



FINANCIAL RESULTS OF CAPITAL PARK GROUP

H1 2023

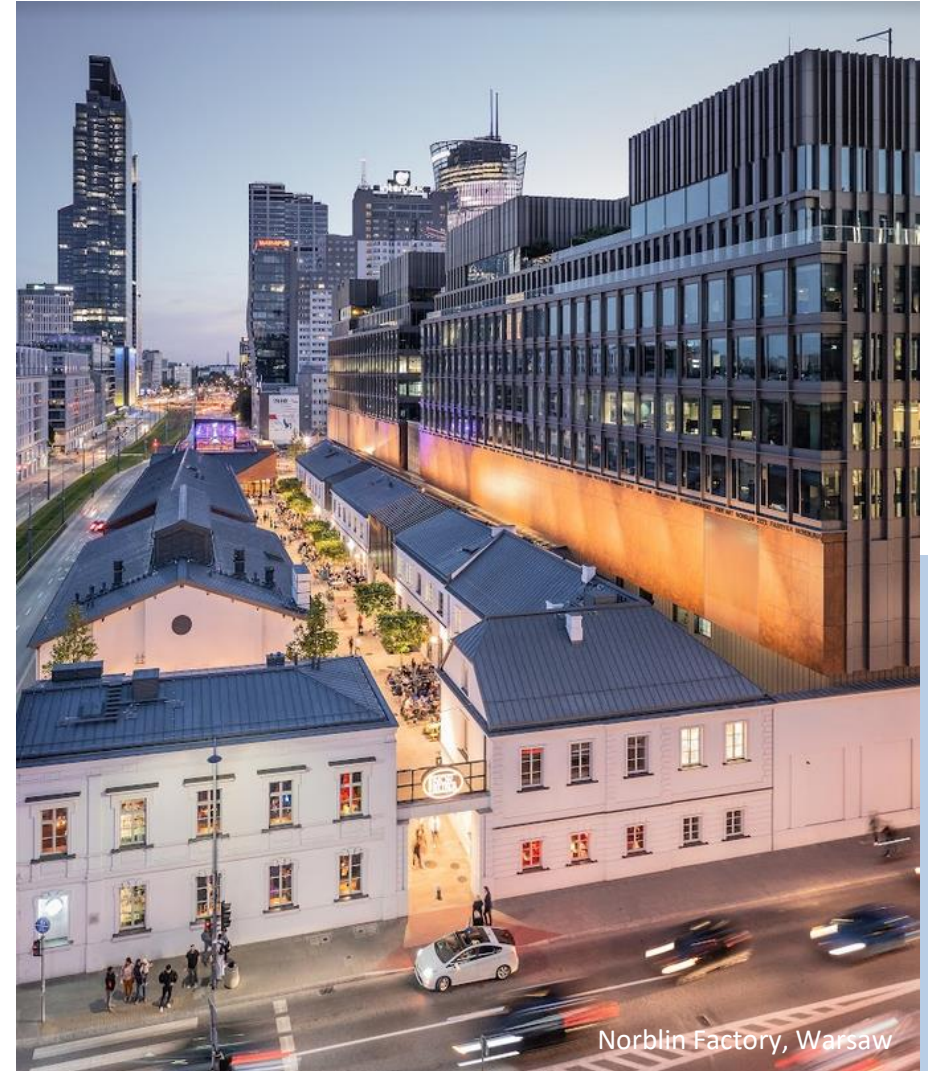


September 8th, 2023

AGENDA

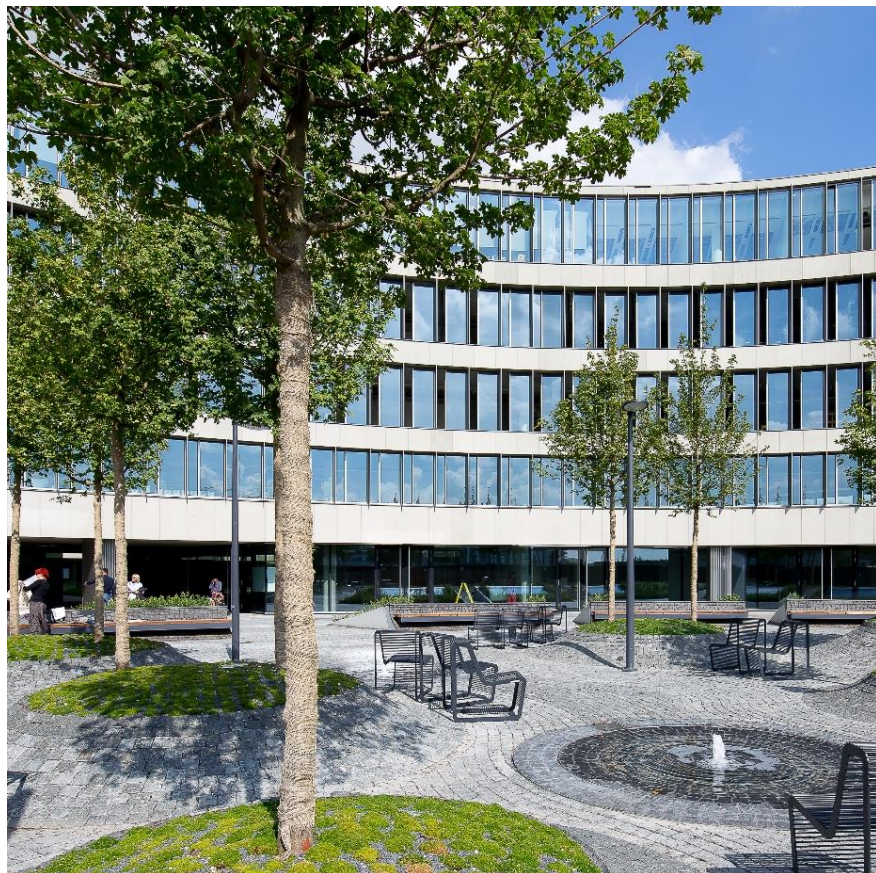


- About Capital Park Group
- Business summary
 - Key events of H1 2023
 - Real estate market environment
 - Property portfolio
 - Financial results
- Supporting materials



Norblin Factory, Warsaw

INVESTMENT COMPANY ON THE REAL ESTATE MARKET



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

20 years

Experience on the Polish
property market

10 years

Since listing on the Warsaw
Stock Exchange

163,300 m²

Total area of the property
portfolio under
management

PLN 2.7bn

Value of the property
portfolio under management
at the end of Q2 2023

86

Strong team of
professionals

98%

Portfolio occupancy

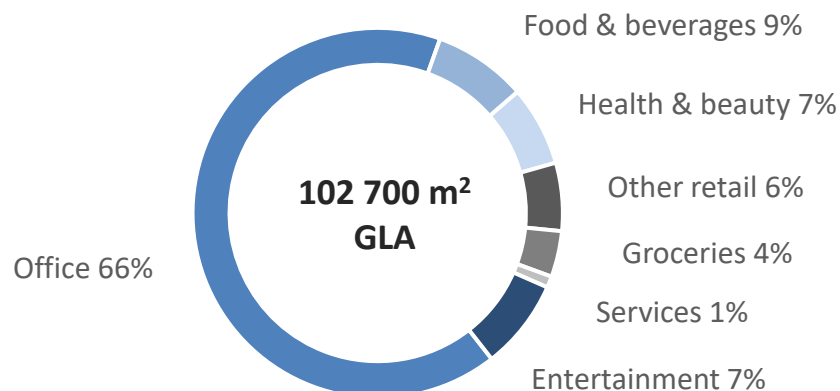
PROPERTY PORTFOLIO OVERVIEW



KEY ASSETS

- 2 strategic income generating mixed-use projects
- include the prestigious **Royal Wilanów** and the recently revitalized **Norblin Factory** complex
- Located in Warsaw

PORTFOLIO STRUCTURE



PLN 2bn

Total gross asset value

98%

Occupancy rate

5.3 years

WAULT

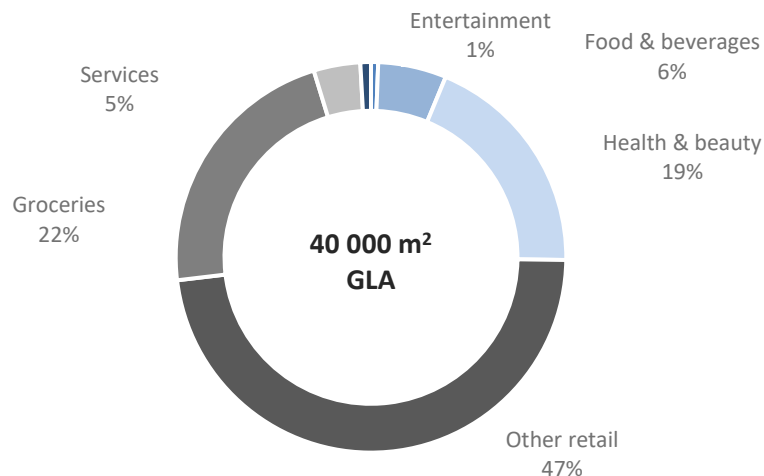
PROPERTY PORTFOLIO OVERVIEW



NON-STRATEGIC ASSETS

- 4 non-strategic income generating projects comprising a diverse range of modern retail
- 1 residential project in pipeline
- 5 other projects (mainly lands)
- 3 joint venture projects, including 1 residential project in the pipeline

PORTFOLIO STRUCTURE



PLN 0.5bn

Total gross asset value

96%

Occupancy rate

4.0 years

WAULT

LOCATION OF THE GROUP'S PROPERTY PORTFOLIO

KEY ASSETS

Norblin Factory

W

Mixed-use

GLA: 65,880 m²

Completed: 08/2021



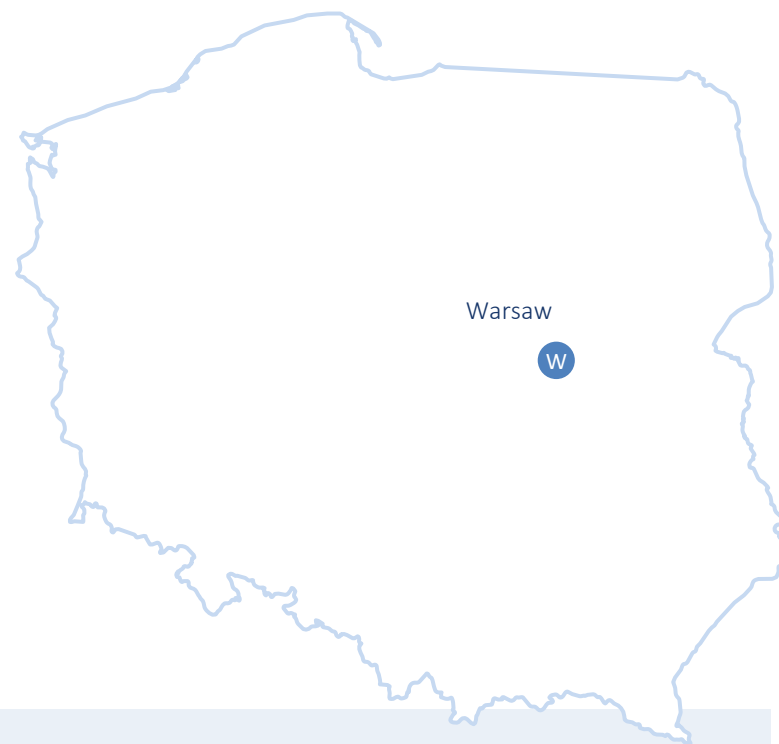
Royal Wilanów

W

Mixed-use

GLA: 36,823 m²

Completed: 08/2015



**91% of the Group's portfolio (solely owned)
is key assets located in Warsaw
BOOK VALUE: PLN 2bn**

LOCATION OF THE GROUP'S PROPERTY PORTFOLIO



NON-STRATEGIC ASSETS

Galeria ZaspA

Retail

GLA: 8,655 m²

Completed: 04/2016



Hampton by Hilton Old Town Gdańsk

Hotel & retail

GLA: 8,884 m²

Sold: 03/2023



Vis À Vis Łódź

Retail

GLA: 5,711 m²

Completed: 12/2014

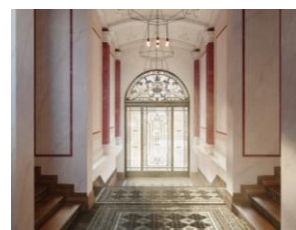


REZYDENCJA ALEJA FONTANN, SZCZECIN

Residential

Usable area of flats: 5,941 m²

In pipeline



Vis À Vis Wilanów (JV)

Retail

GLA: 4,129 m²

Completed 12/2018



Polski Hak (JV)

Residential

Land: 1.3 ha

In pipeline



Nowy Wełnowiec (JV)

Residential, mixed-use

Land: 44 ha

In pipeline



ETC SWARZĘDZ (JV)

Retail

GLA: 20,757 m²

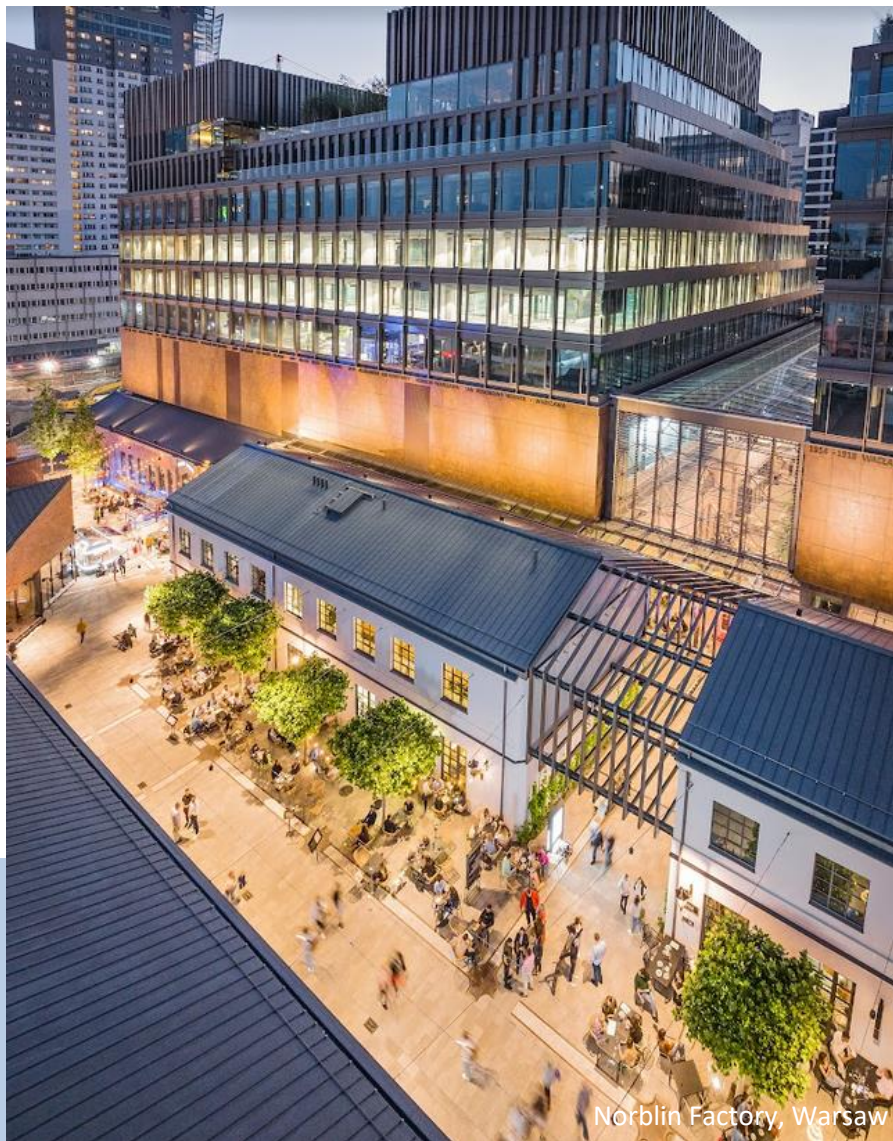
Completed: 10/2017



BUSINESS SUMMARY



H1 2023 UPDATE

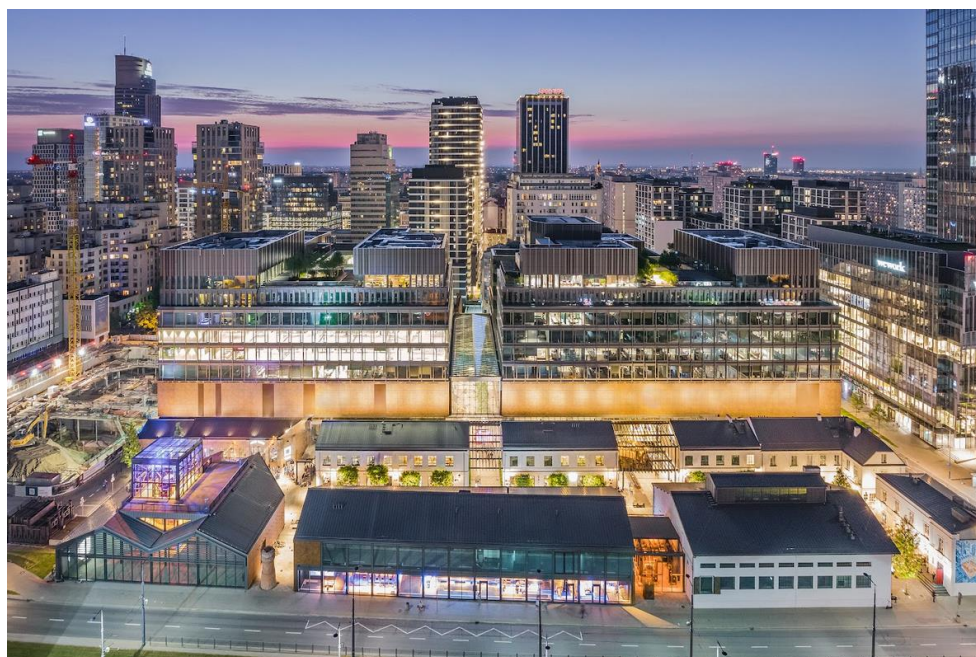


Norblin Factory, Warsaw

Leasing update of Norblin Factory and
Royal Wilanów

Building permit for Szczecin al. Fontann

COMPLETED – H1 2023 UPDATE



NORBLIN FACTORY

GLA	65,880 m2 (office: 41,679 m2, health & beauty 2,444 m2, groceries: 1,955 m2, food & beverages: 7,263 m2, entertainment: 7,346 m2, other retail: 4,189 m2, services: 1004 m2, 726 underground parking spaces)
Delivery date	August 2021
Book value	PLN 1,482m (EUR 333m)
Occupancy	99% (+5 p.p. q/q)
Capex after Q2 23	PLN 19m (EUR 4m)
Key tenants	Allegro, JTI Polska, SEB Bank, ISS World Service Poland, KinoGram, Food Town, Music Club Moxo, Biobazar, Art Box, Apple Museum, Medicover, Blue Cactus, Mount TFI, Smart Kids Planet, Orange Theory
Update	New tenants: Answear.com, Sweet Bites,, House of Diamonds, Beauty Skin.

POLSKI HAK – H1 2023 UPDATE



POLSKI HAK

Type:	Residential
Area:	13,300 m ²
Location:	Gdańsk
Book value:	PLN 55m (EUR 12m)
Group's interest:	26%

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.

The author of the concept for the development is JEMS Architekci.

- It is one of the most prestigious locations in the heart of the Tricity, 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.

NEW PROJECTS IN PIPELINE



CURRENT



PLANNED

SZCZECIN, ALEJA FONTANN

Type:	Residential
Usable area of flats:	5,941 m ²
Units:	51
Location:	Szczecin
Book value:	PLN 18m (EUR 4m)
Group's interest:	100%

In April 2022, the Capital Park Group purchased a historical central Szczecin townhouse dating back to the end of the 19th century.

In Q2 2023 the Capital Park Group obtained building permit.

- 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.
- 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.

NEW PROJECTS IN PIPELINE



Nowy Wełnowiec is a green, multifunctional district to be developed in the northern part of Katowice, stretching into 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 Capital Park Group is a shareholder (holding a 10% share in the project since March 2023) and a strategic partner responsible for managing the project and development supervision.



NOWY WEŁNOWIEC

Type:	Residential, mixed use
Usable area of flats:	208,100 m ²
Units:	3,469
Mixed-use:	74,800 m ²
Warehouse:	51,000 m ²
Location:	Katowice
Group's interest:	current 10% (target 33%)

- Apartments, office, retail & entertainment, recreation, culture and science
- Safety and comfort - no car traffic in the above-ground area of the project
- Implementation of the investment with respect for nature and adaptation to ongoing climate change
- Significant share of green areas, natural retention and recreation
- Modern solutions, sustainable and ecological, the basis for the implementation of the investment (ESG)

REAL ESTATE MARKET ENVIRONMENT



WARSAW OFFICE MARKET

Existing office stock
6.3 m m2

Vacancy rate
11.4%

New supply in H1 2023
18,7 thous. m2

Office space under construction
265 thous. m2

Lease transaction volume in H1 2023
326 thous. m2

Prime yields
5.5%

- Only 18,700 m2 of new supply was delivered in H1 2023, across 3 projects, all situated in non-central locations.
- Estimated space under construction reaches 230,000 m2, out of which 75% is scheduled to be delivered in the city center by the end of 2025
- Lease contracts for approximately 326 thousand m2 of space were signed in H1 2023 (-32% vs H1 2022). New leases accounted for 60% of all contracts, lease renegotiations – for 35% and lease expansions – for 5%. A slight drop in the vacancy rate from 11.6% in Q1 2023 to 12.4% in Q2 2023.
- At the end of June 2023, asking rents ranged between EUR 19 and EUR 27 per m2 per month in central city locations, including high-end projects, and between EUR 15 and EUR 24 per m2 per month in other central locations.
- 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.

RETAIL MARKET

Modern retail space

13.6 m m2

(excl. formats < 5,000 m2)

New supply in H1 2023

198 thous. m2

Retail space under construction

390 thous. m2

Prime yields

6.5%

- Retail parks and convenience schemes remain the most attractive retail assets.
- Yields in prime shopping centres decompressed to 6.5%.
- In H1 2023 new supply amounted to 198 thousand m2 - the biggest projects delivered in H1 2023 are: Bawełnianka in Bełchatów (33 thous. sqm), refurbished Fort Wola in Warsaw (22 thous. sqm) and retail park in Kłodzk (17 thous. sqm). At the end of Q1 2023, approximately 322 thousand m2 of retail space was under construction.
- We observe increasing interest in convenience centres with space below 10 thous. sqm in smaller cities.
- Average rents for retail space in the city malls are stable and amount to 100-130 EUR/sqm in Warsaw and 40-60 EUR/sqm in regions.
- Average rents for retail space in retail parks amount to 9-12 EUR/sqm.

RESIDENTIAL MARKET

Sales in Q2 2023

15,500

Residential units
(total for 6 regions)

New supply in H1 2023

10,200 flats

Residential units
(total for 6 regions)

Average price/sqm
from PLN 9,600 in
Łódź to PLN 15,200 in
Warsaw

- In Q2 2023, a total of 15.5 thousand units were sold (+36% vs. Q1 2023). In Q2 2023 most purchase transactions were cash transactions. However developers claim that there were few transactions related to the 2% loan plan. Increasing numbers of reservations confirmed that the interest in the program is very high.
- Regarding supply, in Q2 2023 more than 10 thous. Units were put on sale, which is almost 50% more than in Q1 2023. The largest increase compared to the previous quarter was noted in Tri-City by 127% and the smallest in Poznań by 6%.
- Despite higher supply, in all cities except Łódź, sales exceeded the new supply, and as a result the offer decreased.
- At the end of June 2023, the average prices of units on offer reached record levels in each of the major markets – Tri-City and Wrocław above 13,000 PLN/sqm, Kraków and Warsaw approx. 14,700 PLN/sqm, Poznań 11,500 PLN/sqm, Łódź 9,600 PLN/sqm.

COMPLETED PROJECTS / KEY ASSETS – H1 2023 UPDATE



ROYAL WILANÓW

GLA	36,823 m ² (offices: 25,875 m ² , health & beauty 4,383 m ² , groceries: 2,072 m ² , food & beverages: 2,092 m ² , other retail: 1,994 m ² , services: 407 m ² , 908 underground parking spaces)
Delivery date	August 2015
Book value	PLN 527m (EUR 118m)
Occupancy	98% (no changes pp q/q)
WAULT	4.2 years
Key tenants	ERBUD, Artis Club, Medicover, Carrefour, Hilti, Perfect Gym, MHC Mobility
Update	Stabilised asset.

COMPLETED PROJECTS / NON-STRATEGIC ASSETS – H1 2023 UPDATE



GALERIA ZASPA

GLA	8,655 m ²
Delivery date	April 2016
Book value	PL 53m (EUR 12m);
Occupancy	98% (+1 p.p. q/q)
WAULT	3.4 years
Key tenants	Intermarche, Rossmann, Euro RTV AGD, Pepco, KIK, Sinsay, Maxi Zoo, PKO BP, Apteka DOZ, Dominos Pizza



VIS À VIS ŁÓDŹ

GLA	5,711 m ²
Delivery date	December 2014
Book value	PLN 33m (EUR 7.4m)
Occupancy	95% (no changes q/q)
WAULT	3.8 years
Key tenants	Lidl, Pepco, Benefit Systems, Rossmann, Euro-Apteka, Empik

JOINT VENTURE PROJECTS / NON-STRATEGIC ASSETS – H1 2023 UPDATE



ETC SWARZĘDZ

GLA	20,757 m ²
Delivery date	October 2017
Book value	PLN 152m (EUR 34m)
Occupancy	96% (+5 p.p. q/q)
WAULT	3.7 years
Key tenants	Intermarche, Reserved, RTV Euro AGD, CCC, Deichmann, KIK, Empik, Smyk, Martes Sport, Kids OK, Dealz, Pepco, Sinsay, Home&you, 4F, Up to You
Group's interest	60%



VIS À VIS WILANÓW

GLA	4,129 m ²
Delivery date	October 2018
Book value	PLN 47.5m (EUR 11m)
Occupancy	100% (no changes q/q)
WAULT	6.1 years
Key tenants	Villa Nova Dental Clinic, RTV Euro AGD, Max Burgers, Hebe, Decathlon, fitness club Orange Theory, Vininova, Veda Restaurant, Sakana Sushi Bar, Poczta Polska, Bang & Olufsen, DESEO
Group's interest	66%

H1 2023 FINANCIAL RESULTS



KEY FIGURES OF H1 2023

PLN 61.5m

Net operating income
+61% vs. H1 2022

key assets PLN 55m
non-strategic assets PLN 6.5m

PLN 2,131m

Investment portfolio value

key assets PLN 2,008m
non-strategic assets PLN 123m

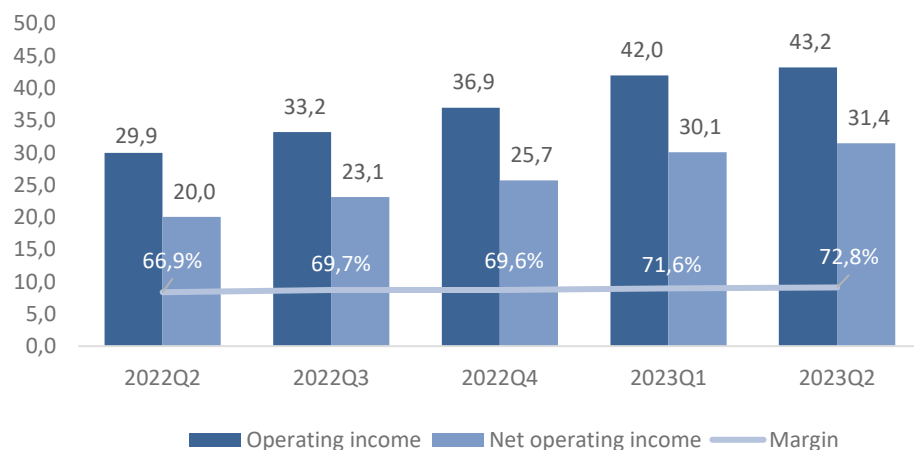


Norblin Factory, Warsaw

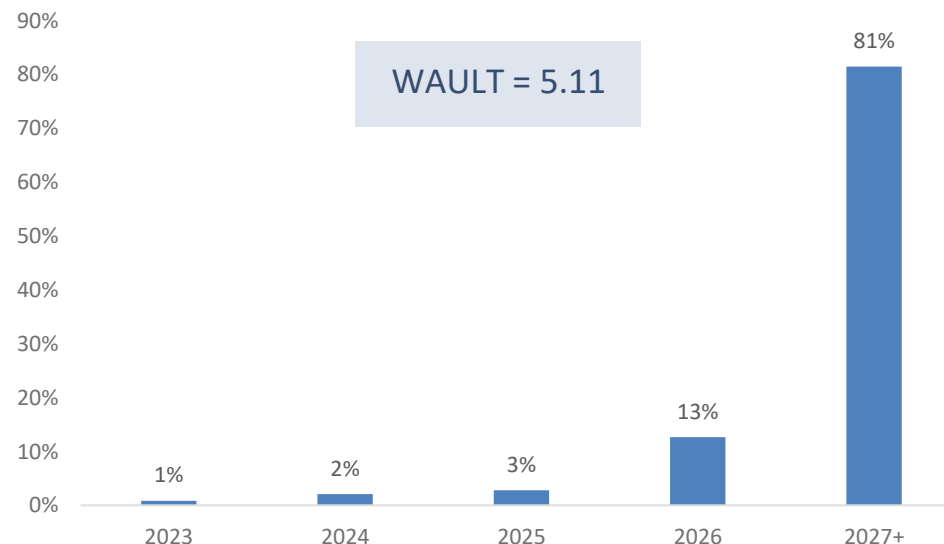
REVENUES FROM LEASE



OPERATING INCOME AND NOI
(PLN M)



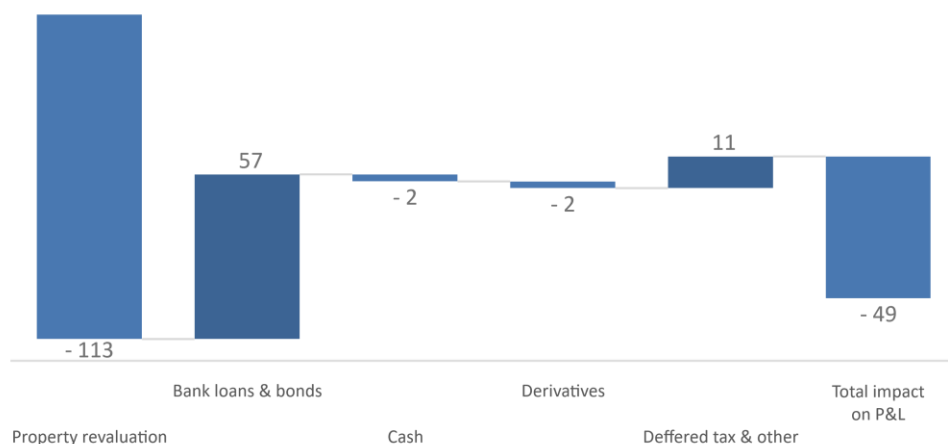
LEASE EXPIRY



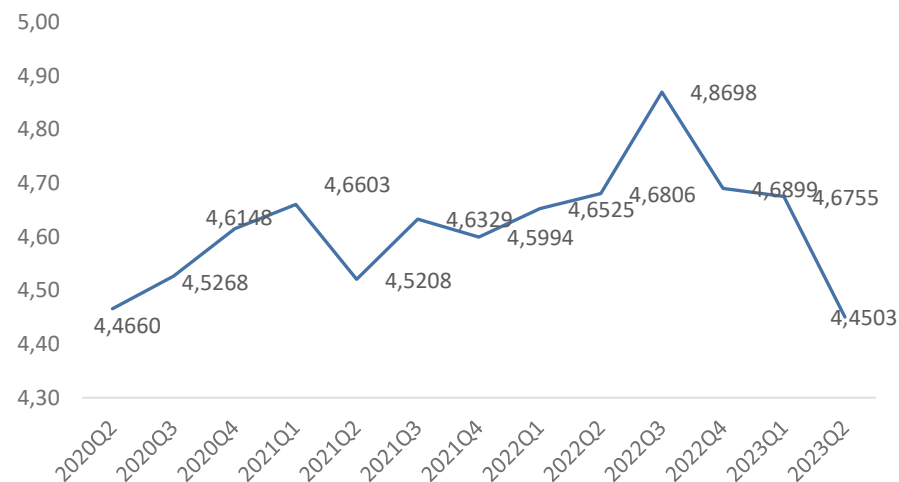
- Net operating income amounted to PLN 61.5m in H1 2023 – mainly due to increased occupancy and progressing area takeover in Norblin Factory. NOI of strategic assets amounted to PLN 55m. NOI of the non-strategic assets amounted to PLN 6.5m.
- Change of WAULT structure – 81% of the contracted lease agreements expire after 2026 mainly due to lease agreements in Norblin Factory.

IMPACT OF UNREALISED EXCHANGE RATE DIFFERENCE ON H1 2023 RESULTS

**IMPACT OF UNREALISED EXCHANGE RATE DIFFERENCE
H1 2023 (PLN M)**



EXCHANGE RATES AT THE END OF REPORTING PERIODS

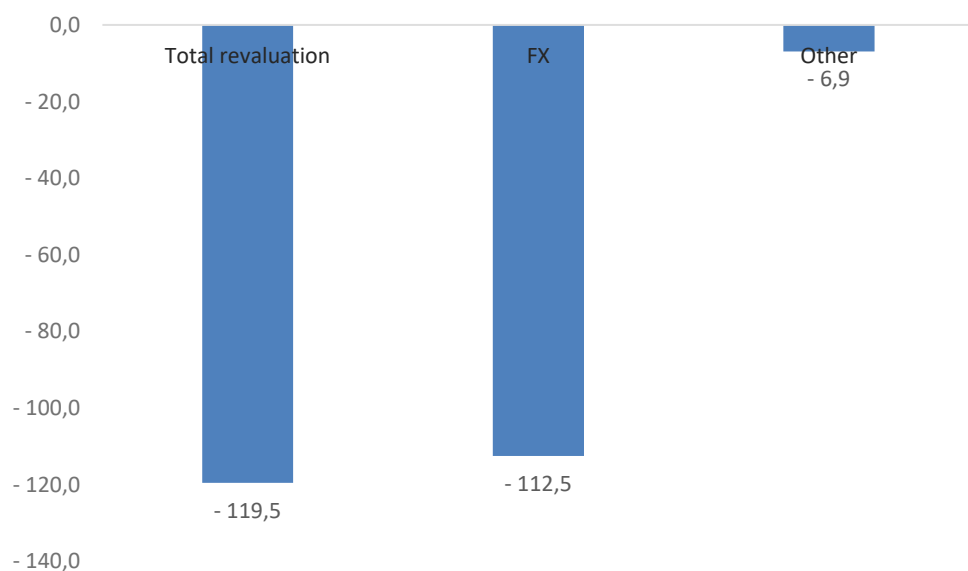


- Exchange rate has a significant impact not only on the valuation of investment properties, but also on other elements of statement of financial position, i.e. bank loans, bonds, derivatives and cash.
- 100% of financial debt is in EUR
- 99% of property portfolio is valued in EUR

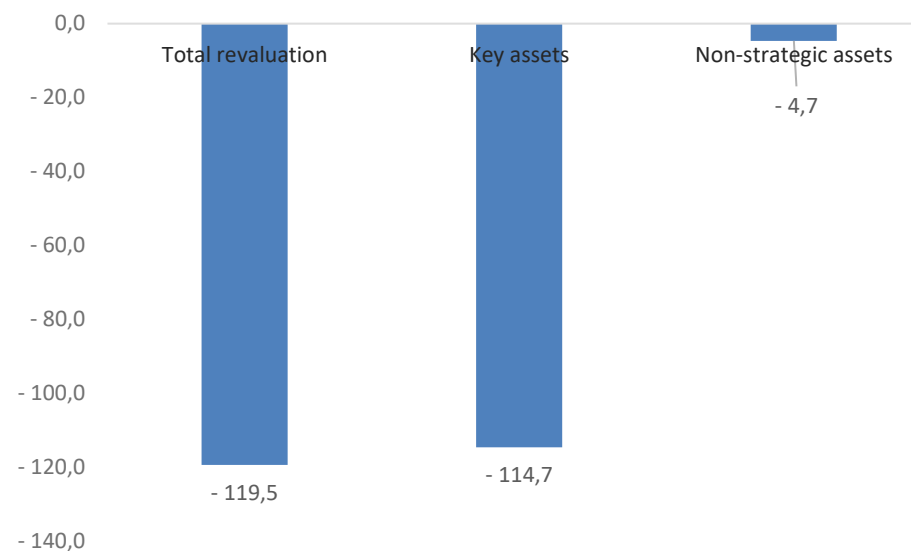
PROPERTY REVALUATION H1 2023



**COMPONENTS OF THE PROPERTY REVALUATION
IN H1 2023 (PLN M)**



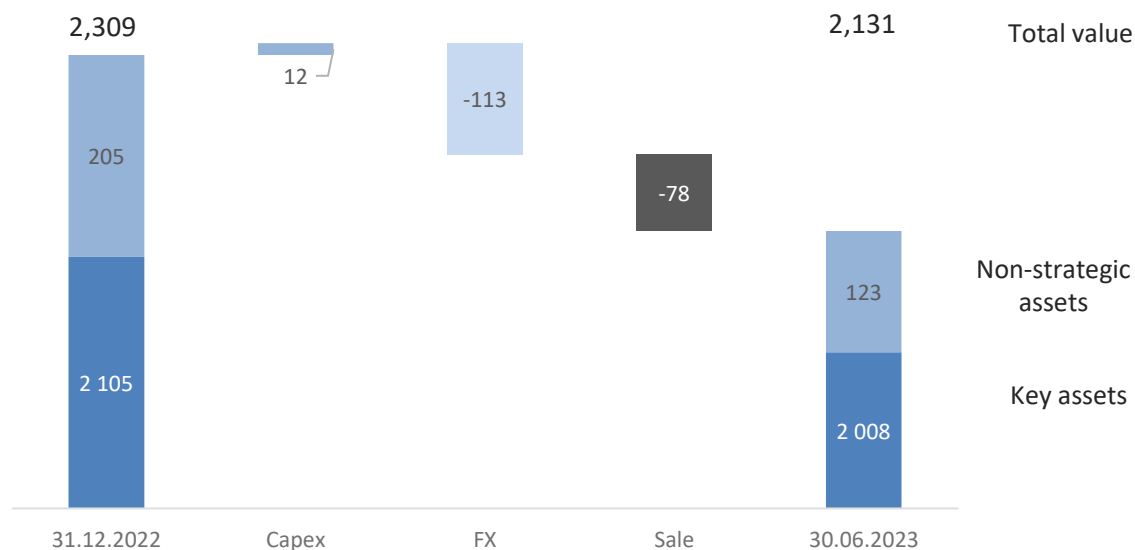
**PROPERTY REVALUATION BY TYPE OF PROJECTS
IN H1 2023 (PLN M)**



The revaluation lost on investment properties in H1 2023 reached PLN 119.5m and was driven mostly by:

- Negative impact of fx changes in the amount of PLN 112.5m
- Negative impact of other components (revenue recognition) PLN 6.9m.

REAL ESTATE PORTFOLIO VALUE

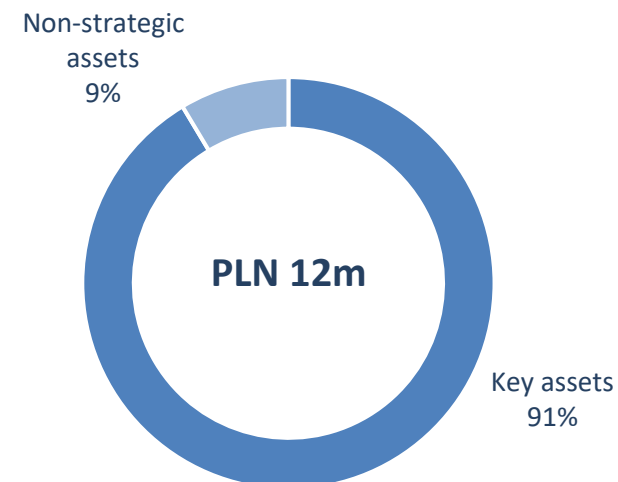
CHANGE IN VALUE OF PROPERTY PORTFOLIO
(PLN M)*

Change in property portfolio primarily due to:

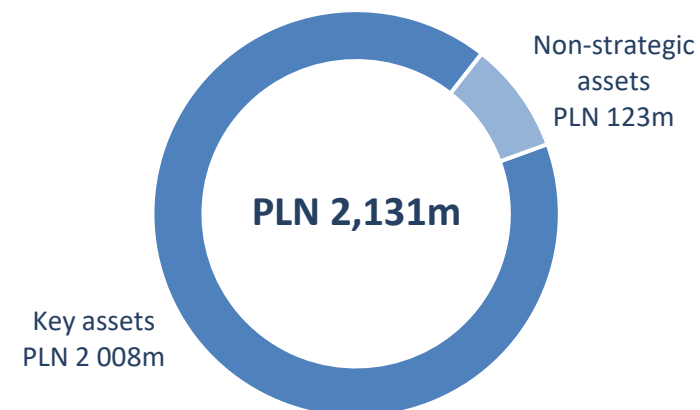
- Capex of PLN 12m
- Negative fx changes of PLN 113m
- Sale of HbH Old Town Gdańsk of PLN 78m

In H1 2023 capex expenditure concerned mainly Norblin Factory.

CAPEX IN H1 2023



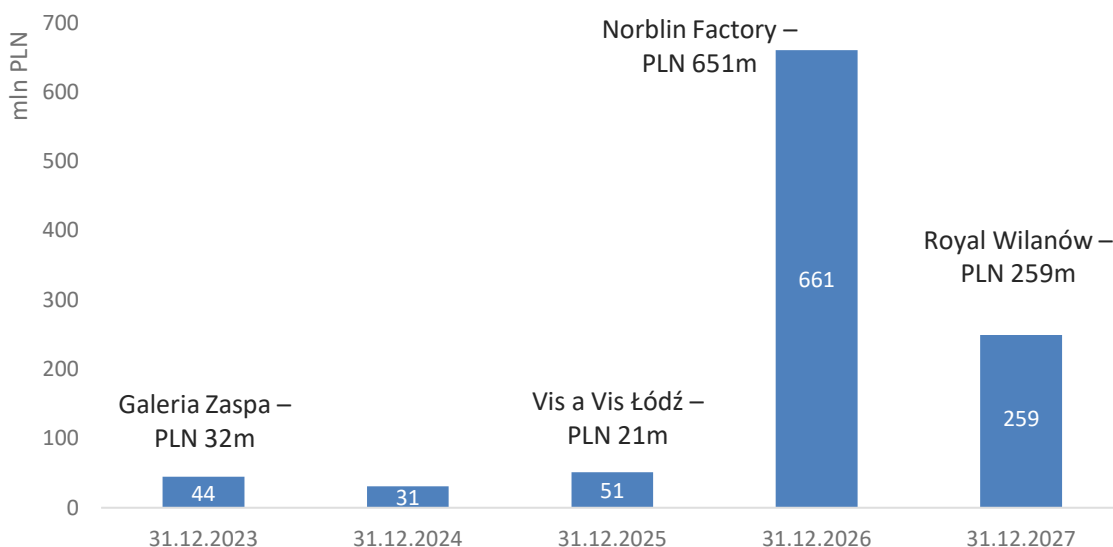
PROPERTY PORTFOLIO STRUCTURE



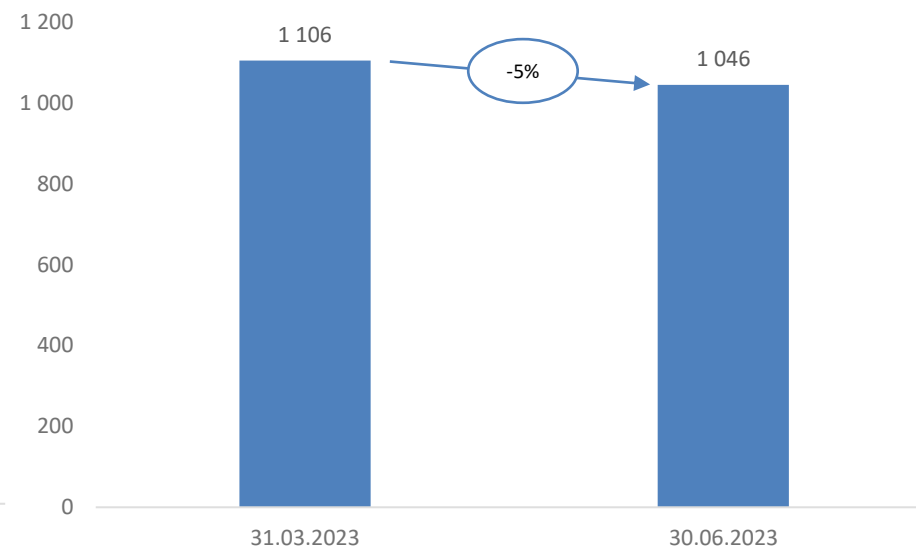
*Change in value of investment property excluding effect of IFRS 16 and including properties presented in inventories – only controlled in 100%

MATURITY OF DEBT & FINANCING STRUCTURE

MATURITY OF DEBT (PLN M)*



FINANCING STRUCTURE (PLN M)



- Loan of Galeria Zaspas will be refinanced by the maturity date.
- Decrease of total loan outstanding caused by decrease of fx rate in Q2 2023 vs. Q1 2023.
- The Group looks for the opportunities of refinancing projects in advance of maturity to ensure optimal financing conditions

KEY DEBT PARAMETERS	Q1 2023	H1 2023
Weighted average cost of debt	4.23%	4.30%
Net debt to total assets	38%	37%
Debt currency structure (EUR/PLN)	100%	100%

*Data excluding amortized cost valuation (SCN).

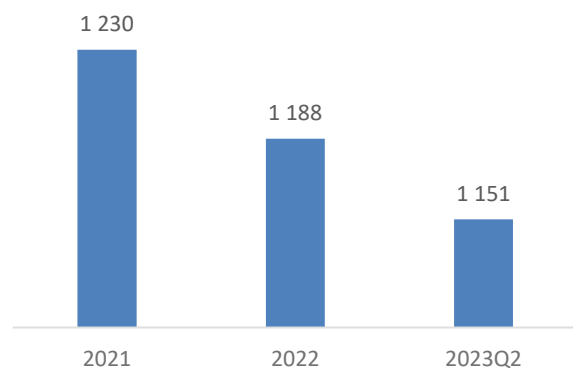
NAV/SHARE



PLN M	2022	Q2 2023	change
Investment property, incl. assets held for sale	2,309.3	2,130.7	-8%
Interest bearing liabilities, incl. liabilities related to assets held for sale	1,099.0	976.2	-11%
Cash and cash equivalents	99.3	88.0	-11%
Net debt	999.6	888.2	-11%
NAV	1,188.5	1,150.7	-3%
NAV/share (PLN)	10.97	10.62	-3%
Nominal number of shares	108 333 998	108 333 998	0%

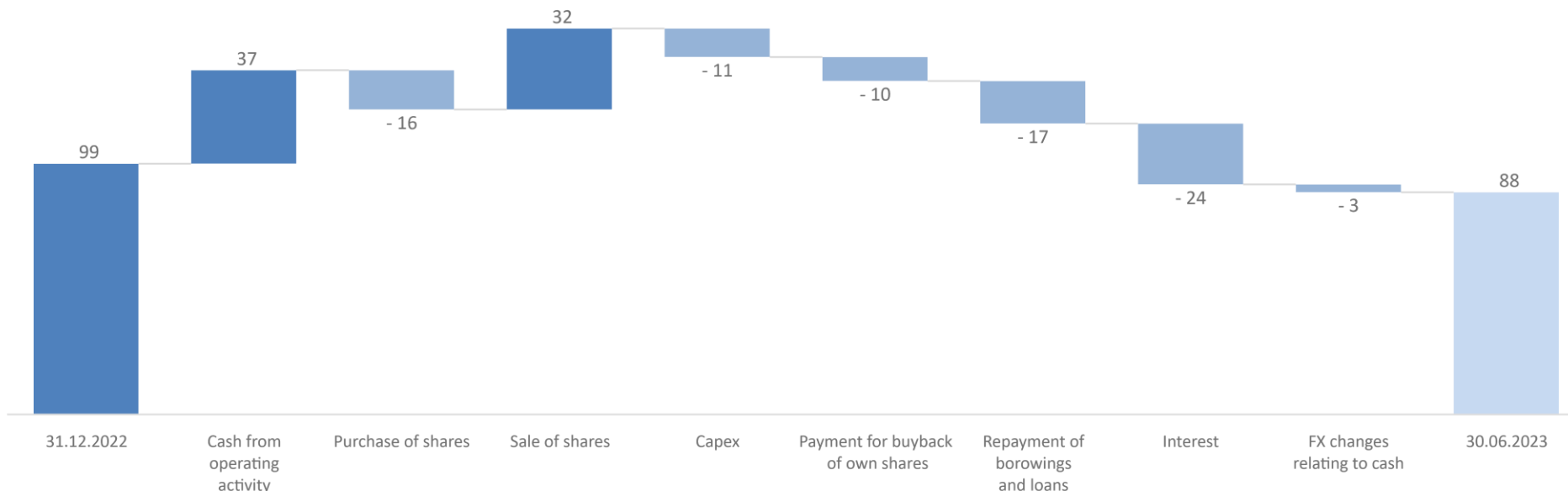
EUR M	2022	Q2 2023	change
Investment property, incl. assets held for sale	492.4	478.8	-3%
Interest bearing liabilities, incl. liabilities related to assets held for sale	234.3	219.4	-6%
Cash and cash equivalents	21.2	19.8	-7%
Net debt	213.1	199.6	-6%
NAV	253.4	258.6	2%
NAV/share (PLN)	2.34	2.39	2%
Nominal number of shares	108 333 998	108 333 998	0%

NAV (PLN M)



PLN 10.62
NAV per share
(-3% vs Q4 2022)

CASH FLOW



- Cash flow from operating activity in H1 2023 concerned mainly net operating income (NOI) and platform overhead costs.
- The Group incurred an expense for the purchase of a shares in Silesia Nova (Nowy Wełnowiec) in the amount of PLN 16m.
- The Group sold shares in CP Gdańsk (owner of HbH Old Town Gdańsk) in the amount of PLN 32m.
- The Group secured cash for buyback of own shares which took place in July in the amount of PLN 9.5m.
- Cash flow from investment activity concerned investment expenditure (PLN 11m) attributable mainly to the Norblin Factory.
- Cash flow from financing activities concerned repayment of borrowings and interests.

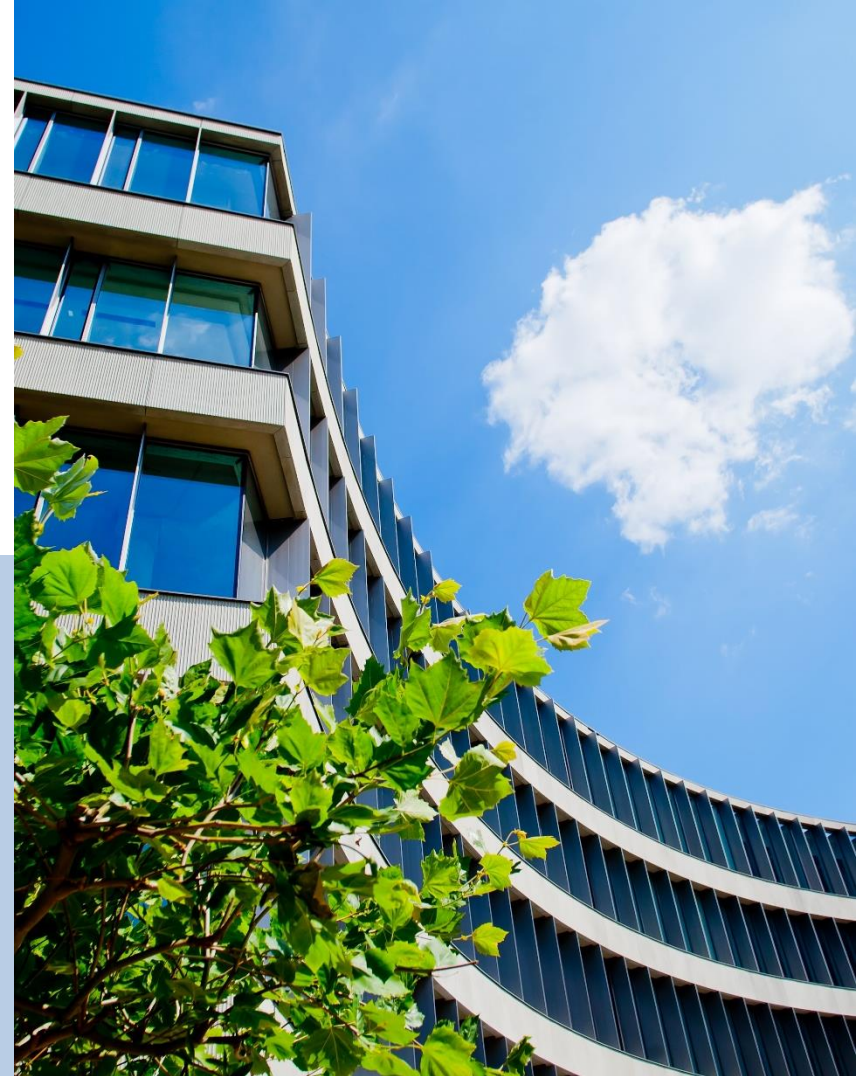
SUMMARY OF FINANCIAL STANDING IN H1 2023



Stable cash position and healthy balance sheet

Safe level of debt
(net debt to assets: 37%)

Secured long-term rental income
(81% of lease agreements expire after 2027)



PLANS FOR 2023-2024



Stabilize our
flagship Norblin Factory project

Complete the sale of Royal Wilanów

Lease out remaining vacant space and add
value through active asset management
across the portfolio

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



SUPPORTING MATERIALS



REAL ESTATE PORTFOLIO SUMMARY



Investment property	City	Type	GLA (thous. sqm)	Occupancy	Carrying amount excl. IFRS 16 (EUR m)	Carrying amount excl. IFRS 16 (PLN m)	WAULT	Financial debt (PLN m)	Target NOI (PLN m)	Capex to be incurred after Q2 2023 (PLN m)	Group's interest
KEY PROJECTS											
Norblin Factory	Warsaw	mixed-use	66	99%	333	1 482	6	701	83	10	100%
Royal Wilanów	Warsaw	mixed-use	37	98%	118	527	4	290	42	5	100%
Total			103		451	2 008		991	125	16	
OTHER PROJECTS											
Galeria Zaspa	Gdańsk	retail	9	98%	12	53	3	32	5	1	100%
Vis à Vis Łódź	Łódź	retail	6	95%	7	33	4	22	3	1	100%
Warszawa KEN	Warsaw	retail	0	66%	1	6	3	0	0	0	100%
Bydgoszcz Krasińskiego	Bydgoszcz	retail	0	100%	0	1	2	0	0	0	100%
Szczecin, al. Fontann	Szczecin	residential	n/a	n/a	4	18	n/a	0	n/a	n/a*	100%
Other	5 cities	-	0	n/a	3	12	n/a	0	n/a	0	100%
Total			15		27	122		54	8	1	
TOTAL - consolidated in full method			118		479	2 131		1 062	133	17	
JOINT VENTURE PROJECTS											
ETC Swarzędz	Swarzędz	retail	21	96%	34	152	4	115	12	1	60%
Vis à Vis Wilanów	Warsaw	retail	4	98%	11	47	6	27	4	0	66%
Polski Hak	Gdańsk	residential	n/a	n/a	12	55	n/a	0	n/a	n/a*	26%
Nowy Wełnowiec	Katowice	mixed-use	n/a	n/a	36	158	n/a	0	n/a	n/a*	10%
Total			25	2	93	414	10	142	16	1	
TOTAL			143		572	2 544		1 204	149	18	

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 June 30 2023, 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 June 30 2023
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 Nowy Wełnowiec, Szczecin and Polski Hak under preparation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (PLNm)	H1 2022	H1 2023	Change
Rental revenue	57.3	85.1	49%
Direct property operating expenses	-19.2	-23.7	23%
Net operating income (NOI)	38.1	61.5	61%
Other income, including management fees	11.7	1.5	-87%
Gain/(loss) on disposal of investment property/SPV	1.8	4.0	120%
Operating expenses of SPVs	-2.1	-3.2	50%
Administrative expenses	-6.8	-11.6	71%
Gain/(loss) on property revaluation	21.0	-119.5	-669%
Other expenses	-0.5	0.2	-139%
Share in net profit/(loss) of equity accounted entities	-0.1	-0.4	611%
Profit/(loss) from operating activities	63.1	-67.5	-207%
Dividend income	0.0	0.0	
Interest income	1.9	1.5	-21%
Interest expense	-16.1	-24.7	53%
Other finance income and costs	21.8	44.5	104%
Profit/(loss) before tax	70.7	-46.2	-165%
Income tax	-14.0	8.4	-160%
Net profit/(loss)	56.6	-37.8	-167%

Due to increased occupancy and area takeover in Norblin Factory

In Q1 2022 ArtN agreed with Warbud payment of contractual penalties for delays (PLN 9.7m).

Loss on property valuation results from the negative impact of the fx rate change on the property valuation (-PLN 112,5m)

Additional information	Q1 2022	Q1 2023	change
PLN/EUR exchange rate at the end of the quarter	4.6806	4.4503	-5%
Average PLN/EUR exchange rate in the period	4.6427	4.6130	-1%

BALANCE SHEET – KEY ELEMENTS



ASSETS (PLNm)	31.12.2022	30.06.2023
Non-current assets	1 910.6	1 764.4
Investment property	1 788.0	1 631.9
Investments in jointly controlled entities	48.7	64.0
Financial assets	67.9	62.1
Other non-current assets	6.0	6.5
Current assets	699.2	679.2
Inventories	17.9	18.7
Receivables and other current assets	17.0	24.6
Financial assets	0.8	10.7
Cash and cash equivalents	99.3	88.0
Non-current assets classified as held for sale	564.2	537.2
TOTAL EQUITY AND LIABILITIES (PLNm)	31.12.2022	30.06.2023
Equity	1 188.5	1 150.7
Share capital	108.3	108.3
Statutory reserve funds	826.4	826.4
Other capital reserve	210.9	210.9
Retained earnings / (deficit)	42.9	5.1
Non-current liabilities	1 327.5	1 194.8
Bank borrowings	1 086.9	971.1
Other financial liabilities	0.4	0.0
Lease liabilities	47.5	43.8
Other liabilities and provisions	13.8	15.3
Deferred tax liabilities	178.9	164.6
Current liabilities	93.9	98.1
Bank borrowings	60.1	59.2
Other financial liabilities	0.0	0.0
Lease liabilities	2.7	2.6
Trade and other liabilities	20.4	25.6
Group's liabilities for sale classified as held for sale	10.7	10.7
Total equity and liabilities	2 609.8	2 443.6
Net debt	999.6	888.2
Net debt/Total assets	39.22%	37.22%

Change in property portfolio primarily due to:

- Capex of PLN 12m
- Effect of FX changes on property valuation of -PLN 112,5m
- Sale of HbH Old Town Gdańsk of PLN 78m

Investments in jointly controlled entities: ETC Swarzędz, Vis à Vis Wilanów. Increase in H1 2023 due to aquisition of 10% in Silesia Nova SPV

Presentation of cash for buyback of own shares which took place in July in the amount of PLN 9.5m

Investments in REIA & REIA II closed-end investment funds and derivatives (IRS) related to Norblin Factory credit facility

Presentation of townhouse in Szczecin

Presentation of Royal Wilanów project

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



ENVIRONMENT, SOCIAL AND GOVERNANCE

KEY ESG OBJECTIVES FOR 2023-2024

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

Plans for 2023 and 2024

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

Reduce CO2 emissions including by installing solar PV panels in our projects

Develop a decarbonisation plan for key projects

Implement green leases for tenants

Achievements in 2022

ENVIRONMENT

- Stronger integration of climate risks and opportunities in project planning, and first 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

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 project, Day Centre for Warsaw Uprising Veterans

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

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, CIO, CFO – responsible
for ESG at the Group, Chair

Kinga Nowakowska
Member of the Management Board,
Chief Operating Officer, Co-chair

Department representatives

Sustainable
construction

Investments

Property
Management

Legal and
Compliance

Finance and
Reporting

ESG TEAM RESPONSIBILITIES

The ESG 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 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 STAKEHOLDERS 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

GLOSSARY



Absorption	Net change in space occupied by tenants, taking into account a change in the size of unoccupied space and supply of new space in a period
Capex	Capital expenditure
GAV	Gross Asset Value
GLA	Gross Leasable Area
Measurement at amortised cost	Measurement at amortised cost, less transaction costs which may be directly attributed to the acquisition or issue of a given financial liability.
NAV	Net Asset Value
NOI	Net Operating Income

NOTES

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Thank YOU!

H1 2023

