exercise due care in respect of the rights of our employees and associates ▪ Unequal pay for equal work among our employees and associates ▪ Risk of human rights violations in our value chain
<ul style="list-style-type: none"> ▪ Employee's inability to handle the duties that come with their job ▪ Limited number of ideas and authorisations ▪ Ineffective internal structure of the company 	<ul style="list-style-type: none"> ▪ Potential adverse effect on the reputation of the Company and the Group
<ul style="list-style-type: none"> ▪ Regular dialogue with employees ▪ Ongoing monitoring of the employment structure ▪ Employee upskilling through internal and external training and education programmes 	<ul style="list-style-type: none"> ▪ Implementation of a human rights policy ▪ Compliance with GDPR regulations



SOCIETY

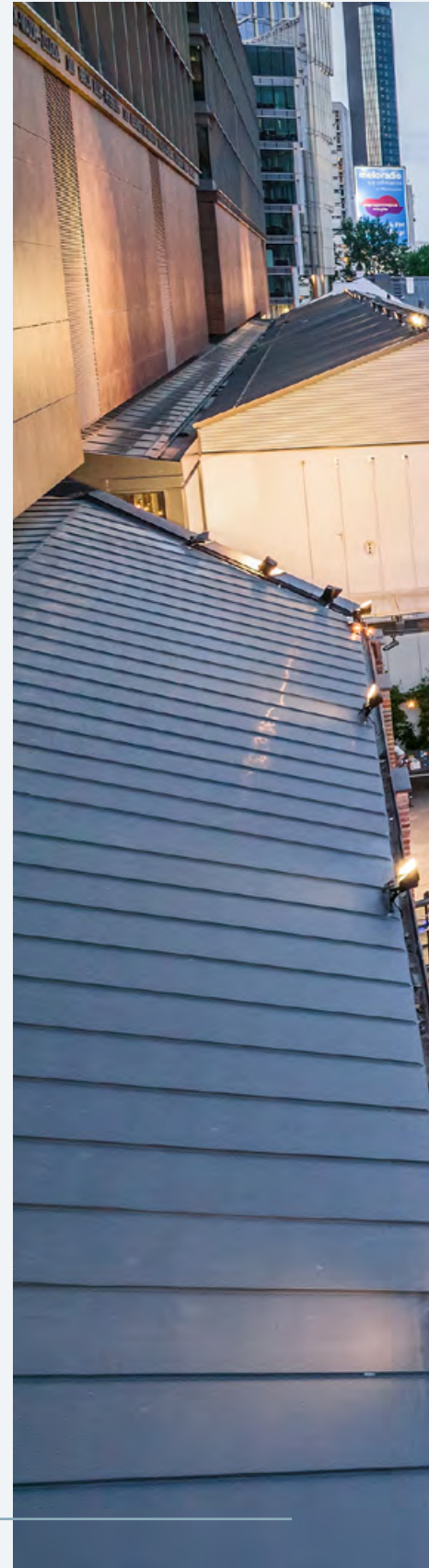


Kinga Nowakowska,
Member of the Management
Board, COO



The past year was a tumultuous one, with the conflict in Ukraine and the upheaval of the existing European order. In the face of these challenges, individuals and nations alike were forced to reassess their values and priorities with lightning speed. It was a scenario that should never have happened in the modern world, but life had other plans. Our community was called upon to mobilise, and we rose to the occasion. We are proud of our employees who stepped up and offered their support to refugees from Ukraine, both individually and as a company. We organised aid campaigns and collections, and individuals contributed to voluntary initiatives. Our mantra throughout 2022 was "all hands on deck," and we are honoured to have played a role in helping those in need.

Despite the challenges posed by the war earlier in the year, 2022 was a truly exceptional time for us. Our years of hard work and dedication culminated in several prestigious awards for the Norblin Factory, both nationally and internationally. Of all the accolades we received, the most valuable one was the global recognition we earned at the ULI Global Awards for Excellence. Our project was distinguished as one of the top six urban developments in the world. I would like to extend my heartfelt appreciation to the entire team, as well as to our contractors and business partners who played an integral role in bringing this ambitious project to fruition. We are extremely proud of the stunning results of our collective efforts, and we are thrilled to see the Norblin Factory receiving recognition from esteemed professionals both domestically and abroad. This project represents the culmination of our extensive experience in creating multi-functional and city-building projects that we have gained from previous investments, such as Royal Wilanów. At the core of our investment strategy lies active management of





our projects - a fundamental principle we have upheld since our inception. We pride ourselves in creating spaces that not only fulfil the needs of our tenants, but also resonate with the local community, the district, and the city. With this project, we realized that the role of developers has evolved beyond building and renting, to actively and creatively operating functions. Our tireless efforts in shaping the identity of our developments, creating addresses of distinction, and investing in the city, have yielded remarkable results. The Norblin Factory, a project we hold dear, has become an iconic landmark in Warsaw, benefitting both present and future generations.

We placed considerable emphasis on sustainable development last year, and will continue to dedicate more time and resources to this crucial area in the future. We were eager to participate in industry events and themed conferences on environmental, social, and governance (ESG) issues, as we are committed to learning from best practices in the market. I applaud the EU regulators' approach to sustainability, turning it from a passing trend into tangible and measurable action with increased regulation. In addition to certifying our buildings for sustainability, last year we also began auditing their energy efficiency. We prioritize solutions that have a positive impact on the environment and participate in campaigns to raise awareness about the importance of sustainability in our industry. We work for the betterment of the communities around our projects, as well as our suppliers, customers, and business partners. Our employees are equally important to us, and we maintain high standards of working conditions and respect for employee rights.

SUPPORTING LOCAL COMMUNITIES

As an investor actively operating on the Polish property market, we have set ourselves a goal of ensuring that our projects are fully integrated with the local communities. Realising that we are not a lonely island but part of each neighbourhood community, we want to be actively involved in its life and initiatives. Our projects are defined not only by their address, but above all by the responsibility for the place where we operate, so one of our priorities is to establish and nurture good relations with the local community. We are involved in charitable, cultural, community and educational initiatives, and we are also open to all ideas and suggestions put forward by our neighbours. We join forces to foster one of the most important aspects of the contemporary world – interpersonal bonds.

Paying attention to other people's needs became particularly important after the period of social isolation caused by the pandemic, which made us all appreciate the time shared with family and friends. Throughout 2022, Norblin Factory hosted activities and events for larger groups of people, providing them with an opportunity to enjoy their favourite pastimes. The complex has been generally designed as a place that fosters human interaction and responds to people's needs. It includes a boutique cinema where tea, coffee or a glass of wine can be ordered during the screening. Food Town is a place where people can meet and enjoy delicious food, and the Norblin Factory Museum offers guided group tours as well as a healthy dose of history and good fun. In the

summer, restaurant gardens are set up in the charming streets of the Norblin Factory complex, where guests can work, talk or spend the night with friends.

Last year, we prepared various attractions for the local community. On the Valentine's Day, cocktail making workshops, film screenings and concerts were held. We celebrated Children's Day by organising numerous fun activities, competitions with prizes, an improvised theatrical performance, and a concert packed with some of the greatest songs from children's films. Children could also enjoy a free ride on a French safari merry-go-round. The Norblin Factory Museum opened its doors to all participants of the Long Night of Museums event. Visitors





2022 RESULTS:

4,010 hours

spent on local community initiatives

387

community, cultural and charitable events organised

PLN 460 thousand

in grants donated to charitable, cultural and sports initiatives

11

social projects supported through donations

were greeted by actors in period clothes who, assisted by a city guide, gave them a tour of the historical complex. The tour was also available in the Ukrainian language so that Ukrainians staying in Warsaw could learn about the history of the former factory complex.

We made sure to create a great atmosphere within the complex in the summer as well. Nearly 500 additional seats were set up in bars and restaurants located in the historical buildings of the complex. The Letnia Scena Fabryki Norblina project was launched – every weekend until mid-September the Norblin Factory streets resounded with live music performed by musicians from all walks of music. Given the situation in Ukraine, more than 100 concerts were held under the slogan 'Make Music Not War'. Among the musicians performing on stage were winners of competitions and participants of TV singing talent shows, such as The Voice of Poland, as well as graduates of the top Polish music universities, such as the Fryderyk Chopin University of Music and the Academy of Music in Katowice.

Together with the local community, we celebrated Norblin Factory's first anniversary. On four Saturdays starting from the end of September, the complex hosted free events, including fun and creative activities for children, a family urban game, workshops, yoga classes, and performances given by a modern-day circus. We also invited visitors for a free visit to the Norblin Factory Museum and to our anniversary concerts featuring Marika, Ania Szarmach and Envee, Wojtek Pilichowski with Jericho Brass Collective, Nick Sinclair, and the special guest Sound'n'Grace. During the Christmas season, our complex turned into a Great Elf Factory where children had the opportunity to meet Santa Claus and play with Elves.

Another place where local residents can enjoy leisure and pastime activities is the special area we created near the Royal Wilanów building. Our neighbours can use football and grass hockey pitches, a minigolf course, and other facilities. In the outer area of the complex, there are trampolines and an ice rink is set up every year in winter. With local residents in mind, we ran the 'Night-

Time Playing'g project throughout the summer holidays, with music concerts performed on an outdoor stage at Royal Wilanów. Also, many fun and sports activities, workshops, and cultural events are organised for children.

Norblin Factory supporting Warsaw Insurgents

Located in the vicinity of Norblin Factory is the Day Centre for Warsaw Uprising Veterans. Our involvement with this institution dates back to the time when we still worked on revitalising this historical site in the Wola district of Warsaw, so it has lasted for several years now. It is a great honour for us to support these extraordinary people, true heroes, thanks to whom that we can now live in a free country. Each of the veterans under the care of the Day Centre commands respect and admiration, so it is with great affection that we join in celebrating their birthdays. Last year Norblin Factory once again had the pleasure to prepare, together with the BioBazar food market, birthday gifts and personally offer best wishes to the Insurgents. We also join in all other celebrations held at the Day Centre for Warsaw Uprising Veterans, as well as Christmas get-togethers and events. We admire the Warsaw Insurgents for their courage and determination, but also for their kindness, warmth and smile, which they give to one another and to their guests every day despite having gone through such a devastating ordeal. We are proud to participate in the life of the Day Centre. Our aim is to thank the veterans for their sacrifice, which to us is a great lesson in humility, sensitivity and respect.

INITIATIVES FOR TENANTS

Activities for the benefit of local communities are also undertaken at our other projects, located in Gdańsk and Swarzędz. Every year we engage in local outreach initiatives at Galeria Zaspas in Gdańsk. Traditionally, we are one of the sponsors of the Zaspas Run, an event promoting healthy lifestyles, which is joined by hundreds of residents of Gdańsk. We cooperate on an ongoing basis with Geneva Trust Polska sp. z o.o. in providing more than ten free screening mammography campaigns yearly for women living in the area. We also reach out to those most in need. Together with the Światelko Foundation we co-organise a fundraiser and donate the proceeds to local children's homes. At the ETC Swarzędz shopping centre near Poznań, we organise regular visits of a mobile breast screening van as well as numerous charity events. We have also joined forces with the Regional Blood Donation and Haemotherapy Centre to encourage Swarzędz residents to support the blood bank. They can use the services of a mobile blood collection team, who park their vehicle on the premises of ETC Swarzędz several times a year. We also promote fundraising drives for the Great Orchestra of Christmas Charity and the animal shelter in Skąlowo. For many years, we have partnered with the Municipality Office of Swarzędz in holding the Swarzędz Days event.

SUPPORTING IMPORTANT PROJECTS

Standing with Ukraine

In response to the war raging across the border in Ukraine and a growing wave of refugees fleeing Ukraine after Russia launched its aggression against our eastern neighbour, at the end of February 2022 we joined forces with Satoria Group S.A., the owner and operator of a hotel chain, to provide accommodation for Ukrainian refugees in one of its hotels in Warsaw. Satoria made avail-



able one hundred double rooms at the hotel, and the Capital Park Group provided financial and organisational support for the project, directing the refugees to the place of accommodation. People arriving at the hotel received instructions on how to register with Warsaw's information points to obtain further assistance.

In the first weeks following the outbreak of war in Ukraine, we offered space in our head office in Wilanów to the Friends of Ukraine Association free of charge. The Association has been present in Poland for 19 years, and it is one of the oldest organisations supporting Ukraine in our country. After Russia invaded Ukraine on February 24th 2022, the scale and needs of the relief effort for Ukrainians, both people staying in Ukraine and refugees seeking shelter in Poland, were enormous and growing by the day. The organisation launched a rapid aid campaign, and we arranged a comfortable space and facilities enabling them to focus on their work. We provided accommodation to around a dozen employees and volunteers of the Friends of Ukraine Association for almost 12 months.

The massive wave of Ukrainian refugees in Poland, the needs of people who left their homes to rescue their families and children and the personal stories we heard on a daily basis, prompted us to assemble our own team of 15 volunteers, who were responsible for contacting refugees, finding them accommodation with Polish families, arranging collections of essential items, food, clothing and medicines, providing transport from the Ukrainian border, and helping them find work. Our volunteers met weekly over a three-month period under the supervision of Kinga Nowakowska, Member of the Management Board and Chief Operating Officer of the Capital Park Group, to discuss the current needs and requests for assistance. As part of these efforts, we also managed to find employment for three Ukrainian citizens within our own organisation.

Our teams managing the individual projects in the Capital Park Group's portfolio also engaged in the aid effort.

Initiatives for Ukraine at Norblin Factory:

- In March 2022, Norblin Factory organised a Weekend for Ukraine event, which raised nearly PLN 40,000 for the cause.
 - All ticket sales proceeds earned by the KinoGram cinema during the event were donated to the Dobra Fabryka Foundation, which provides humanitarian aid to our eastern neighbours.
 - Norblin Factory's Food Town prepared a special cocktail called 'Peace Please!', with all proceeds from its sale donated to the Ocalenie Foundation to fund humanitarian aid for victims of the war in Ukraine.
 - BioBazar Bistro prepared a special menu with a selection of Ukrainian dishes. The funds raised from their sale went to the Friends of Ukraine Association. A food drive was also organised on the BioBazar premises to collect foodstuffs with a long shelf life.
 - Proceeds from the sale of beer at UWAGA Piwo! were donated to the Polish Humanitarian Action.
- During the Scena Młodych weekly musical performances held as part of the Jam Session on the Norblin Factory outdoor stage, funds were raised to support the 'Help Ukraine!' campaign organised by the Dobra Fabryka Foundation. All proceeds from tickets to 'Hedonist. Variété Show' were donated to the Foundation.
- The Children's Day celebrations at Norblin Factory were also held in the Ukrainian language so that Ukrainian children could participate in the fun on that special day.
- The Norblin Factory Museum offered free tours of its premises and exhibitions, also with guides speaking Ukrainian.





Initiatives for Ukraine at Royal Wilanów:

- At Royal Wilanów, we helped Ukrainian citizens to sell goods which, due to the military activities, did not pass through the border. A truck with fruit and vegetables was stationed on the Royal Wilanów car park and local residents bought the products, thus supporting the Ukrainian entrepreneur and his employees. In addition, the first donation drive to collect necessary items was held on the Royal Wilanów premises and the truck carried the items to Ukraine.
- The Help Now medical assistance provider, which has its ambulance dispatch station at Royal Wilanów, set up a special rescue team and provided free help to the Ukrainian refugees.
- On International Women's Day, Artis Wellness Club organised the 'Kilometres for Ukraine' initiative for Ukrainian women. For each kilometre run on the treadmill, the club transferred PLN 1 to the noble cause.
- As part of a project organised in partnership with the Wilanów Community Centre at Royal Wilanów during the Easter season, we offered for sale Ukrainian dumplings made by Katarzyna Bosacka and Mariya Popko from Lviv. All proceeds from the sale were donated to the Polish Humanitarian Action to support Ukrainian soldiers and refugees. Easter menu cooking classes were also held as part of the event, both in the Polish and Ukrainian languages.



Helping dreams come true

The Capital Park Group was happy to once again support the '28 Dreams – Disabled on their Way to the Hel Peninsula' initiative. The project is run for young people in the Rehabilitation, Education and Childcare Centre and Private Vocational Training School in Działdowo. The youth, with moderate intellectual disabilities, motor impairments, visual impairments or autism, fulfil their dreams by setting themselves a new challenge every year. Last year, 22 participants, including nine caregivers and 13 young people aged 13 to 23, went on a bike trip along the coast to the Hel Peninsula. We have sponsored the initiative since inception, and Marcin Juszczuk, a Member of the Capital Park Group Management Board, is its ambassador. We are greatly honoured and pleased to help young people in overcoming barriers and making their dreams come true.



'Watch Out for Fire!'

Last year, Capital Park joined the 'Watch Out for Fire!' public awareness campaign, a regular event organised jointly with the Voluntary Fire Brigades Association of Poland, which runs a fire prevention programme in cities across Poland. The initiative seeks to educate and raise awareness of fire safety standards. The event featured firefighting demonstrations and competitions and culminated with a music concert performed by Monika Brodka at the Central Sports Centre Torwar in Warsaw. We joined the initiative as a sponsor of the concert.

ENGAGING WITH INDUSTRY ORGANISATIONS AND INITIATIVES

Our active participation in industry initiatives and organisations allows us to share our knowledge and exchange our experiences relating to important aspects of our business.

The Capital Park Group is a member of:

- Polish Chamber of Commercial Real Estate
- Urban Land Institute (ULI)
- REIT Poland Association

Last year, we partnered the Polish Chamber of Commercial Real Estate for another online debate held as part of the 'The Office 2022. The New Normal' campaign devoted to flexible office space. The initiative was created by real estate companies and consulting firms in response to new challenges facing employees, employers and office property owners during the pandemic. The initiative produced a handbook containing a set of measures to effectively improve working standards and conditions in the new reality.

2022 presented us with new industry challenges. Marcin Juszczyk, a member of the Capital Park Group Management Board, was appointed to ULI Poland Executive Committee, an organisation tasked with investigating key factors in improving the quality of life of people and strengthening sustainability in cities. Urban Land Institute's mission is to promote responsible land development and to create and support thriving communities all over the world. On behalf of the Capital Park Group, Marcin Juszczyk actively supports and promotes ULI's initiatives in Poland.

As we attach great importance to sustainability in our projects, we were happy to join ESG initiatives and events.

Last year, we had the pleasure of having members of The 30% Club Poland at Norblin Factory to celebrate the first anniversary of the initiative in Poland. 30% Club is a global campaign promoting gender diversity and inclusion at senior management levels. The campaign is already present in more than 20 countries around the world, including the UK, the United States, Canada, Ireland and Poland (since 2021). In Poland, the initiative seeks to increase the share of women on the boards of 140 largest listed companies to 30% by 2030. At Capital Park, 67% of senior managerial positions are held by women. Also, 33.3% Management and Supervisory Board positions are filled by women. We are happy to support initiatives promoting women in business. To demonstrate our commitment, we have partnered the 'Top Woman in Real Estate' awards programmes for five years now.



We also partnered the third edition of the Warsaw B Corp Summit event in Poland, providing a source of inspiring lectures, heated discussions and opportunities to share views, broaden horizons and exchange experiences. Last year's edition of the project brought together leaders of the world's most sustainable companies as well as experts in sustainability and regenerative economy.

In 2022, we were also a partner of an industry conference of the 8th Edition of CEE Summit 'Unity & Resilience', which focused on ESG topics in real estate. We were happy to join the annual initiative promoting sustainable transport called 'Suits on Bikes' organised by Euro-buildCEE. The Capital Park Group was a sponsor of the final run and had the chance to present to a wider audience Poland's first fully automated bicycle parking facility that has been opened to the public at Norblin Factory.

At a conference organised by Obiekty magazine to discuss the topic of creating better spaces, the Capital Park Group was represented by Kinga Nowakowska, Member of the Management Board and Chief Operating Officer, who shared her experiences in planning, implementation, operation and extension of the Norblin Factory mobile app, one of the most popular apps supporting property management and relationships with tenants, visitors and suppliers in mixed-use buildings, from her perspective as the building owner and manager.

Last year, Kinga Nowakowska was also a speaker during the Revitalisation panel at the European Economic Congress 2022, sharing her experience gained from working on the Norblin Factory project.



RISKS RELATED TO LOCAL COMMUNITY RELATIONSHIPS AND THEIR MANAGEMENT

	REPUTATIONAL RISK
RISK FACTORS	<ul style="list-style-type: none"> ▪ Materialisation of other risk factors including, without limitation, the risk of non-compliance with applicable laws, internal and external regulations, market standards, etc. ▪ Incorrect assessment or management of ESG factors ▪ Insufficient communication with external stakeholders ▪ Changes in preferences
POTENTIAL IMPACT	<ul style="list-style-type: none"> ▪ Damage to the Group's reputation as perceived by tenants, trading partners, banks, employees, shareholders and wider communities
RISK MITIGATING MEASURES	<ul style="list-style-type: none"> ▪ Application of internal policies and procedures to minimise risks within the Group ▪ Making business decisions with due regard paid to the natural environment and society ▪ Regular user and tenant satisfaction surveys and maintaining close relationships with the Group's external stakeholders ▪ Applying an exclusion policy (exclusion of suppliers/contractors with potential adverse environmental/social impacts)



RISK OF INADEQUATE MANAGEMENT OF ESG FACTORS

- Risk of changes in national and international legal regulations, including increasingly stringent environmental protection requirements (requirements to improve the environmental sustainability of real properties), energy transition, CO₂ emissions reduction, meeting the needs of people with disabilities),
 - Inadequate ESG risk assessment and/or hierarchy and/or insufficient ESG risk integration with the Group's risk management
 - Lack of formal ESG data collection systems
 - Low quality of internal and external data, or unavailability of data used in ESG management and reporting
 - Failure to make sufficient commitments to comply with ESG requirements and to solve ESG issues
 - Geopolitical factors
-
- All business areas of the Group and its image
 - Increased spending to support climate and CO₂ emissions reduction targets (e.g. energy transition) and the need to raise additional capital to implement the required measures
 - Failure to fully meet external stakeholders' expectations
 - Need to factor in the supply chains and other third-party relationships in the ESG risk assessment
 - Insufficient verification of risk management processes and opportunities, and insufficient verification of opportunities to increase ESG risk management efficiency
-
- Taking steps to increase transparency across all ESG aspects even though there is no ESG reporting obligation
 - Regular process and activity reviews and assessment of ESG risks, including through ESG due diligence
 - Green building certification of development projects
 - Division of ESG risk management roles and responsibilities within an interdepartmental ESG working team set up for that purpose
 - Implementation of the Group's code of ethics, diversity policy, and whistleblower system
 - Incorporating ESG risk assessment at the project planning phase
 - Obtaining knowledge from reliable sources within and outside the organisation
 - Using tools and advisory services to ensure the implemented solutions and methodologies are in compliance with the best market standards in order to ensure effective use of ESG data
 - Fostering strong, honest and lasting relationships with local communities, tenants, employees and local government institutions

MARKET ENVIRONMENT IN 2022

MARKET ENVIRONMENT IN 2022

- In 2022, 126 sales transactions were executed on the commercial property market, with a transaction volume of EUR 5.9bn (up 2% on 2021), which, taking into account external factors such as the war in Ukraine, rising inflation and high interest rates, can be viewed as a very good year in terms of investment. Office space accounted for 37% of all property sale transactions, retail space – 25%, industrial and logistics space – 34%, and residential space – 4%.
- Slight yield decompression was reported for prime office properties, to 5.25%. Yield decompression is seen on most global markets, with the end of the rate-hike cycle expected in the second half of 2023 likely to trigger an adequate reaction on investment markets. The fall in value caused by yield decompression is being offset by rising rents.
- The supply of new office space in 2022 was 234 thousand m², which was close to the 2017 and 2018 levels. Including the new supply, 6.3 million m² of modern office space is currently offered on the Warsaw market (up 1% on 2021).
- To note, property developers are still reluctant to start new projects due to rising construction costs and significantly higher financing costs. At the end of 2022, approximately 185 thousand m² of office space was still under construction, of which some 60 thousand m² will be delivered in 2023.
- Despite the lower developer activity, demand for office space returned to pre-pandemic levels (2017–2019). Lease contracts for approximately 860 thousand m² of space were signed in 2022, up 33% on 2021. New leases accounted for 52% of all contracts, lease renegotiations – for 40% and lease expansions – for 8%. Central locations were most in demand with tenants, accounting for just under 60% of all space leased in 2022.

Existing office stock

6.3 million m²

(+1%)

New supply

234 thousand m²

(-28%)

Lease transaction volume

860 thousand m²

(+8%)

Asking rent

**EUR 20-26
/ m² / mth**

Źródło: Warszawa. Atrakcyjność miasta i rynek biurowy, Knight Frank



Vacancy rate

11.6%

(-1,1p.p.)

Office space under construction

185 thousand m²

Net absorption

170 thousand m²

(+36%)

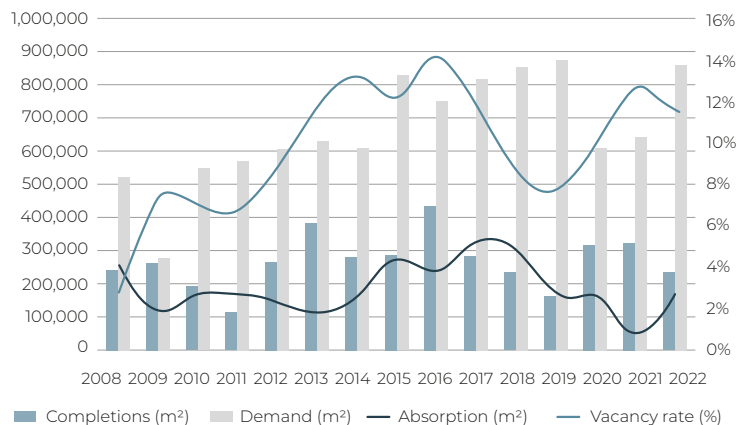
Prime yields

5.25%

(+0,75%)

- As a result of the strong tenant activity, the vacancy rate fell to 11.6% in 2022. The vacancy rate was 10.5% for central locations and 12.4% for non-central locations. If demand stays at the 2022 levels, the vacancy rate should continue to drop given the low supply planned for 2023–2024.
- At the end of December 2022, asking rents ranged between EUR 20 and EUR 26 per m² per month in central city locations, including high-end projects, and between EUR 15 and EUR 23 per m² per month in other central locations. Service charges continue to increase given the rising service prices.
- It should also be noted that due to the changing regulatory landscape and the pursuit of climate neutrality targets, ESG is becoming one of the strongest trends in the office market. This is bound to have an impact on solutions applied by property developers and owners of older buildings, prompting building upgrades designed to optimise costs for the tenant and the landlord.

ANNUAL OFFICE SPACE SUPPLY, VACANCY RATES AND NET ABSORPTION



Source: Market Outlook 2023, CBRE




RETAIL MARKET IN POLAND

- In 2022, the volume of investment transactions in the commercial property sector was EUR 1.5bn.
- Yields in prime shopping centres decompressed to 6.25%.
- Retail sales rebounded last year. According to Statistics Poland, retail sales at fixed prices increased 5% on 2021 in 2022.
- In 2022, new supply amounted to 360 thousand m², of which 89% were retail parks. Property developers focused mainly on small cities (less than 100 thousand inhabitants) displaying high consumer potential and low retail saturation. Demand for this format will continue into the coming year, as confirmed by data on retail space under construction planned to be delivered in 2023. At the end of 2022, approximately 300 thousand m² of retail space was under construction, of which 69% were retail parks located in small cities with populations under 100 thousand.
- The mixed-use segment is expanding in parallel with convenience retail projects, offering a broad selection of food service and entertainment space surrounded by attractive architecture. Mixed-use projects are usually built in adapted historical spaces.

Nowy Welnowiec, Katowice - wizualizacja





Supply of traditional retail
formats (shopping centres,
retail parks, and outlet
centres)

**13.3 million
m²**

New supply

**360
thousand m²**

Retail space under
construction

**300
thousand m²**

RESIDENTIAL MARKET IN POLAND

- In 2022, a total of 35 thousand units were sold, down 50% on the figure posted for 2021 (which was the second-best year in history in terms of residential sales). The low sales were due to a number of factors, including a new wave of the pandemic in early 2022, the war in Ukraine, rampant inflation and rising interest rates, which clearly affected the creditworthiness of buyers. Considering the lower creditworthiness ratings, most purchase transactions in the second half of the year were cash transactions. The best sellers were slightly more expensive properties in top locations and smaller buy-to-let units.
- The supply of new space, amounting to 48 thousand units in 2022, was significantly affected by the new developers act that came into force in mid-2022. The new law introduced, among other things, the obligation to pay contributions to the Developers Guarantee Fund, which prompted property developers to place a record number of new units on the market, partly in order to sell them on existing terms. It should be noted, however, that the supply of new residential space was so high that in the second half of 2022 developers started to halt some of their new projects, with approximately 6.4 thousand units withdrawn from the market in the second half of the year alone.
- Also, new launches were suspended, leading to a decline in the number of apartments on offer to 48.6 thousand units at the end of December. For some markets, including Tricity and Łódź, this led to a record number of available residential space. The level of supply was further affected by withdrawals from paid reservation agreements. Demand and supply ratio deteriorated in 2022. The number of available apartments in 2022 was close to the 2015–2019 levels but sales were down almost 50% compared with 2015–2019.



- Year on year, the steepest rise in prices of apartments on offer was reported for Wrocław (22.6%) and Kraków (18.6%), with prices up 16.5% in Poznań and 9–10% in Warsaw, Tricity and Łódź. It should be noted that in the second half of the year the structure of new supply changed in terms of quality and price. Most of the new space placed on the market were more expensive projects with average prices at a record PLN 16–17 thousand per m² (Warsaw, Kraków). Cash-financed demand for more expensive residential units is more stable than mortgage-financed demand, with developers aligning their offer to that demand.
- Despite the rising listing prices, there is an increased activity in terms of discounts and flexible price payment schedules, which suggests actual transaction prices may have been significantly lower than asking prices.

Sales 2022

35,000

residential units (total for 6 regions)

New supply 2022

49,000

residential units (total for 6 regions)

Average prices

from **PLN 8,900 m²**

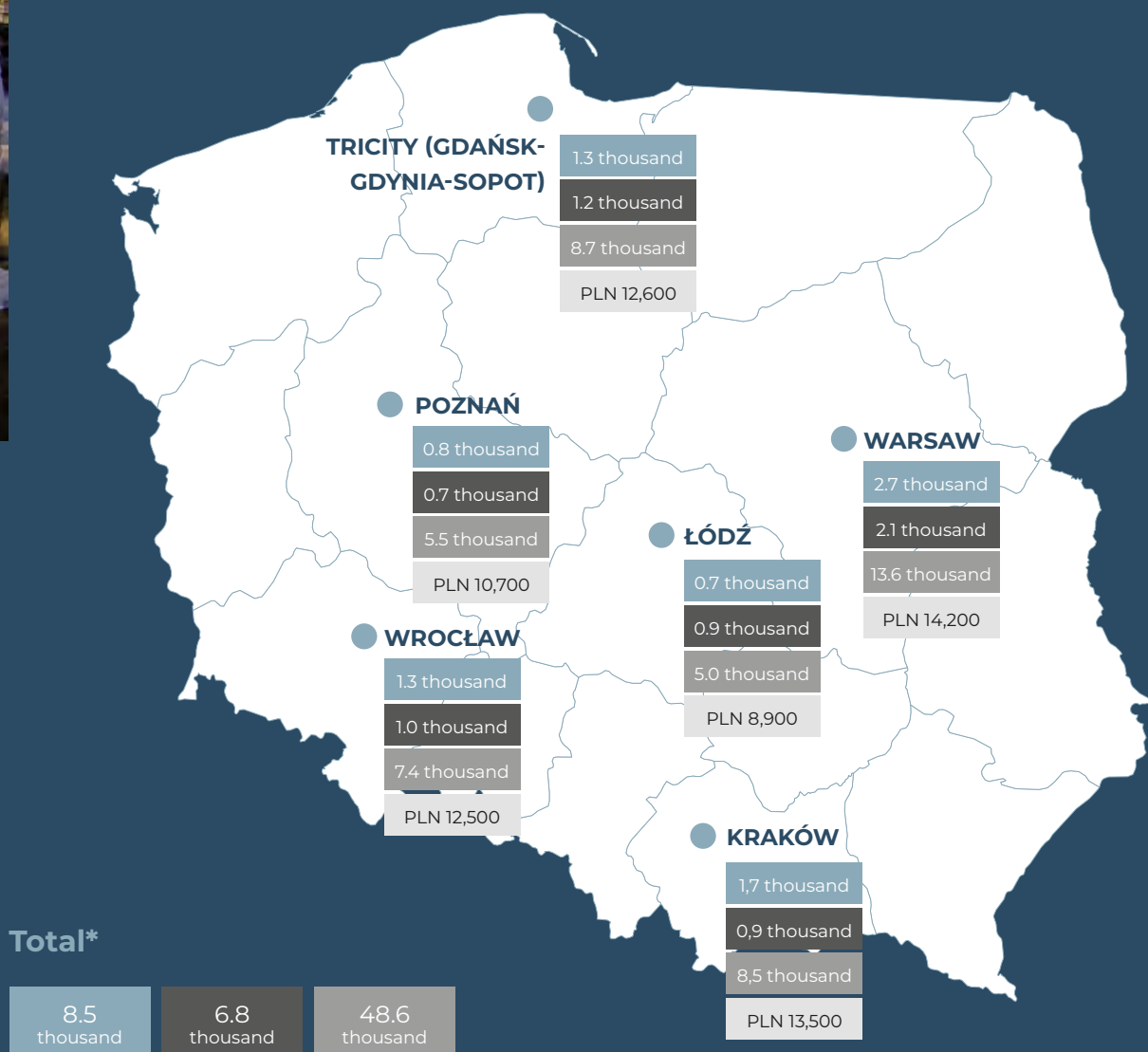
in Łódź

from **PLN 14,200 m²**

in Warsaw



ów, Warszawa



- Legend:
- Residential units sold in the fourth quarter 2022.
 - Residential units put out for sale in the fourth quarter 2022.
 - Offered at the end of the fourth quarter 2022.
 - Average price of residential units offered at the end of the quarter (PLN/m²)

* aggregated data for six cities: Warsaw, Kraków, Wrocław, Tricity, Poznań and Łódź

Source: Residential market in Poland Q4 2022, JLL

FINANCIAL CONDITION OF THE GROUP

KEY FIGURES 2022



The Capital Park Group's operations support Poland's economic growth. Our projects provide companies with space to conduct their own administration and commercial operations. Providing our tenants and clients with up-to-date solutions, we also take care to pay our employees fair remuneration that is commensurate with their commitment and effort.

PLN 87m

NOI

PLN 66m

Net profit

PLN 99m

Cash

PLN 10.97

NAV per share

PLN 2,8bn

Value of portfolio under management

39%

Net debt to assets

95%

Occupancy rate in completed properties

89

Number of specialists

172,000 m²

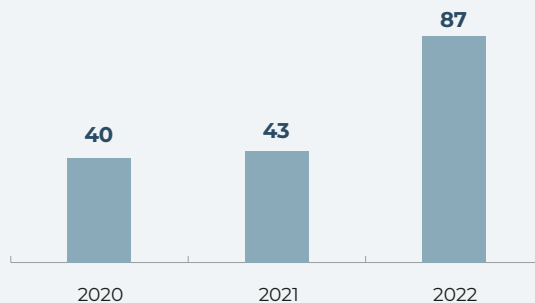
Total portfolio area

PLN 107m

Dividend paid

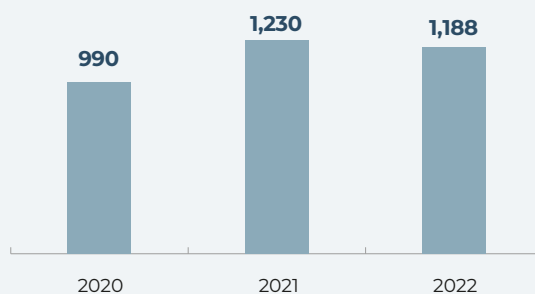


NOI (NET OPERATING INCOME)



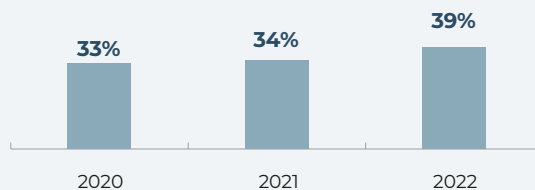
The increase in NOI in 2022 compared to 2021 resulted from rental income from the first full year of operation of the Norblin Factory.

NAV (NET ASSET VALUE)



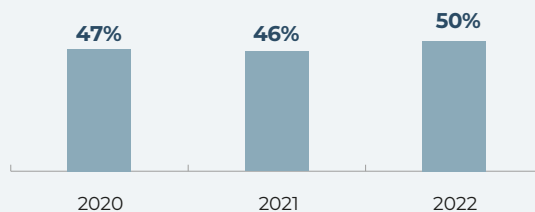
The decrease in NAV in 2022 resulted from the dividend paid.

NET DEBT TO ASSETS

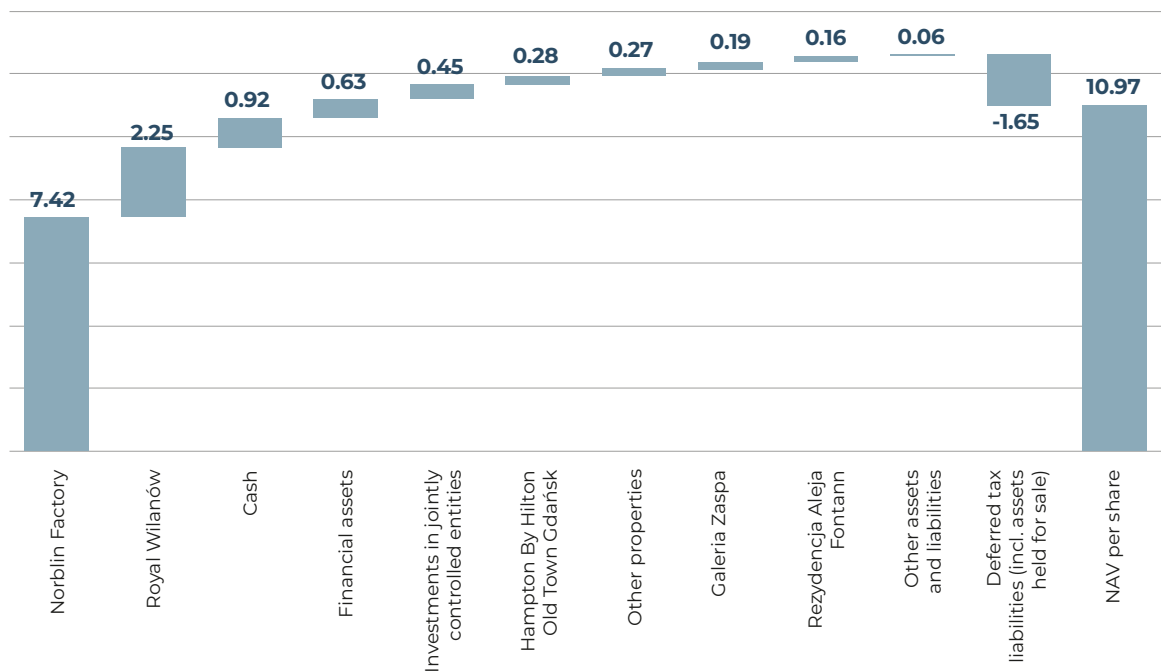


The Group maintains a safe level of debt. The increase in the debt ratio resulted from a decrease in the balance of cash in connection with the payment of dividends and an increase in the balance of debt for the Norblin Factory and Royal Wilanów projects.

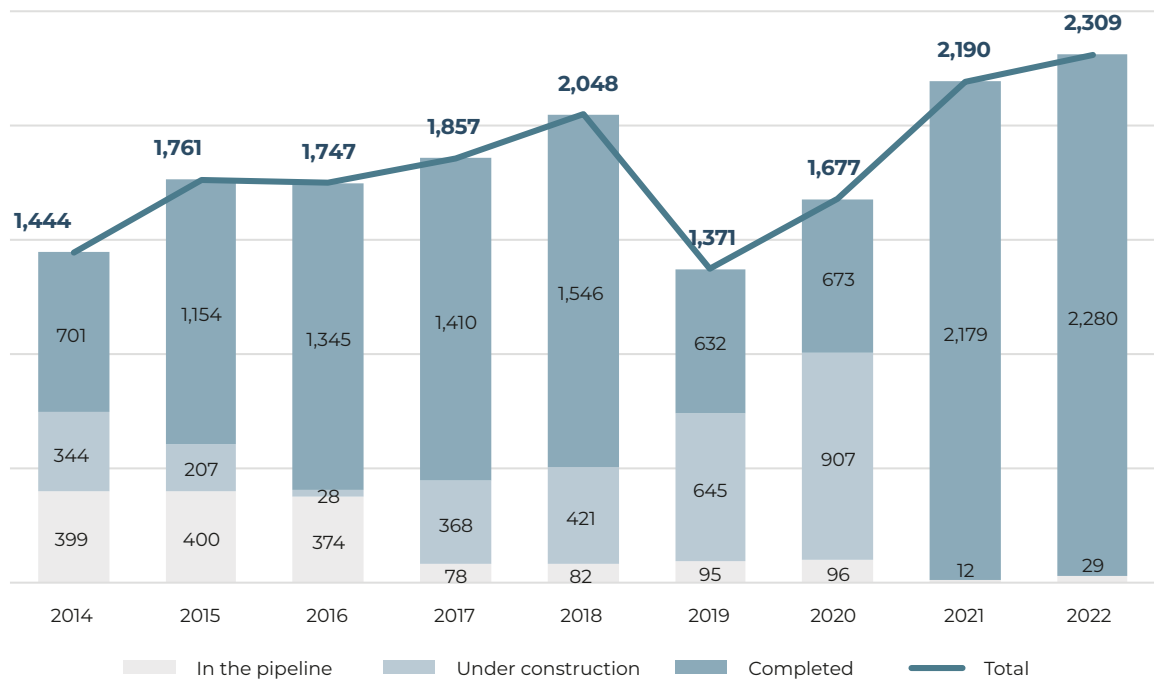
LTV (LOAN TO VALUE)



NAV PER SHARE



PROPERTY PORTFOLIO STRUCTURE





Norblin Factory, Warszawa

FINANCIAL POSITION OVERVIEW



Jakub Poniatowski,
Finance Director



The year 2022 was marked by intensified efforts to commercialise and stabilise our projects. Despite challenging macroeconomic conditions, including persistent inflationary pressures, rising interest rates, and a weakened zloty, the Group's financial position remained stable.

Our net operating income (NOI) for 2022 was PLN 87m, an increase from PLN 43m in the previous year. Key projects, including Norblin Factory and Royal Wilanów, generated PLN 70m, while other properties, such as Galeria Zaspa, Hotel Hampton By Hilton Old Town Gdańsk, and Vis à Vis Łódź, contributed PLN 17m. The 102% increase in NOI compared with 2021 was primarily due to the rental income generated from leases at Norblin Factory, which was delivered in the second half of 2021.

During the year 2022, we maintained a high occupancy level of our portfolio, reaching 95%, and secured rental income for the coming years with a solid weighted average lease term of 6.0 years.

In 2022, we extended the investment facility for the Royal Wilanów project by an additional five years, and converted the construction facility used in the Norblin Factory project into an investment facility. The Group also executed financial instruments to mitigate interest rate risk, resulting in fixed-rate liabilities making up 63% of bank financing at year-end. As of the end of the year, the weighted average cost of funding was 3.04%. However, it is important to consider that in the current interest rate environment may see the cost of funding increase further. Corporate financing for the Group is limited to project-level loans.





In 2022, the Group paid dividends on two occasions totalling PLN 107m, with a gross dividend yield of 11.4%, reflecting the previously generated profits and solid financial position.

Looking ahead, the Group has set its sights on further value creation in the coming year. Our primary focus will be on completing the commercialisation of Norblin Factory and finalising the sales processes for ongoing real estate projects. Furthermore, we are committed to an intensive year of work on new projects in our pipelines, including Polski Hak and Nowy Welnowiec, for which we have already secured equity contributions.

With a strong balance sheet, an innovative approach to real estate, and the flexibility to adapt to changing market conditions, we are well-positioned to overcome the challenges that may arise in the coming year.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS (SELECTED ITEMS)

In 2022, NOI was PLN 87m compared with PLN 43m the year before, a year-on-year increase of 102% driven mainly by the delivery of Norblin Factory in the autumn of 2021 and the successive takeover of space by its tenants. Key properties account for NOI of PLN 70m (Norblin Factory - PLN 42m, Royal Wilanów - PLN 28m) and other properties - PLN 17m.

Although the first months of leases are rent-free periods for the tenants of Norblin Factory, the Group presents its rental income taking into account the average rent over the lease term (revenue recognition), which means that such rent-free periods or any changes in rent rates during the lease term are recognised on an accrual basis, in accordance with IFRS 16. On account of the revenue recognition, the Group's NOI increased in 2021 by nearly PLN 31m.

Financial income includes, in particular, income from the fair value measurement of financial instruments in the amount of PLN 63m. Valuations of derivatives include valuations of IRS hedging instruments that hedge future cash flows related to planned repayments of loans and their currency conversion. The recognition of financial income from the valuation of financial instruments was related to the increase in interest rates. The balance of financial income and expenses was also affected by the surplus of foreign exchange losses resulting from the valuation of foreign currency liabilities, mainly loans (influence -PLN 15m).



(PLNm)	2021	2022
Operating income	65.4	127.4
Costs directly related to properties	(22.4)	(40.5)
Net operating income (NOI)	43.0	87.0
Administrative expenses	(13.1)	(16.3)
Operating profit adjusted for revaluation of investment property	41.1	70.6
Gain on property revaluation	261.2	3.6
Operating profit	302.3	74.2
Other finance income and costs	6.4	43.8
Net profit/(loss) attributable to owners of the parent	245.6	65.6



BALANCE SHEET (SELECTED ITEMS)

Investment properties (including assets held for sale) account for nearly 90% of the Group's assets and amounted to PLN 2,309 million at the end of the year. Key properties, ie Norblin Factory and Royal Wilanów, amounted to PLN 2,105 million, and the value of other properties amounted to PLN 204 million.

In 2022, changes in the value of the property were caused mainly by:

- PLN 68m in capital expenditure
- PLN 43m positive effect of the EUR/PLN exchange rate rise on property valuation
- Acquisition of townhouse in Szczecin for residential redevelopment project in the amount of PLN 17m.

Investments in jointly controlled entities at the end of 2022 amounted to PLN 49m (2021: PLN 38m). The increase in value by PLN 11m y/y resulted from the loss of control over the Polski Hak project as a result of the joint venture agreement concluded in February 2022 and the sale of 74% of shares in the project.

Financial assets of PLN 69m were investments in closed-end funds and valuation of financial instruments.

Deferred tax liability (PLN 179m) represents the difference between the carrying amount and the tax base of property.

3% NAV decrease was driven primarily by the dividend payment. In 2022, the Capital Park Group disbursed dividends to its shareholders twice: in July (for the year 2021) amounting to PLN 46,583,619.14 or PLN 0.43 per share and in November (an interim dividend for the year 2022) amounting to PLN 60,667,038.88 or PLN 0.56 per share. The gross dividend yield was 11.4%.

PLNm	2021	2022
Investment property¹	2,190.2	2,309.3
Investments in jointly controlled entities	37.7	48.7
Financial assets	21.3	68.8
Cash and cash equivalents	172.4	99.3
Total assets	2,540.7	2,609.8
Interest-bearing liabilities ²	1,004.3	1,099.0
Total liabilities	1,310.6	1,421.4
Deferred tax liability ²	160.8	178.9
NAV	1,230.1	1,188.5

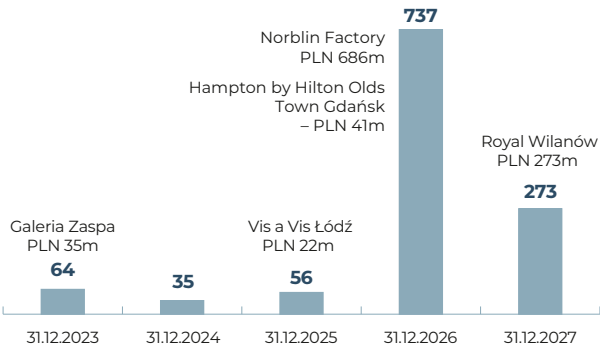
¹ Including assets held for sale; investment property value excluding the effect of IFRS 16

² Including assets held for sale

SAFE FINANCIAL DEBT LEVEL AND DEBT MATURITY PROFILE

In 2022, the Group converted the Norblin Factory construction facility into an investment facility of EUR 159.3m, also extending the term and raising the amount of the Royal Wilanów facility by EUR 13.7m, to EUR 66.5m. The Group’s financial liabilities maturing in 2023 and 2024 are part of current debt servicing and the loan for the Galeria Zaspas project. The Group maintains a safe level of financing with 39% of net debt to assets, and an LTV of 50%.

MATURITY OF THE GROUP’S LIABILITIES AS AT DECEMBER 31ST 2022 (PLNm)



FINANCING STRUCTURE OF THE GROUP

The Group’s financial debt consists solely of bank loans granted directly to special purpose vehicles responsible for individual projects.

At the end of 2022, the total nominal debt was PLN 1.1bn. The increase in financial debt was primarily driven by an increase in the balance of the the Norblin Factory construction loan and the Royal Wilanów investment facility.

KEY DEBT PARAMETERS

	2020	2021	2022
Weighted average cost of debt	2.80%	2.59%	3.04%
Net debt to total assets	33%	34%	39%
LTV	47%	46%	50%
Debt currency structure (EUR/PLN)	97%	98%	100%

CASH FLOWS

(PLNm)	2021	2022
Cash at beginning of period	165	172
Cash flows from operating activities	39	43
Cash flows from investing activities	(207)	(88)
Cash flows from financing activities	177	(9)
Cash at end of period	172	99

Net cash decreased by PLN 73m in 2022, to PLN 99m at the end of the year.

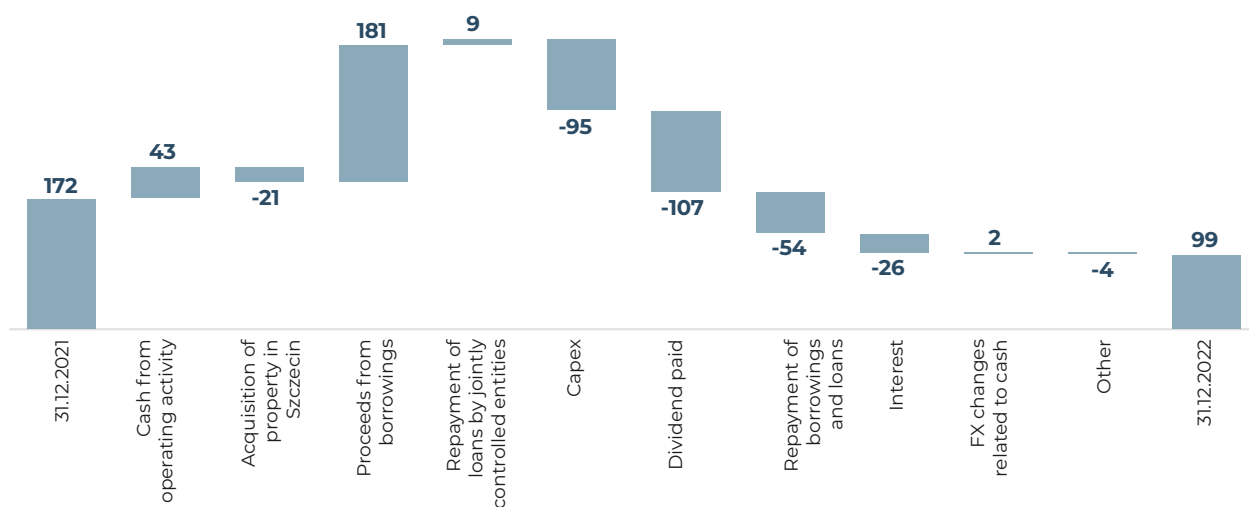
The Group generated PLN 22m in cash from operating activities in 2022, with key items including net operating income (NOI) and expenses on the platform management, as well as the acquisition of townhouse in Szczecin (recognized as inventory).

Cash flows from investing activities comprised mainly investment expenditure of PLN 95m, the bulk of which was spent on the Norblin Factory project.

Last year, cash used in financing activities included primarily dividend payment of PLN 107m and repayment of loans in the amount of PLN 54m. Cash provided by financing activities comprised mainly proceeds from the construction loan for the Norblin Factory project and investment facility for Royal Wilanów.



CASH FLOWS



SUMMARY OF FINANCIAL POSITION

- Stable cash position and sound balance sheet
- Safe debt level (net debt to assets: 39%)
- Contracted long-term lease proceeds



STRUCTURE OF THE GROUP

CAPITAL PARK SA					
ArtN Sp. z o. o.	100%	Hazel Investments Sp. z o. o.	100%	CP Management Sp. z o. o.	100%
Norblin Factory Foundation	100%	Capital Park Gdańsk Sp. z o. o.	100%	CP Retail („SPV 2”) Sp. z o.o.	100%
Oberhausen Sp. z o.o.	100%	Diamante Investments Sp. z o. o.	100%	Sporty Department Store Sp. z o. o.	100%
SO SPV 50 Sp. z o. o.	60%	Alferno Investments Sp. z o. o.	100%	Capital Park Kraków Sp. z o. o.	100%
Wilanów Investments S. à r.l.	50%	Aspire Investments Sp. z o. o.	100%	Emir 30 Sp. z o. o.	100%
Rezydencje Pałacowa Sp. z o. o.	100%	Sander Investments Sp. z o. o.	100%	KinoGram sp. z o.o.	100%
RM1 Sp. z o. o.	100%	CP Property 6 Sp. z o. o.	100%	Polski Hak Sp. z o.o.	26%
CP RETAIL B.V.	100%	CP Property 7 Sp. z o. o.	100%	Projekt I Sp. z o.o.	100%
				Krynica Investments Sp. z o.o.	100%



LISTED BELOW ARE CHANGES IN THE GROUP'S STRUCTURE THAT OCCURRED DURING THE REPORTING PERIOD FROM JANUARY 1ST TO DECEMBER 31ST 2022:

- Capital Park S.A. entered into a JV agreement with Baytree Real Estate Opportunities Ltd (BREOL). BREOL acquired a 74% ownership interest in Polski Hak. In early April 2022, Polski Hak acquired shares in Projekt I.
- Sale of shares in subsidiaries by CP Retail B.V. to the parent Capital Park S.A. (an intragroup transaction), with 100% of shares in ArtN Sp. z o.o., 100% of shares in Oberhausen sp. z o.o. and 60% of shares in SO SPV 50 sp. z o.o. sold in the transaction.

CHANGES AFTER THE BALANCE SHEET DATE:

- On March 17th 2023, Capital Park SA acquired 10% of shares in Silesia Nova sp. z o.o. Silesia Nova will implement the Nowy Wełnowiec multifunctional project, which will include residential, office, commercial and warehouse premises on a plot of 44 ha located in Katowice and Siemianowice Śląskie.
- On March 21st 2023, Capital Park SA sold 100% of shares in its subsidiary Capital Park Gdańsk, which owns the mixed-use project Hotel Hampton by Hilton Old Town Gdańsk with an area of 8,884 m², to Polskie Projekty Inwestycyjne sp. z o.o.



RISKS RELATED TO THE FINANCIAL POSITION AND THEIR MANAGEMENT

RISKS RELATED TO THE WAR IN UKRAINE	
RISK FACTORS	<ul style="list-style-type: none"> ▪ Sluggish investor activity and price volatility in the real estate market ▪ Cybersecurity risk ▪ Risk of bankruptcy or deterioration in the financial condition of tenants and trading partners ▪ High costs of electricity, crude oil and natural gas supply ▪ Rising borrowing costs and risk premiums, coupled with higher inflation and interest rates
POTENTIAL IMPACT	<ul style="list-style-type: none"> ▪ Reduced activity of tenants, resulting in suspension of or failure to enter into new lease contracts, in particular for retail and food court areas ▪ Inability to start and therefore also to complete running projects on time and/or budget due to work stoppages faced by contractors, labour shortages, supply chain disruptions, and lengthening of the permitting process and other administrative procedures ▪ Deterioration of the economic situation and uncertainty on the property market leading to temporary suspension/extension of the ongoing sale and investment processes ▪ Stronger financial market volatility and rising interest rates that may put a damper on investment activity in the real estate market and limit access to finance in the longer term
RISK MITIGATING MEASURES	<ul style="list-style-type: none"> ▪ Active property management, also relying on solutions designed to optimise electricity and heat consumption ▪ Maintaining direct and close relationships with tenants in order to work out optimal solutions, entering into agreements with tenants whose financial condition has deteriorated (temporary rent discounts granted in exchange for lease extensions) and active search for new tenants ▪ Interest rate hedges entered into when borrowing funds ▪ Inflation-indexed rent escalation ▪ Natural hedging, with projects financed in the same currency as rents ▪ High level of data processing safeguards, further enhancement of ICT security

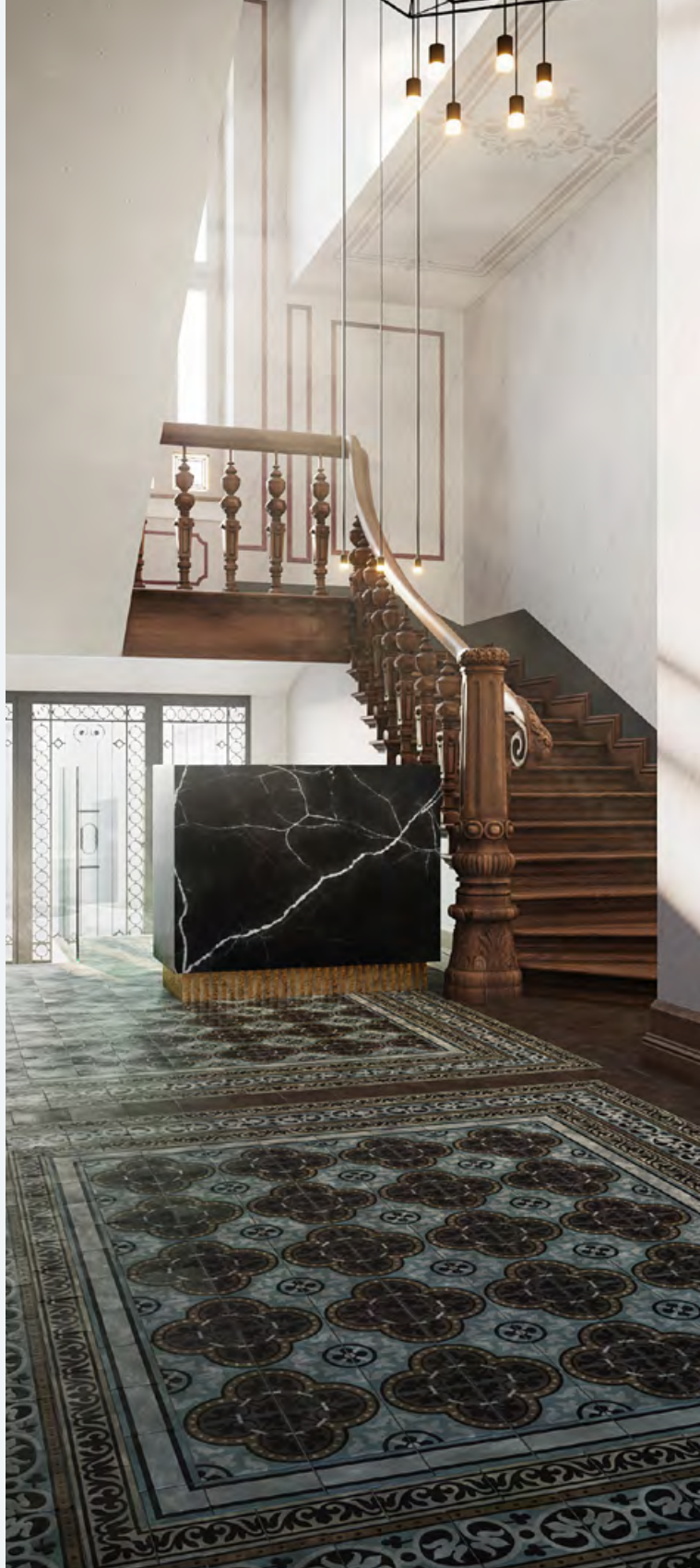
RISK RELATED TO THE COVID-19 PANDEMIC

- Prohibition of specific types of activities
 - Limited social mobility
 - Economic slowdown
 - Deterioration of overall economic conditions globally and in Poland
 - Uncertainty as to the duration of the pandemic and the scale of government measures
 - Deterioration of the tenants' financial condition and/or potential bankruptcies among the tenants
-
- Lower revenue from property leases
 - Inability to complete running projects on time and/or within budget due to work stoppages faced by contractors, labour shortages, supply chain disruptions, and lengthening of the permitting process and other administrative procedures
 - More difficult access to finance and/or additional security required by banks under credit facility agreements
 - Reduced activity of tenants and business partners on the real estate market in Poland, resulting in suspension or failure to enter into new lease contracts or to execute investment and divestment projects
 - Negative impact of renegotiation of the lease contracts, restructuring of tenants on the existing lease contracts, rental income and the value of properties
-
- 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)
 - Taking measures to enable normal operation of the Group and implementation of the Norblin Factory project with the least possible disruption
 - Protecting assets and minimising exposure of employees to the impact of COVID-19 (home office)
 - Maintaining a safe level of cash
 - Holding negotiations with banks to suspend, where necessary and possible, payments of principal and interest in order to mitigate the effects of lower rental income (the key objective is to maintain the self-financing ability of all completed projects, without having to make any further equity contributions)

	RISK OF MACROECONOMIC VOLATILITY	INTEREST RATE RISK
RISK FACTORS	<ul style="list-style-type: none"> ▪ Deterioration of overall economic conditions globally and in Poland ▪ Deterioration of economic conditions in the real estate market and property development sector ▪ Cyclical nature of the real estate market 	<ul style="list-style-type: none"> ▪ Interest rates rising ▪ Interest rates going down
POTENTIAL IMPACT	<ul style="list-style-type: none"> ▪ Deterioration of conditions in the financial sector 	<ul style="list-style-type: none"> ▪ Increase in debt service costs caused by higher interest rates ▪ Higher yields (i.e. decline in the value of the Group's properties) Yields are strongly correlated with risk-free rates of return and may rise along with rising interest rates ▪ Opposite situation: yields decline as a result of falling interest rates and push up the prices of properties that the Group wants to purchase
RISK MITIGATING MEASURES	<ul style="list-style-type: none"> ▪ Appropriate selection of portfolio properties. Careful analysis of the location and quality of properties ▪ Appreciation in the property value through regular maintenance, upgrades and active management ▪ Choosing strong-brand tenants of sound financial standing Entering into agreements with chain tenants and reputable institutions ▪ Using diversified sources of debt financing ▪ Diversification of financing sources and fostering good relations with leading financial institutions ▪ Adding dividends and property management fees to income sources 	<ul style="list-style-type: none"> ▪ Use of derivative instruments hedging foreign exchange risk ▪ Long-term strategy of managing income-generating assets ▪ Continuous monitoring of the real property market and economic situation, and fine-tuning the adopted strategy ▪ Use of interest rate swaps. Such transactions, however, do not cover 100% of the exposure. The degree of exposure coverage is a trade-off between lower risk and higher cost

FOREIGN EXCHANGE RISK

- Fluctuations in foreign exchange rates, in particular the EUR/PLN exchange rate
 - Lower proceeds from sale of properties in PLN terms
 - Lower rental income
 - A drop of the EUR/PLN exchange rate leads to a decrease in the carrying amounts of real properties
-
- Use of natural hedging by matching the lease currency with the credit facility currency. However, as EUR is the principal currency in which the properties are valued, and because the net hedging position does not cover the full exposure, the Group has and will continue to have an exporter's currency profile. It is not possible to fully eliminate the foreign exchange risk



CORPORATE GOVERNANCE

CAPITAL PARK ON THE WSE

In December 2022, Capital Park SA celebrated the 9th anniversary of its floatation on the main market of the Warsaw Stock Exchange. The price of Capital Park shares on the first trading day, i.e. December 13th 2013, was PLN 5.57. In 2022, the Company paid a dividend of PLN 0.99 per share.

In 2022, the maximum closing price reached PLN 10.75 in June 2022, the minimum price was PLN 8.34, with the average closing price at PLN 9.57. On the last trading day in 2022, the stock closed at PLN 8.69, which put the Company's market capitalisation at PLN 940.3m. In 2022, the Company's share price fell 8.6%, with gross dividend yield at 11.4%.

Entity

CAPITAL PARK SA

Sector

**NIERUCHOMOŚCI
(REAL ESTATE)**

Abbreviated name

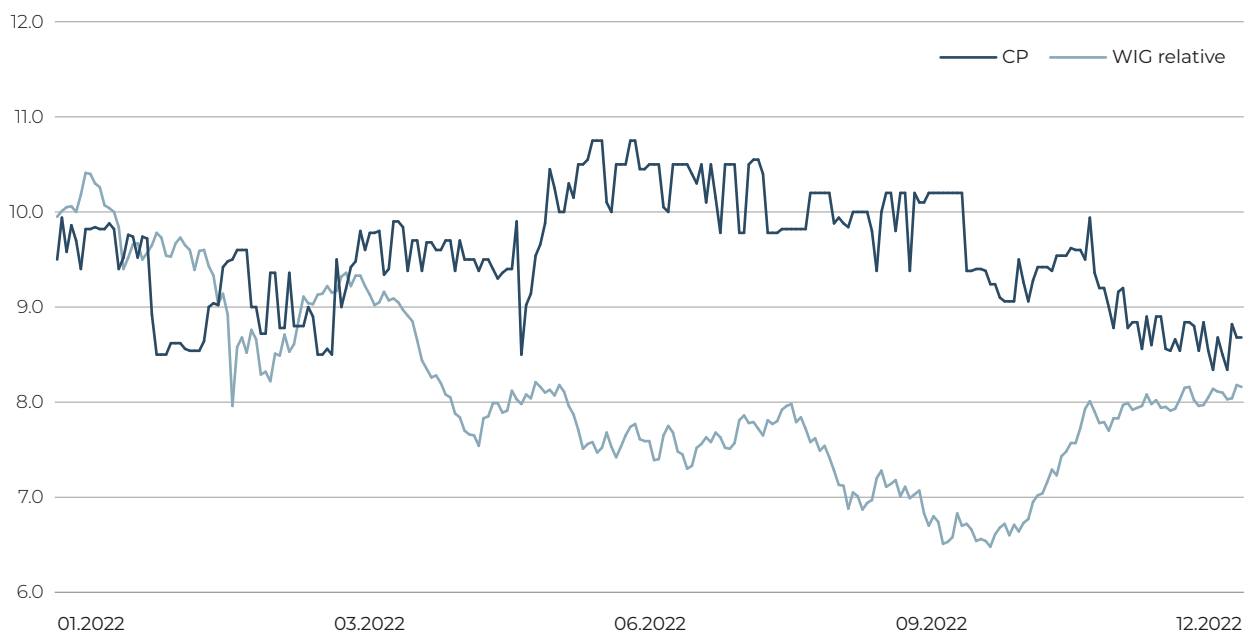
CPGROUP

10 YEARS

Presence on the WSE



CAPITAL PARK SHARE PRICE PERFORMANCE VS WIG IN 2022



Stock performance	2021	2022	Change
Share price at end of year (PLN)	9.84	8.68	-12%
High (PLN)	9.84	10.75	9%
Low (PLN)	6.80	8.50	25%
Average price in period (PLN)	8.49	9.59	13%
Number of shares	108,333,998	108,333,998	0%
Market capitalisation at end of year (PLN)	1,066,006,540	940,339,103	-12%
Average volume per session	11,244	865	-92%
Price / Book value	0.87	0,79	-9%
Free float	1.47%	0.55%	-0.92pp

Share prices at close of trading.



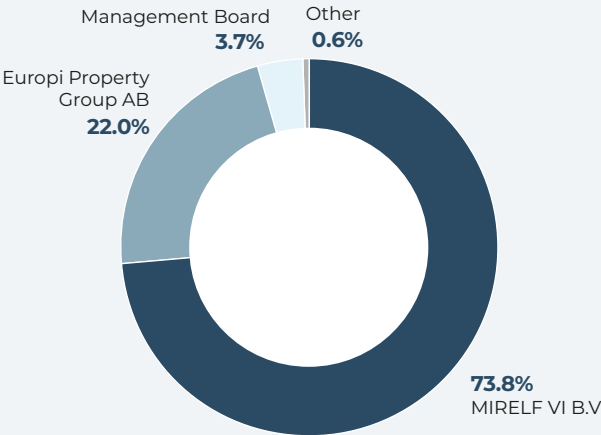
SHAREHOLDERS

As at the date of issue of this report, the parent of Capital Park SA was Madison International Real Estate Liquidity Fund VI (“MIRELF VI”), a Madison International Realty Group company, which on May 13th 2019 acquired a controlling interest (65.99%) in Capital Park SA from Patron Capital Partners (“Patron”). As at the date of issue of this report, MIRELF VI held 73.78% of shares and voting rights in the Company.

As at the date of issue of this report, 22.02% of shares and voting rights in the Company were held by Europi Property Group (<https://europi.se/>).

3.65% of the Company shares representing 3.65% of the total voting rights at the GM were held by the Management Board of Capital Park, including Jan Motz, founder of the Capital Park Group and President of the Management Board, who held 2.52% of the Company shares, representing 2.52% of the total voting rights at the GM; Marcin Juszczuk, Member of the Management Board, who held 0.86% of the Company shares, representing 0.86% of the total voting rights at the GM; and Kinga Nowakowska, Member of the Management Board, who held 0.28% of the Company shares, representing 0.28% of the total voting rights at the GM.

PERCENTAGE OF SHARES AND VOTING RIGHTS AT GENERAL MEETING





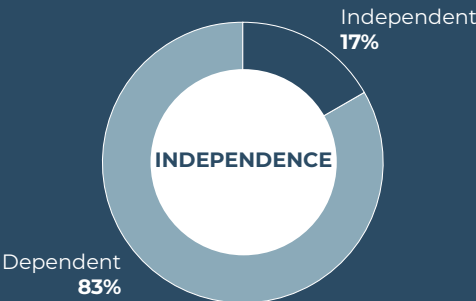
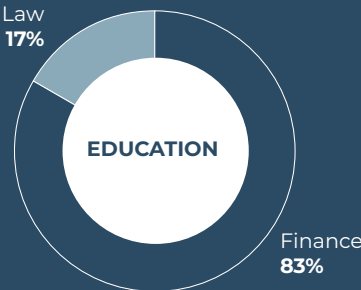
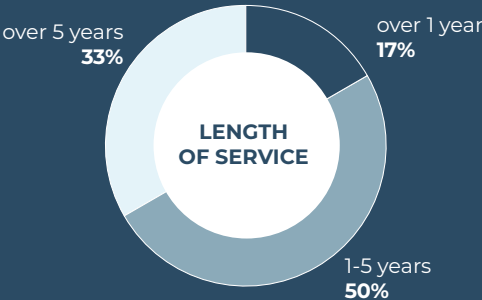
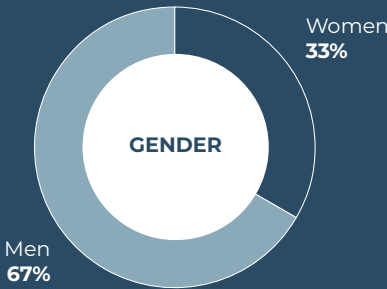
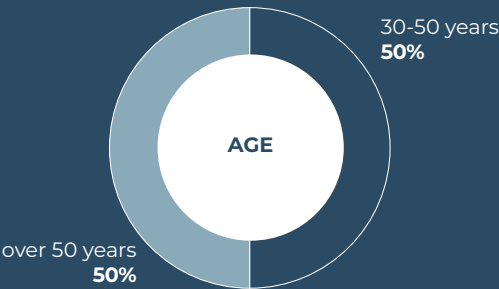
SUPERVISORY BOARD

In the period from January 1st 2022 to the date of this report, there was one change on the Supervisory Board. On January 13th 2022, Derek Jacobson was removed, and Steffen Meinshausen was appointed in his place on January 13th 2022.

The Supervisory Board includes members qualified in such areas as law, economics and finance, with diverse professional experience. As at December 31st 2022, the Supervisory Board members' average length of service was five years.

First name and sur-name	Position	Year of first appointment	Year of appointment for current term	Year of expiry of current term
Carey Flaherty	Chairman of the Supervisory Board	2021	2021	2023
Kimberly Adamek	Member of the Supervisory Board	2019	2019	2023
Steffen Meinshausen	Member of the Supervisory Board	2022	2022	2023
Jonathan Willén	Independent Member of the Supervisory Board	2021	2021	2023
Katarzyna Ishikawa	Member of the Supervisory Board	2011	2018	2023
Jacek Kseń	Independent Member of the Supervisory Board	2013	2018	2023

SUPERVISORY BOARD DIVERSITY DIMENSIONS:





Carey J. Flaherty

CHAIR OF THE SUPERVISORY BOARD

He serves as Managing Director of Madison International Realty LLC. He is primarily responsible for project acquisition, risk assessment and managing investment opportunities in the United States. Mr Flaherty serves on Madison's investment committee and is a member of Madison's senior management team. His previous responsibilities included oversight of investment activities at Madison International Realty, including preparation, risk assessment and approval of transactions by Madison-managed funds. Carey Flaherty provided oversight of all aspects of the investment process including financial analysis, property due diligence, transaction structuring and approvals. Prior to joining Madison in 2003, he was an investment analyst at Deutsche Bank, where he analysed, documented and structured debt products. He earned a BA degree from Columbia University.



Kimberly Adamek Cholewa

MEMBER OF THE SUPERVISORY BOARD

Ms Adamek oversees the asset and portfolio management of Madison Fund VI, a USD 1.3bn private equity fund. She serves as Portfolio and Asset Management Director at Madison International Realty LLC, with responsibility for the asset management of Madison's domestic and international investment portfolio. Ms Adamek participates in all aspects of the asset and portfolio management process, including oversight of Madison's investment positions, monitoring financial performance, maintaining relationships with Madison's counterparties, and providing strategic recommendations to enhance investment returns. Ms Adamek also serves as a Board Member in

MIRELF VI B.V. and as a Director in MIRELF VI Irish Investments ICAV and MIRELF VI Eastpoint ICAV. Prior to joining Madison in 2014, Ms Adamek spent seven years with CBRE Global Investors. While there, Ms Adamek served as an Acquisition Director in the Managed Accounts Group, responsible for sourcing, underwriting and closing over USD 1bn in commercial assets. Prior to CBRE Global Investors, Ms Adamek was an Associate at Unico Properties, where she worked on the investments team underwriting real estate transactions. Ms Adamek graduated with an MBA from New York University and a BS in Finance from Northern Arizona University.



Dr Steffen Meinshausen

MEMBER OF THE SUPERVISORY BOARD

Dr Steffen Meinshausen serves as Head of Investments at Madison International Realty and leads Madison's investment department in Frankfurt. Dr Meinshausen is responsible for the sourcing and execution of Madison's equity transactions including all aspects of financial analysis, property due diligence and transaction structuring across Western Europe, with a focus on Germany.

He works closely with the New York and London offices on equity transactions in Europe. Prior to joining Madison in 2021, Dr Meinshausen served as Director in Investments at 777 Capital Advisors and prior to that as Vice President at Corestate Capital Advisors. He received his diploma in business administration from Private University of Applied Sciences, Goettingen, as well as his Doctoral degree in Corporate Finance from Darmstadt University of Technology.



Jonathan Willén

**INDEPENDENT MEMBER OF THE
SUPERVISORY BOARD**

Jonathan Willén is the CEO and Co-Founder of Europi Property Group, a pan-European real estate investment fund based in London and Stockholm. Founded in 2019, Europi invests its capital in all sectors within Europe, alongside local partners. Jonathan Willén is also a Partner at Brunswick Real Estate, a founding shareholder of Europi, and fund manager in the Nordics. In addition, he is a founding member of the Harvard Alumni Real Estate Board.

Since 2015, Jonathan Willén has served as a Principal in Blackstone's real estate private equity group based in London. Prior to joining Blackstone, he was a Senior Associate at Goldman Sachs, focusing on cross-asset derivatives structuring and client trading. Prior to that, he worked at Morgan Stanley in the credit derivatives structuring group.

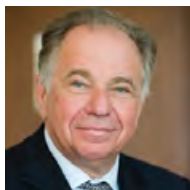


Katarzyna Ishikawa

**MEMBER OF THE SUPERVISORY
BOARD**

Katarzyna Ishikawa has been an attorney-at-law since 2001 and a partner in the law firm Ishikawa

Broclawik Adwokaci i Radcowie Prawni sp. p. since 2009. In 2002–2007, she sat on the supervisory board of Call Center Poland S.A. In 2004–2007, she was an arbitrator at the Warsaw Stock Exchange Court. Currently she is a member of the Supervisory Board of Capital Park S.A. and Mount TFI S.A. She has extensive legal advisory expertise related to real property trade, construction projects, property commercialisation and capital markets. She is a graduate of the Faculty of Law and Administration at the Jagiellonian University in Kraków. She completed legal training in court and as an attorney.



Jacek Kseń

**INDEPENDENT MEMBER OF THE
SUPERVISORY BOARD**

Jacek Kseń has been involved with the financial markets for several decades. In 1978–1996 he lived in France and worked for three different banks. In 1996–2007, he was President of Bank Zachodni WBK S.A. Since 2007 he has run his own consulting practice. He has many years of experience serving on the supervisory boards of business entities, including Orbis S.A., Wydawnictwa Szkolne i Pedagogiczne S.A., Nest Bank S.A., Polimex-Mostostal S.A., AmRest Holdings S.E. He was a Polish operations adviser to a top private equity fund, Advent International. He is a graduate of the Poznań University of Economics, Foreign Trade Department, and Higher School of Planning and Statistics in Warsaw (now the Warsaw School of Economics) (Ph.D. in international financial markets).







SUPERVISORY BOARD COMMITTEES

INVESTMENT COMMITTEE

- meets at least once a month
- receives monthly management reports and draft reports on important developments in the Company's business
- receives draft business plans.

The committee's main tasks are to consult and consider:

- proposed investments and purchase of assets by the Group,
- all financial and legal documents related to the Group's investment projects,
- selection of persons to fill top executive positions,
- Supervision of the Group's capital expenditure.

Composition:

- Carey J. Flaherty (Chair)
- Dr Steffen Meinshausen
- Kimberly Adamek Cholewa

AUDIT COMMITTEE

- meets at least once a quarter
- receives quarterly financial reports, directors' reports and draft financial statements

The committee's tasks include in particular:

- monitoring of financial reporting processes,
- monitoring of the effectiveness of the internal control, internal audit and risk management systems,
- monitoring of the financial audit function,
- making recommendations to the Supervisory Board as to the selection of an entity qualified to audit financial statements,
- reviewing the Company's financial statements and presenting opinion on the statements to the Supervisory Board.

Composition:

- Jacek Kseń (Chair, Independent Member)
- Kimberly Adamek Cholewa
- Jonathan Willén (Independent Member)

REMUNERATION COMMITTEE

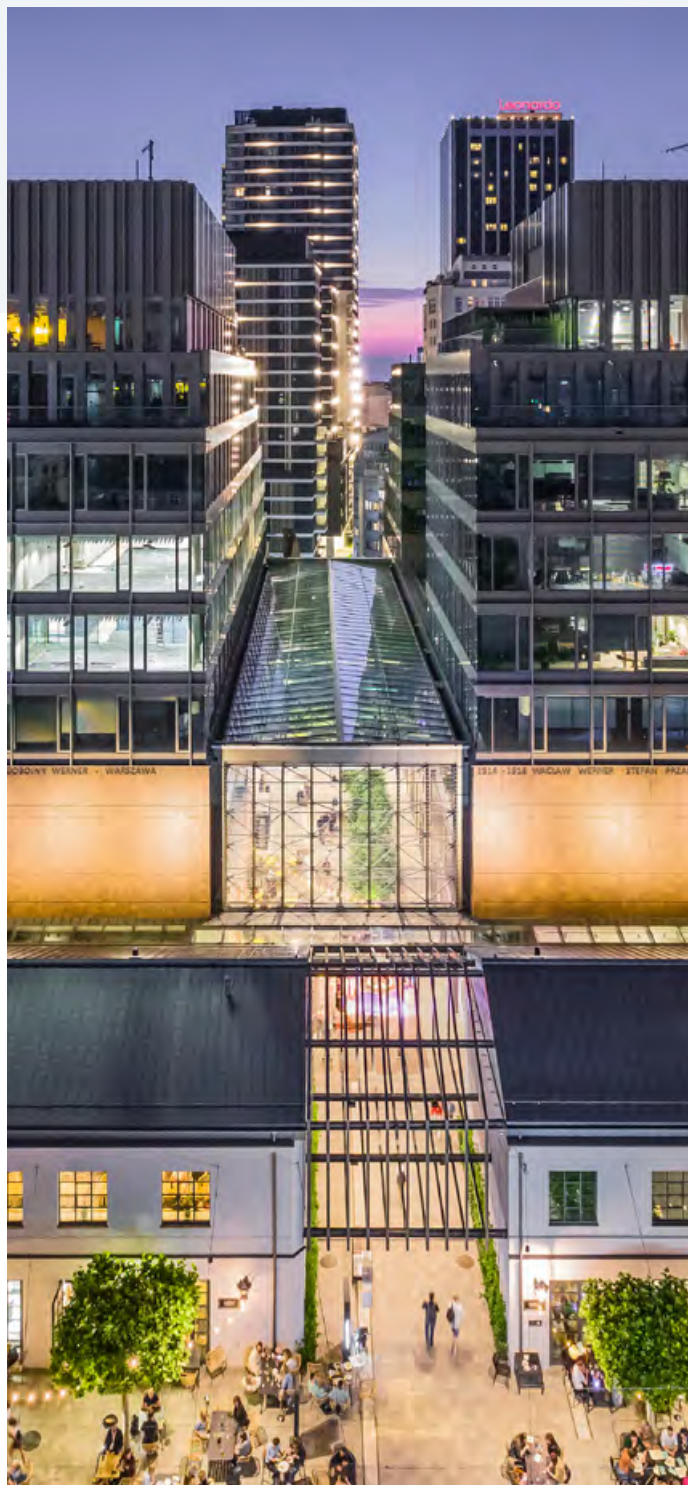
The tasks and rules of operation of the Remuneration Committee and the Nomination Committee are defined by Annex I to the Commission Recommendation of February 15th 2005 on the role of non-executive directors (2005/162/EC).

The Committee's tasks include:

- submitting proposals to the Supervisory Board concerning remuneration of executive or management directors and assessment of their performance,
- monitoring the level and structure of remuneration of senior management staff,
- discussing general rules of the remuneration systems, in particular stock options, and submitting proposals concerning these matters to the Supervisory Board.

Composition:

- Kimberly Adamek Cholewa
- Jacek Kseń (Independent Member)
- Jonathan Willén (Independent Member)



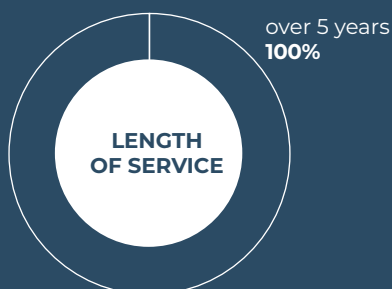
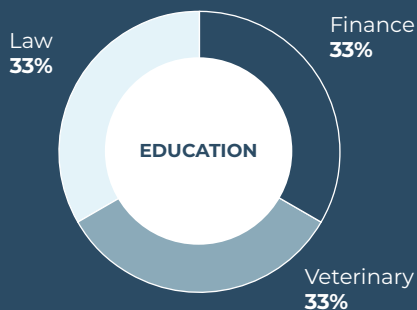
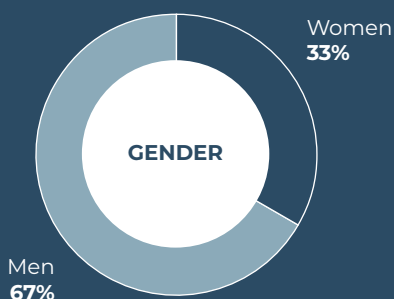
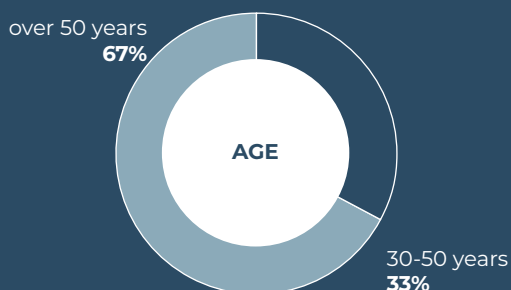


MANAGEMENT BOARD

First name and surname	Position	Year of first appointment	Year of appointment for current term	Year of expiry of current term
Jan Motz	President of the Management Board	2010	2019	2024
Marcin Juszczyk	Member of the Management Board	2010	2019	2024
Kinga Nowakowska	Member of the Management Board	2016	2019	2024

In the period from January 1st 2021 to the date of this report, there were no changes in the composition of the Management Board.

DIVERSITY DIMENSIONS



JAN MOTZ

Mr Motz is the founder of the Capital Park Group, CEO and President of the Management Board of Capital Park SA with 30 years of experience in the real property sector. He oversees the preparation, financing and execution of the Group's unique commercial projects, with a focus on office, retail and mixed-use. He is responsible for the Group's vision and business strategy and for its expansion into new real estate sectors. In 1997, he founded Communication One Inc., a group that included Call Center Poland S.A. – the leader of the Polish call centre service market. In 1986–2001, he was the owner of Progressive Development Inc., a US-based construction company. In the 1990s, Mr Motz was a shareholder in a group of Polish companies owned by Euro RSCG, one of Europe's leading marketing groups. He is a member of the Executive Committee of Forum Obywatelskiego Rozwoju headed by Professor Leszek Balcerowicz. Graduate of the Faculty of Veterinary Medicine of the Warsaw University of Life Sciences – SGGW.

- Construction department
- Lease and sales department
- Investor relations



MARCIN JUSZCZYK

Marcin Juszczyk has been with the Capital Park Group since 2003, Member of the Management Board of Capital Park SA since its inception. In 2003–2005 – the Group's CFO, Since 2005 – Chief Investment Officer, and since 2016 – both its CFO and CIO. In 2001–2006 – Chief Financial Officer at Communication One Inc., a group that included Call Center Poland S.A., in charge of mergers, acquisitions and JV transactions. In 1995–1997 – consultant at the business consulting agency Agencja Doradztwa Gospodarczego AM Jesiulowscy, responsible for privatisation projects and company valuations. In 1997–2001 – consultancy project leader at Normax sp. z o.o. (member of Hogart, an international business consulting group). Graduate of the Kraków University of Economics, with major in IT and Econometrics. Member of ACCA (Association of Chartered Certified Accountants), an FCCA since 2010. He is a member of the REIT Poland Association, Polish Chamber of Commercial Real Estate (PINK) and REITs Education and Research Foundation.

- Investments
- Finance and treasury
- Controlling
- Accounting
- ESG



KINGA NOWAKOWSKA

With the Capital Park Group since 2007. She is a Member of the Management Board and Chief Operating Officer. She has been involved in the Group's major projects and has been responsible for the prestigious Norb-lin Factory revitalisation project in Warsaw since 2009. Kinga Nowakowska is responsible for the Group's asset management projects. She is the author of the 'Office +' concept of bespoke solutions for tenants implemented by the Capital Park Group in each of its projects. The concept is customised for each project, but at its core it always has the following elements: quality architecture, care for the natural environment and sustainable development, green areas and high quality of surroundings, promotion of sports and physical activity, art and culture within common areas, a wide range of services, and creative approach to asset management. She has founded and runs the Business Angels – Black Swan Fund network investing in start-ups managed by women. She serves on its management board. She herself invests in start-ups across various industries. One of her most compelling investments is BioBazar, the first food market in Poland offering certified organic food, which has operated in Warsaw for 11 years.

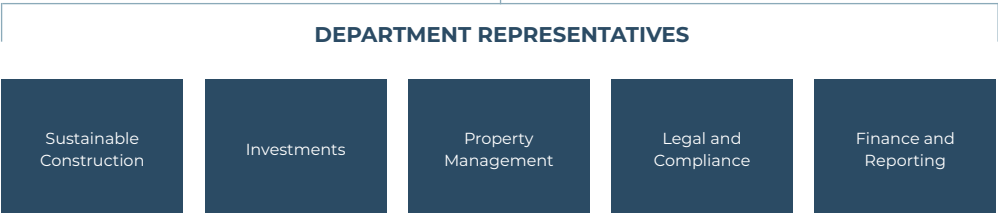
For 11 years, beginning in 1997, Ms Nowakowska was Chief Executive Officer of Call Center Poland, which under her leadership became one of the largest multi-language customer service outsourcing hubs in Europe, successfully sold in 2007. Graduate of International Business Law at the Sorbonne Law School.

- Property management
- Legal department
- Marketing
- ESG



ESG TEAM

Our strong commitment to environmental, social and governance excellence is best demonstrated by the fact that two of the three members of the Management Board have been part of the interdepartmental ESG Team since 2022. Marcin Juszczyk, Member of the Management Board, CFO and CIO, is head of the ESG Team responsible for ESG management at the Group on behalf of the Management Board. The ESG Team is co-headed by Kinga Nowakowska, Member of the Management Board and Chief Operating Officer. The ESG Team comprises specialists from various departments: construction, property management, finance and controlling, investment, and legal. The team meets at least once a month, and their work focuses on ESG programme development, regulatory landscape, ESG training and knowledge enhancement, ESG objective setting, ESG integration and compliance (adapting the Group's operations and structures to meet growing ESG requirements), and ESG reporting.





ESG TEAM RESPONSIBILITIES

ESG strategy development

- Develop an ESG strategy and decarbonisation roadmap
- Manage ESG risks and opportunities
- Create strategic competitive advantage using new ESG opportunities
- Raise awareness of climate and ESG issues (training and workshops)

Integration of ESG into Group's operations

- Prepare sustainable development projects
- Handle building certification processes
- Identify gaps and non-compliance with ESG guidelines

Meeting stakeholder expectations

- Address ESG reporting requirements and frameworks (national regulations, industry guidelines)
- Develop best practices regarding responsibility towards employees, diversity and human rights
- Help to enhance the Group's transparency

RULES OF OPERATION OF THE COMPANY'S GOVERNING BODIES

GENERAL MEETING

- The General Meeting is held once a year as an Annual General Meeting (the "AGM") or in special cases as an Extraordinary General Meeting (the "EGM").
- A General Meeting may be convened by the Company shareholders (Jan Motz and MIRELF VI B.V.) in the exercise of their special rights
- A General Meeting may be convened by shareholders holding more than one-twentieth of the Company's share capital.

The powers and responsibilities of the General Meeting include:

- approval of the Company's financial statements,
- granting discharge from liability to the Management Board and Supervisory Board members,
- amendments to the Articles of Association,
- adoption of Rules of Procedure for the General Meeting and Rules of Procedure for the Supervisory Board,
- adoption of a remuneration policy for the Supervisory Board and Management Board
- approval of the remuneration report of the Management Board and Supervisory Board
- profit sharing

SUPERVISORY BOARD

- six members
- five-year term of office
- Two members are appointed and removed from office by the General Meeting, while four members are appointed and removed by the Company shareholders (Jan Motz – one member, MIRELF VI B.V. – three members, including the Chair), in the exercise of their special rights,
- resolutions of the Supervisory Board are valid if at least four members of the Supervisory Board are present at the meeting, except for resolutions on suspension or removal of the Management Board members, which require an absolute majority of votes cast to be valid.

The powers and responsibilities of the Supervisory Board include:

- approval of annual budgets,
- approval of all transactions which have not been provided for, or are implemented on conditions different from those envisaged in, the Group's annual business plan, where their net value exceeds a specified limit (subject to Art. 23.4 of the Articles of Association),
- appointment of the auditor.

MANAGEMENT BOARD

- 1-4 members
- five-year term of office
- Directs the Company's affairs, manages its assets, and represents the Company before courts, government authorities and third parties.
- Represented by one member
- Resolutions of the Management Board shall be passed by an absolute majority of votes. In the event of a tied vote, the President of the Management Board has the casting vote.

Powers and responsibilities of individual Management Board members:

- Jan Motz – President of the Management Board, CEO; in particular, he supervises the preparation, construction and commercialisation of investment projects; responsible for IR.
- Marcin Juszczyk – Member of the Management Board and CIO/CFO, oversees investment planning and preparation, divestments, finance, treasury, controlling, and accounting, ESG.
- Kinga Nowakowska – Member of the Management Board and COO, oversees management of property, marketing and ESG aspects.

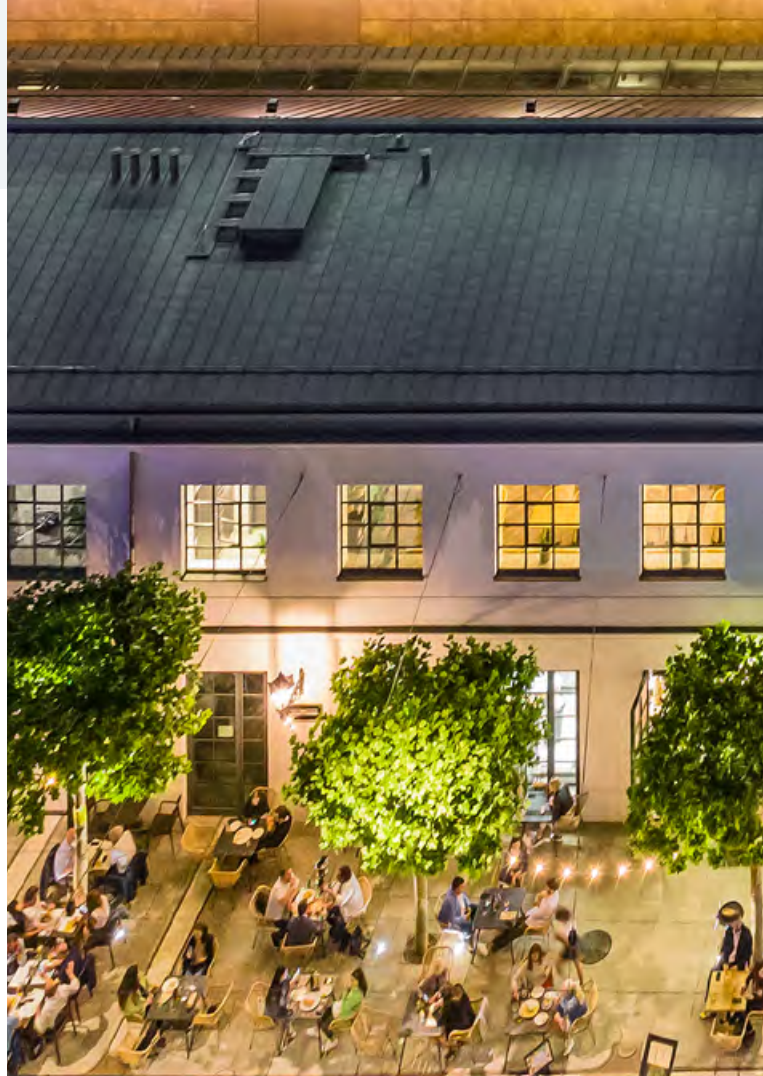


RISK MANAGEMENT

In its business operations, the Group is exposed to various financial and non-financial risks. The parent's Management Board reviews and establishes rules for managing each of these types of risk. This report presents key risk factors which the Management Board believes have or may have the strongest bearing on the Group's business. The list is neither complete nor exhaustive, and therefore the risks may not be treated as the only risks to which the Group is exposed.

The Group's approach to risk management reflects its business model and relies on the knowledge and experience of a committed management team. All investment decisions and progress of work are discussed at regular meetings of the Management Board. Risk identification and effective risk management are also subject to ongoing review by the Legal & Compliance Department and the Audit Committee. Investment decisions which may carry potentially higher risks or which involve considerable resources are also subject to review by the Investment Committee. In addition to being reviewed on a regular basis, all identified risks are updated on publication of each issue prospectus (particularly when corporate bonds are issued or new factors emerge, such as COVID-19).

The Group has implemented an internal control and risk management system, and internal procedures are in place concerning financial information and document flow, the purpose of which is to identify and eliminate risk areas and irregularities in all aspects of the Group companies' activity. The control procedures are regularly evaluated and revised. The internal control procedures are overseen by the financial controller to ensure their security and effectiveness, as well as compliance with adopted regulations. In the course of a year, detailed financial reports are prepared by Capital Park Group companies to enable their respective Management Boards to review and evaluate their current performance. Eval-



uation and control of current but also of planned investment projects is performed on the basis of financial models prepared by the Group for each project. Detailed project budgets are drawn up based on the Capital Park Group team's long track record and extensive expertise in the property market. Financial plans prepared by the Group allow it to supervise and assess the entire property development process as it unfolds, to control costs and performance against budget, and to monitor timetables. The budgets of projects in progress are updated as needed, while other project budgets are updated at least once every three months.



BEST PRACTICE FOR WSE LISTED COMPANIES 2021

Being a public company listed on the Warsaw Stock Exchange carries with it certain responsibilities. In addition to ensuring legal compliance, we follow corporate governance principles set out in the Best Practice for Listed Companies 2021. They are reported in the 'comply or explain' form, meaning that we are required to provide an explanation if a principle is not complied with. According to the Best Practice 2021 compliance statement, the Capital Park Group complies with 70% of the corpo-

rate governance principles, with 27% of the principles not complied with and 3% not applicable to the Group. Corporate governance principles to which the Group has not adhered include the latest principles on integrating ESG aspects into the adopted strategy and diversity policy. This report is a step toward meeting at least some of the principles regarding sustainable development.

ABOUT THE REPORT

SCOPE OF DISCLOSURE

Sustainability has long been an integral part of the Capital Park Group's business. In preparing our second environmental, social and governance report, we sought to reconcile the growing expectations of both domestic and international stakeholders. Seeking to ensure international comparability of our indicators, we decided to prepare a report that is compliant with the Accounting Act as well as the international Sustainability Accounting Standards Board (SASB) framework and recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Also, this report contains more integrated reporting disclosures (IIRC Guidelines), and indicators described in the SFDR Regulation and the ESG Reporting Guidelines.

The ESG disclosures made by the Capital Park Group are voluntary. The Group is a public interest entity (PIE) within the meaning of the Act on Statutory Auditors, Audit Firms and Public Oversight, but does not meet the regulatory requirements for corporate groups (Art. 55.2b.3) under the Accounting Act. Although our total assets exceeded PLN 102.0m at the end of 2022, we do not meet the average annual workforce threshold of 500 set in the Accounting Act.





ACCOUNTING ACT COMPLIANCE TABLE

Aspect	Pages
1. Business model	10-15
2. Key performance indicators	Key indicators are presented in individual sections of the report
3. Risks and risk management	76-77, 92-94, 105, 126-129, 145-146
4. Key policies and procedures of the Capital Park Group and implementation outcomes	
a. Labour	96-99
b. Social	100-105
c. Environmental	84-95
d. Respect for human rights	100
e. Anti-corruption and bribery	144

SASB COMPLIANCE TABLE

Topic	Metric
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector (IF-RE-130a.1)
	Total energy consumed by portfolio area with data coverage, percentage grid electricity, and percentage renewable, by property subsector (GJ) (GJ) (IF-RE-130a.2)
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector (IF-RE-130a.3)
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector (IF-RE-130a.4)
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy (IF-RE-130a.5)
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector (IF-RE-140a.1)
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector (IF-RE-140a.2)
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector (IF-RE-140a.3)
	Description of water management risks and discussion of strategies and practices to mitigate those risks (IF-RE-140a.4)

Brief description	Page
<p>The data covers the total floor area of the properties wholly owned by the Group and the floor area of joint venture projects (retail space) in proportion to the ownership interest held by the Group in those projects.</p> <p>We have separate electricity meters installed for all tenants occupying our office space, hotels and other properties.</p>	92
<ul style="list-style-type: none"> ▪ In 2022, our properties used 23.7 GWh (85,209 GJ) of electricity. ▪ Our properties are supplied with grid electricity. ▪ At the end of 2021 and 2022, we did not own any sources of renewable energy. We are in the process of installing 46 kW solar PV panels at Norblin Factory to partially cover electricity demand in common areas of the retail section. We are analysing the feasibility of installing renewable energy sources at our other properties. 	91
<p>The increase in electricity consumption by 55% relative to the prior year, of 15.3 Gwh (55,049 GJ), was mainly due to the fact that we presented the first full year of operation of Norblin Factory.</p>	91
<p>For many years, our properties have been certified for sustainability according to BREEAM and LEED, the world's leading environmental certification schemes. As at the end of 2022, 81% of the total floor area in properties wholly owned by the Group was certified.</p>	86
<p>We have identified risks associated with electricity consumption. The first one is the scale of our grid electricity usage. We recognise that our tenants, like us, look to reduce their carbon footprint. For this reason, we consider state-of-the-art energy saving technologies already at the design stage (we use reflective glass to reflect light and reduce air conditioning requirements, we install lifts with energy-efficient drives and lighting), and we use LED lights with motion sensors in rooms, common areas, garages, and car parks of all our properties. The other risk factor is the rising electricity prices. In addition to tenant education on ways to reduce their electricity consumption, we also engage in price negotiations with electricity suppliers whenever possible.</p>	92
<ul style="list-style-type: none"> ▪ We have water usage data for all our properties. ▪ Only one of our properties is located in an affected area: the 5,711 m² Street Mall Vis a Vis Łódź (no change year on year). 	89
<ul style="list-style-type: none"> ▪ A total of 114.3 thousand m³ of water was used across our properties in 2022. Office buildings, which make up the largest part of our property portfolio, accounted for the highest water usage (approximately 50%). See the table for details. ▪ Only one of our properties is located in an affected area: the 5,711 m² Street Mall Vis a Vis Łódź. In 2022, the property used 2,435 m³ of water, or 2.1% of our total water consumption (2021: 2.3%). 	89 - 90
<p>The increase in water consumption by 66% relative to 2021, of 69.0 thousand m³, was mainly due to the fact that we presented the first full year of operation of Norblin Factory. See the table for details.</p>	89
<p>We have not adopted a formal water management policy. However, we take proactive measures to reduce water consumption across our properties and address the risk by installing rainwater tanks (Royal Wilanów: 330 m³, Norblin Factory: 1,200 m³). The collected water is used to flush toilets and to water plants in the atria and inside the buildings we use water-saving sanitary fittings and fixtures (touchless taps, aerators, dishwashers, etc.)</p>	89

Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiencyrelated capital improvements and (2) associated leased floor area, by property subsector (IF-RE-410a.1)
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector(IF-RE-410a.2)
	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants (IF-RE-410a.3)
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property subsector (IF-RE-450a.1)
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks (IF-RE-450a.2)
Activity Metrics	Number of assets, by property subsector (IF-RE-000.A)
	Leasable floor area, by property subsector (IF-RE-000.B)
	Percentage of indirectly managed assets, by property subsector (IF-RE-000.C)
	Average occupancy rate, by property subsector (F-RE-000.D)

Our contracts with tenants do not provide for reimbursement of their capital expenditure on efficiency improvements.	88
Our properties offer a range of solutions, including: ability to manage a tenant's own environmental and climate impacts with separate meters to bill their water and (partly) electricity consumption.	89
Our properties offer a range of solutions, including: ability to manage a tenant's own environmental and climate impacts with separate meters to bill their water and (partly) electricity consumption, support in proper waste segregation, in the case of Norblin Factory – an advanced building application which will soon have a resource-sharing feature, the Royal Wilanów application enabling employees to share rides to work, sustainable transport options, such as public transport services (convenient location of our properties), facilities for cyclists (bike parking spaces with changing rooms and showers, repair stations), and charging stations for electric vehicles.	89
When choosing locations for our properties, we take into account physical risks, in particular the risk of rising surface water levels. Based on the data available on the https://isok.gov.pl/hydroportal , only one of our projects (in Bydgoszcz, GLA of 160 m ²) is at risk of flooding (0.001% of our portfolio).	101
<ul style="list-style-type: none"> ▪ We take account of climate-related (transition and physical) risks and opportunities in our plans and decisions, because we are aware of their possible impact on our business model. The Group's development projects are recognised for their environmentally friendly solutions. We want to maintain this strategic approach to minimise the environmental impact of our projects and build the Group's competitive advantage on the property market. This will allow us to maintain high occupancy rates in our properties and favourable lease terms, with a positive effect on our operating cash flows, creditworthiness of the Group's companies and value of the property portfolio ▪ Additionally, in this report we discuss climate-related risks and opportunities in the short, medium, and long terms, as well as the resilience of our business model to two climate-related scenarios. 	101-106
16 projects: 2 key income generating projects, 14 other properties, including 7 completed income generating, 2 residential projects in progress and 5 remaining properties	38-39
Approximately 152 thousand m ² of GLA, of which 127 thousand m ² is fully consolidated.	38-39
We do not have any indirectly controlled space.	38-39
On average, our properties are 95% leased. See the table for details by type of space.	38-39

TCFD COMPLIANCE TABLE

Aspect	Metric
Governance	Description of management board's oversight of climate-related risks and opportunities
	Description of management's role in assessing and managing climate-related risks and opportunities
Strategy	Description of management's role in assessing and managing climate-related risks and opportunities
	Description of the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and finances.
	Description of the resilience of the organisation's business model and strategy, taking into consideration different climate-related scenarios (including a 2°C or lower scenario).
Risk management	Description of processes for identifying and assessing climate-related risks.
	Description of processes for managing climate-related risks.
	Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.
Metrics and targets	Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes.
	Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.
	Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.



Numer strongy	Comment
168, 172-174	Disclosures
168, 172-174	Disclosures
172-174	Disclosures
100-101	Qualitative disclosures
102-103	Disclosures
172-174	Disclosures
172-174	Disclosures
172-174	Disclosures
86-100	The indicators are disclosed in the respective parts of the environment section
99-100	Scope 1, Scope 2 and partly Scope 3 GHG emission estimates according to the GHG Protocol.
-	No disclosures.

TABLE OF COMPLIANCE WITH THE GUIDELINES AND RECOMMENDATIONS OF THE INTERNATIONAL INTEGRATED REPORTING COUNCIL

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Organisational overview and external environment	133-141
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TABLE OF COMPLIANCE WITH THE ESG REPORTING GUIDELINES

	Area	Metric	Numer strongy
Environmental	Climate change	E-P1 GHG Emissions	99
		E-P2 Energy Consumption	91-92
		E-P3 Climate Risks & Opportunities	101-102
		E-S1 Emissions Intensity	99
		E-S2 Emissions Management	99
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		E-S4 Water Management	89-90
		E-S5 Impact on Biodiversity	96-97
	Waste and pollution	E-S6 Waste Management	94-95
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		S-P2 Gender Pay Gap	-
	Working conditions	S-P3 Employee Turnover	105
		S-P4 Freedom of Association and Collective Bargaining	115
		S-S1 Employee Health and Safety	110
	Human Rights	S-P5 Human Rights Policy	115-116
		S-P6 Human Rights Due Diligence	115-116
Corporate Govern- ance	Corporate Govern- ance	G-P1 Board Composition	156-168
	Business Integrity	G-P2 Business Ethics Standards	115-116
		G-P3 Anti-Corruption Policy	117
		G-P4 Whistle-blower Mechanism	116-117
	Data Security & Privacy	G-S1 Data Security Policy	116

NOTES

This image shows a full page of blank graph paper. The background is a very light gray, and it is covered by a precise grid of thin, light blue horizontal and vertical lines. These lines intersect to form a series of small, identical squares across the entire surface of the page. There are no margins, text, or other markings present.

CAPITAL PARK GROUP

<https://capitalpark.pl/>

<http://inwestor.capitalpark.pl/>

ADRESS

Klimczaka 1

02-797 Warsaw

CONTACT

+48 22 318 88 88

biuro@capitalpark.pl

