HB Reavis Holding S.A.

Condensed Consolidated Interim Financial Statements
30 June 2023

Contents

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE 6 MONTHS ENDED 30 JUNE 2023

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In millions of EUR	Note	30 June 2023	31 December 2022
ASSETS			
Non-current assets			
Investment property in use or vacant	10	628.4	481.5
Investment property under development	10	825.3	1,111.2
Investment in joint ventures	11	20.8	23.0
Property, plant and equipment and intangible assets	8	3.4	4.5
Right-of-use assets	9	6.0	7.4
Receivables and loans	7, 12	45.2	17.6
Deferred income tax asset		14.8	6.6
Other non-current assets	13	13.7	19.8
Total non-current assets		**1,557.6**	**1,671.6**
Current assets			
Non-current assets held for sale	15	56.9	45.2
Inventories	19	0.3	23.6
Trade and other receivables	7, 14	142.8	208.7
Other current assets	18	3.4	9.5
Restricted cash	16	5.6	4.2
Cash and cash equivalents	17	72.3	62.7
		224.4	**308.7**
Total current assets		**281.3**	**353.9**
TOTAL ASSETS		**1,838.9**	**2,025.5**
EQUITY			
Share capital *(31,000 shares at EUR 1.00 each)*	20	-	-
Share premium	20	39.4	40.0
Retained earnings		611.5	755.9
Revaluation reserve for assets transferred to investment properties at fair value		3.8	3.8
Currency translation reserve		(7.0)	(37.5)
Equity attributable to the Company's owners		647.7	762.2
Non-controlling interest		0.8	0.8
TOTAL EQUITY		**648.5**	**763.0**
LIABILITIES			
Non-current liabilities			
Borrowings	21	466.4	736.3
Deferred income tax liability		44.8	69.2
Trade and other payables	7, 22	14.0	19.0
Lease liabilities	9	18.7	24.2
Total non-current liabilities		**543.9**	**848.7**
Current liabilities			
Liabilities directly associated with non-current assets classified as held for sale	15	3.4	4.6
Borrowings	21	536.4	266.2
Trade and other payables	7, 22	98.3	133.1
Lease liabilities	9	8.4	9.9
		643.1	**409.2**
Total current liabilities		**646.5**	**413.8**
TOTAL LIABILITIES		**1,190.4**	**1,262.5**
TOTAL LIABILITIES AND EQUITY		**1,838.9**	**2,025.5**

These condensed consolidated interim financial statements have been approved for issue and signed on behalf of the HB Reavis Holding S.A. on 25 September 2023 by the members of the Board of Directors of HB Reavis Holding S.A. Shareholders have the power to amend these condensed consolidated interim financial statements after issue.

Isabel Schellenberg Director A	Liviu-Constantin Rusu Director A	Peter Pecnik Director B

In millions of EUR	Note	6 months ended 30 June 2023	6 months ended 30 June 2022
Rental and similar income from investment property	23	29.9	56.3
Direct operating expenses arising from investment property	24	(15.9)	(20.7)
Net operating income from investment property		**14.0**	**35.6**
Net revaluation (loss)/gain on investment property	10	(144.1)	89.7
Share of loss of joint ventures	11	(2.5)	-
Gain/(loss) on disposal of subsidiaries	29	(10.2)	1.4
Revenue from construction and other services	25	46.4	7.9
Construction services	28	(25.6)	(5.2)
Employee benefits	7, 26	(13.5)	(16.3)
Depreciation and amortisation		(2.8)	(3.3)
Other operating expenses	27	(16.4)	(15.7)
Operating (loss)/profit		**(154.7)**	**94.1**
Interest income calculated using the effective interest method		2.3	0.2
Interest expense	21	(30.9)	(40.0)
Foreign exchange (losses)/gains, net	31	(0.6)	(35.3)
Net gains on financial derivatives	33	9.7	19.1
Other financial costs		(0.7)	-
Finance costs, net		**(20.2)**	**(56.0)**
(Loss)/profit before income tax		**(174.9)**	**38.1**
Income tax benefit/(expense)		**30.5**	**(1.9)**
Net (loss)/profit for the period		**(144.4)**	**36.2**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Translation of foreign operations to the presentation currency for the period		16.6	(27.7)
Translation of foreign operations reclassified to profit or loss upon loss of control of subsidiary or repayment of subsidiaries' capital	29	13.9	0.4
Total other comprehensive income		30.5	(27.3)
Total comprehensive (loss)/income for the period		**(113.9)**	**8.9**
Net (loss)/profit is attributable to:			
- Owners of the Company		(144.4)	36.2
- Non-controlling interest		-	-
(Loss)/profit for the period		**(144.4)**	**36.2**
Total comprehensive (loss)/income is attributable to:			
- Owners of the Company		(113.9)	8.9
- Non-controlling interest		-	-
Total comprehensive (loss)/income for the period		**(113.9)**	**8.9**

In millions of EUR	Note	Attributable to owners of the Company Share capital (Note 20)	Share premium (Note 20)	Retained earnings	Translation reserve	Revaluation reserve	Total	Non-controlling Interest	Total equity
Balance at 1 January 2022		**-**	**792.7**	**932.0**	**(51.8)**	**3.8**	**1,676.7**	**0.1**	**1,676.8**
Profit for the year		-	-	36.2	-	-	**36.2**	-	**36.2**
Other comprehensive income		-	-	-	(27.3)	-	**(27.3)**	-	**(27.3)**
Total comprehensive income for 2022		**-**	**-**	**36.2**	**(27.3)**	**-**	**8.9**	**-**	**8.9**
Distribution to owners	20	-	(15.5)	-	-	-	**(15.5)**	-	**(15.5)**
Balance at 30 June 2022		**-**	**777.2**	**968.2**	**(79.1)**	**3.8**	**1,670.1**	**0.1**	**1,670.2**
Balance at 1 January 2023		**-**	**40.0**	**755.9**	**(37.5)**	**3.8**	**762.2**	**0.8**	**763.0**
Loss for the period Other comprehensive income		-	-	(144.4)	30.5	-	(113.9)	-	(113.9)
Total comprehensive (loss)/income for the period		**-**	**-**	**(144.4)**	**30.5**	**-**	**(113.9)**	**-**	**(113.9)**
Distribution to owners	20	-	(0.6)	-	-	-	**(0.6)**	-	**(0.6)**
Balance at 30 June 2023		**-**	**39.4**	**611.5**	**(7.0)**	**3.8**	**647.7**	**0.8**	**648.5**

In millions of EUR	Note	6 months ended 30 June 2023	30 June 2022
Cash flows from operating activities			
(Loss)/Profit before income tax		(174.9)	38.1
Adjustments for:			
Depreciation and amortisation		2.8	3.3
Revaluation losses/(gains) on investment property	10	144.1	(89.7)
Losses/(Gains) on disposals of subsidiaries	29	10.2	(1.4)
Share of loss of joint ventures	11	2.5	-
Interest income calculated using the effective interest method		(2.3)	(0.2)
Interest expense	21	30.9	40.0
Unrealised foreign exchange losses	31	0.1	36.1
Unrealised gains from financial derivatives		(7.0)	(19.3)
Impairment of receivables	14	1.6	-
Operating cash flows before working capital changes		8.0	6.9
Working capital changes:			
Decrease/(increase) in trade and other receivables, restricted cash and other assets		37.6	(21.5)
Decrease in trade and other payables		(58.9)	(56.7)
Cash used in operations		(13.3)	(71.3)
Interest paid		(21.6)	(20.3)
Income taxes paid		(5.1)	(1.8)
Net cash used in operating activities		**(40.0)**	**(93.4)**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(0.3)	(0.4)
Loans provided to related parties	7	(5.1)	-
Repayments of loans provided to related parties	7	25.9	-
Construction costs related to investment properties		(31.5)	(71.0)
Development costs related to inventory property	19	(0.2)	(2.0)
Proceeds from sales of subsidiaries, net of cash disposed	29	71.1	45.0
Proceeds from disposal of own use premises and equipment		0.1	0.2
Proceeds from sale of investment properties		8.8	-
Net cash used in investing activities		**68.8**	**(28.2)**
Cash flows from financing activities			
Proceeds from borrowings	21	135.2	521.0
Repayment of borrowings	21	(147.7)	(391.3)
Repayment of lease liabilities	21	(5.9)	(5.9)
Distributions paid to owners	20	(0.6)	(15.5)
Net cash from financing activities		**(19.0)**	**108.3**
Net increase/(decrease) in cash and cash equivalents		**9.8**	**(13.3)**
Cash and cash equivalents at the beginning of the period		63.0	212.8
Cash and cash equivalents at the end of the period		**72.8**	**199.5**
Reconciliation of cash and cash equivalents:			
- Cash within non-current assets classified as held for sale	15	**(0.5)**	**-**
Cash and cash equivalents at the end of the period	17	**72.3**	**199.5**

1 The HB REAVIS Group and its Operations

These condensed consolidated interim financial statements have been prepared in accordance IAS 34, “Interim financial reporting” for the 6 months ended 30 June 2022 for HB Reavis Holding S.A. (the “Company”) and its subsidiaries (together referred to as the “Group” or “HB REAVIS Group”).

The Company was incorporated and is domiciled in Luxembourg. The Company is a public limited liability company (société anonyme) and was set up in accordance with the Luxembourg regulations on 20 October 2010. The Company is registered at the Luxembourg Commercial Register under file R.C.S. Luxembourg no. B 156.287.

HB Reavis Holding S.A. is ultimately controlled by Mr. Ivan Chrenko. The Group’s immediate parent company is Hastonville Holdings Limited based in Cyprus with a 64.7% equity share as of the date of issuance of these condensed consolidated interim financial statements. The remaining shares are held by Kennesville Holdings Ltd. (29.0%) and Skymound Ltd. (6.3%) both based in Cyprus. The Group’s ultimate parent company is Camron Holdings Limited based in Cyprus.

Principal activity. The HB REAVIS Group is a real estate group with major portfolio of investment properties in Slovakia, Poland, Hungary, Germany, United Kingdom and the Czech Republic. It is principally involved in the development of properties with a substantial future pipeline and a substantial project acquisition appetite across key markets: Poland, UK, and Germany. It is also active in asset management and investment management.

In 2017 the Group made its largest acquisition in HB Reavis history with acquisition of One Waterloo in London, in a prominent South Bank location next to the Waterloo station. In 2019, the project had received a permit enabling development of over 122,000 sqm of office scheme for the projected Gross Development Value of EUR 2.5 billion. The aim is to deliver new scheme in 2030.

The Group has also acquired an additional land plot in 2018, in London, UK, project called Bloom with Gross Development Value of EUR 290 million, delivered in 2021. In February 2020 the Group had secured additional project for the pipeline in London, called Worship square, with planned completion in 2024 and projected Gross Development Value of EUR 243 million.

With respect to Group’s expansion to Germany, two acquisition opportunities have been secured in 2018. In Berlin, DSTRCT project was under construction since 12/2018, delivered at the end of 2021; Gross Development Value reaches about EUR 420 million. A land plot in Dresden, Germany, has been added into the portfolio in 07/2018, the scheme design is under preparation. In 2021, PLTFRM project in Berlin has been secured, to be developed by end of 2024, creating value of EUR 350 million. In 2022, additional two projects in Berlin have been purchased. Land plot adjacent to DSTRCT I, named DSTRCT II, with Gross Development Value of EUR 170 million and delivery in 2026 and a project called Central Tower Berlin, with future value of EUR 425 million and planned completion in 2029.

In Poland, Warsaw, a land plot named Port Praski has been secured, which will be developed in JV partnership by 2029 in four phases, creating Gross Development Value of EUR 680 million.

In 2021, the Group took the decision to undertake the separation of its income producing portfolio and created two separate business lines, a pure developer (HB REAVIS Group), and a pure income REIT-type* vehicle (the Company’s subsidiary HB Reavis Investments Holding S.A. and its subsidiaries, together referred to as “HB REAVIS Investments Group”) to reflect the two different business models and the risk/return profiles of these two operations.

As a result, in the course of 2021 and 2022, the Group transferred following income producing assets worth EUR 2.35 billion in gross development value into HB REAVIS Investments Group: Nivy Tower in Bratislava, Slovakia; Agora Tower and Hub in Budapest, Hungary; Varso I, Varso II and Varso Tower, Forest Tower and Forest Campus, all in Warsaw, Poland; Bloom in London, UK and DSTRCT in Berlin, Germany. The separation was completed in November 2022, when the Company sold its shares in HB REAVIS Investments Holding S.A. to its shareholders (Note 29).

Since November 2022, HB REAVIS Investments Group is owned by the same Ultimate beneficial owner (UBO) as HB REAVIS Group, but managerially and financially independent of the development operations.

In 2023, project Nove Apollo in Bratislava, Slovakia, has been completed. As of the date of preparation of these condensed consolidated interim financial statements, construction of Worship square, in London, UK and PLTFRM in Berlin, Germany is in progress.

In 2023, sale of land plots in Mlynske Nivy zone in Bratislava, Slovakia has been completed. In 2022, the Group divested Alfa Park, Bratislava, Slovakia and land plot in Lodz, Poland.

*REIT – real estate investment trust

1 The HB REAVIS Group and its Operations (Continued)

HB Reavis Real Estate Fund structure. HB Reavis Real Estate Investment Fund (the “Fund”) is an umbrella fund incorporated under the laws of Luxembourg under the form of a corporate partnership limited by shares (société en commandite par actions or S.C.A.) organized as an investment company with fixed capital (société d’investissement à capital fixe or SICAF) and registered as an undertaking for collective investment governed by Part II (“UCI Part II”) of the law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the “2010 Law”) and the law of 10 August 1915 relating to commercial companies, as amended from time to time (the “1915 Law”). It is also governed by specific management regulations dated June 2012. The Fund was set up on 25 May 2011 and was registered as an investment company with variable capital (SICAV-SIF) until 27 April 2017. The Fund is registered at the Luxembourg Commercial Register under file R.C.S. Luxembourg B 161.180. Furthermore, the Fund is in the scope of the Alternative Investment Fund Management Law of 12 July 2013 (“AIFM Law”) and qualifies as an Alternative Investment Fund ("AIF").

The Fund launched its first Sub-Fund named HB Reavis CE REIF (hereafter “Sub-Fund A” or “CE REIF”) in 2011. A second Sub-Fund named HB Reavis Global REIF (hereafter “Sub-Fund B” or “Global REIF”) was launched on 15 September 2015. The Fund is managed for the account of and in the exclusive interest of its shareholders by its general partner HB Reavis Investment Management S.à r.l. (the “Management Company”), a limited liability company organised under the laws of Luxembourg (registration number B 161.176) having its registered office at 1b, rue Jean Piret, L-2350 Luxembourg and by its AIFM Crestbridge Management Company S.A., a licensed with the Luxembourg financial regulator the CSSF.

The Group lost control over the Sub-Fund A in 2017 and remaining interest as at 30 June 2023 is immaterial to the Group. As at 30 June 2023, the group holds 100% share in Sub-Fund B.

The Group is also involved in limited construction of real estate for third parties, including related parties.

The Group’s strategy is reflected in its cash flow forecast that is regularly monitored by the Board of Managers, including their assessment of appropriateness of preparation of the condensed consolidated interim financial statements on a going concern basis. The cash flow outlook is further described under the description of management of liquidity in Note 33. Valuation of properties of the Group in the less liquid markets necessarily involves an element of judgement. The critical accounting judgments used in valuation of the Group’s investment properties are described in Note 3.

Registered address and place of business. The Company’s registered address and principal place of business is:

21 Rue Glesener
L-1631 Luxembourg
Grand-Duchy of Luxembourg

As at 30 June 2023 the Group had offices in Luxembourg, Amsterdam, Bratislava, Warsaw, Prague, Budapest, London, and Berlin.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are described below. The accounting policies have been consistently applied to all the periods presented.

2.1 Basis of Preparation

Statement of compliance. These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS as adopted by the EU”).

Income and cash flow statements. The Group has elected to present a single ‘statement of profit or loss and other comprehensive income’ and presents its expenses by nature. The Group reports cash flows from operating activities using the indirect method. Interest received and interest paid are presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group’s business activities.

Preparation of the condensed consolidated interim financial statements. These condensed consolidated interim financial statements are presented in millions of Euro ("EUR") rounded to one decimal place, unless otherwise stated.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Changes in assumptions may have a significant impact on the condensed consolidated interim financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Valuation techniques such as discounted cash flows models or models based on recent arm’s length transactions or consideration of financial data of the counterparties are used to fair value certain financial instruments or investment properties for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Refer to Note 35.

Going concern. These condensed consolidated interim financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment properties (including those held for sale) and derivatives at fair value.

Real estate worldwide has been one of the few sectors to suffer long-term ill effects from the pandemic and Russia's invasion of Ukraine such as inflation and significant increase of interest rates.

The management has focused on the following key areas and stress-tested several scenarios to see how the Group is resilient to negative impact of the economic downturn:

- Overall liquidity position and access to existing and new credit facilities,
- Rising interest rates on debt and impact on debt service and cash flows,
- Ability to meet the covenants of the Group’s debt arrangements,
- Declining demand, falling sales and margin pressures experienced by Group’s current and future tenants.

The Management has performed stress-test scenario based on the business plan covering 24 months from the 30 June 2023 to evaluate the Group’s cash-flow and 12 months from 30 June 2023 to evaluate Group’s financial position. The stress test assumed unavailability of liquid markets with acceptable yields for the Group to sell its investment properties (other than completion of ongoing transactions of non-core land plots) until the end of 2024. Using the same timeframe, the Group assumed ability to raise additional financing under existing commitments for project that is currently fairly late in the development cycle - Worship in London. As of the date of preparation of these condensed consolidated interim financial statements all loan utilisation requests related to these projects were fully funded by the financing banks.

The stress test for balance sheet position assumed a significant reduction in valuation of investment properties in both Western and CEE markets. Applying measures having at disposal, the assumed declines in fair market values of investment properties would still keep the LTV covenant at the Group level below the threshold triggering default as defined by the bond prospectuses, which is the strictest of all LTV covenants in place. In addition, the outcome of stress-test exercise has resulted in a cash surplus and sufficient liquidity for the activities of the Group at the end of the stress test period.

Growth in appraisal value was assumed for projects where construction is continuing, and financing is secured through already contracted credit facilities. Speculative development projects in an early phase of development or construction in progress with no external loan financing secured, have been either temporarily put on hold or their construction, to the extent technically feasible, has been frozen and completion postponed. Possible contingencies from the already signed lease agreements have been assessed, but no major impact is expected as a result.

Slowing down of development projects and thereof resulting operational restructuring (including streamlining of the Group operations and activities) that has already started should in addition reduce the operating costs by more than 50%. The Group has either started or is still exploring available options to utilize benefits from government aid programmes designed to support businesses, mainly in relation to energy prices. Distributions to owners will be reduced to lowest level in the past decade.

2 Significant Accounting Policies (Continued)

2.2 Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim financial statements. In preparing the condensed consolidated interim financial statements, the individual financial statements of the consolidated entities are aggregated on a line-by-line basis by adding together the like items of assets, liabilities, equity, income and expenses. Transactions, balances, income and expenses between the consolidated entities are eliminated.

Subsidiaries. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor’s returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee’s activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date on which control ceases.

The entities included within these condensed consolidated interim financial statements are as follows:

				Percentage ownership interest and voting rights held	
Number	**Subsidiaries**	**Functional currency**	**Country of incorporation**	**30 June 2023**	**31 December 2022**
1	**HB Reavis Holding S.A. (The Company)**	**EUR**	**Luxembourg**	**N/A**	**N/A**
2	FORTYTWO House S.à r.l.	GBP	Luxembourg	100	100
3	HB Reavis DE1 S.à r.l.	EUR	Luxembourg	100	100
4	HB Reavis DE3 S.à r.l.	EUR	Luxembourg	100	100
5	HB Reavis Investment Management S.à r.l.	EUR	Luxembourg	100	100
6	HB REAVIS REAL ESTATE INVESTMENT FUND (Global REIF)	EUR	Luxembourg	100	100
7	HBR CE REIF LUX 3 S.à r.l. [2]	EUR	Luxembourg	-	100
8	HubHub Luxembourg S.à r.l. [2]	EUR	Luxembourg	-	100
9	PropCo DE4 S.à r.l.	EUR	Luxembourg	100	100
10	PropCo DE5 S.à r.l.	EUR	Luxembourg	100	100
11	Qubes Luxembourg S.à r.l. [2]	EUR	Luxembourg	-	100
12	SIXTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
13	Symbiosy Luxembourg S.à r.l. [2]	EUR	Luxembourg	-	100
14	THIRTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
15	HB REAVIS GROUP B.V.	EUR	Netherlands	100	100
16	HB Reavis RE B.V. [2]	EUR	Netherlands	-	100
17	Waterfield Management B.V. [2]	EUR	Netherlands	-	100
18	HBR FINANCING LIMITED	EUR	Cyprus	100	100
19	HBR IM Holding Ltd.	EUR	Cyprus	100	100
20	HBR Investors Ltd.	EUR	Cyprus	100	100
21	10 Leake Street Ltd	GBP	UK	100	100
22	33 CENTRAL LIMITED	GBP	UK	100	100
23	4th Floor Elizabeth House Limited [2]	GBP	UK	-	100
24	Elizabeth Property Holdings Ltd	GBP	UK	100	100
25	Elizabeth Property Nominee (No 1) Ltd	GBP	UK	100	100
26	Elizabeth Property Nominee (No 2) Ltd	GBP	UK	100	100
27	Elizabeth Property Nominee (No 3) Ltd	GBP	UK	100	100
28	Elizabeth Property Nominee (No 4) Ltd	GBP	UK	100	100
29	HB Reavis Construction UK Ltd.	GBP	UK	100	100
30	HB Reavis UK Ltd.	GBP	UK	100	100
31	HBR Capital Investment LP [2]	GBP	UK	-	100
32	HBR FM LTD [2]	GBP	UK	-	100
33	HubHub UK Ltd	GBP	UK	100	100

2 Significant Accounting Policies (Continued)

2.2 Condensed Consolidated Interim Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held 30 June 2023	31 December 2022
34	HB Reavis IM Advisor	EUR	Jersey	100	100
35	AGORA Budapest Kft.	HUF	Hungary	100	100
36	AGORA Sky Kft.	HUF	Hungary	100	100
37	HB Reavis Construction Hungary Kft.	HUF	Hungary	100	100
38	HB Reavis Hungary Kft.	HUF	Hungary	100	100
39	Symbiosy Hungary Kft.	HUF	Hungary	100	100
40	ALISTON Finance I, s. r. o. v likvidácii.	EUR	Slovakia	100	100
41	ALISTON Finance II s.r.o. v likvidácii	EUR	Slovakia	100	100
42	ALISTON Finance III s. r. o.	EUR	Slovakia	100	100
43	ALISTON Finance IV s. r. o.	EUR	Slovakia	100	100
44	Aliston Finance V s.r.o. v likvidácii	EUR	Slovakia	100	100
45	ALISTON Finance VI s. r. o.	EUR	Slovakia	100	100
46	Apollo Business Center III a.s.	EUR	Slovakia	100	100
47	Apollo Business Center V a. s.	EUR	Slovakia	100	100
48	Apollo Property Management, s.r.o. v likvidácii	EUR	Slovakia	100	100
49	Bus Station Services s. r. o.	EUR	Slovakia	100	100
50	DVL Engineering a.s.	EUR	Slovakia	100	100
51	Eurovalley, a.s.	EUR	Slovakia	100	100
52	FORUM BC II s. r. o.	EUR	Slovakia	100	100
53	FutureNow s. r. o.	EUR	Slovakia	100	100
54	General Property Services, a.s.v likvidácii	EUR	Slovakia	100	100
55	HB REAVIS Consulting k.s.	EUR	Slovakia	100	100
56	HB Reavis Entity II s. r. o.	EUR	Slovakia	100	100
57	HB Reavis Entity s. r. o.	EUR	Slovakia	100	100
58	HB REAVIS Finance SK II s. r. o.	EUR	Slovakia	100	100
59	HB REAVIS Finance SK III s. r. o.	EUR	Slovakia	100	100
60	HB REAVIS Finance SK IV s.r.o.	EUR	Slovakia	100	100
61	HB REAVIS Finance SK IX s. r. o.	EUR	Slovakia	100	100
62	HB REAVIS Finance SK s. r. o.	EUR	Slovakia	100	100
63	HB REAVIS Finance SK V s. r. o.	EUR	Slovakia	100	100
64	HB REAVIS Finance SK VI s.r.o.	EUR	Slovakia	100	100
65	HB REAVIS Finance SK VII s. r. o.	EUR	Slovakia	100	100
66	HB REAVIS Finance SK VIII s. r. o.	EUR	Slovakia	100	100
67	HB REAVIS Finance SK X s. r. o.	EUR	Slovakia	100	100
68	HB Reavis Group s. r. o.	EUR	Slovakia	100	100
69	HB REAVIS IM Advisor Slovakia s.r.o. v likvidácii [2]	EUR	Slovakia	-	100
70	HB Reavis Investment Management správ. spol., a.s.	EUR	Slovakia	100	100
71	HB REAVIS MANAGEMENT spol. s r.o.	EUR	Slovakia	100	100
72	HB REAVIS Slovakia a. s.	EUR	Slovakia	100	100
73	HB REM, spol. s r.o.	EUR	Slovakia	100	100
74	HBR SFA, s. r. o.	EUR	Slovakia	100	100
75	HubHub Group s.r.o.	EUR	Slovakia	100	100
76	HubHub Slovakia s. r. o.	EUR	Slovakia	100	100
77	ISTROCENTRUM s. r. o.	EUR	Slovakia	100	100
78	Logistické centrum Trnava s.r.o.	EUR	Slovakia	100	100
79	LUGO, s. r. o.	EUR	Slovakia	100	100
80	Nové Apollo s. r. o.	EUR	Slovakia	100	100
81	Pressburg Urban Projects a. s.	EUR	Slovakia	100	100
82	Smart City Bridge s. r. o.	EUR	Slovakia	100	100
83	Smart City Eko s. r. o.	EUR	Slovakia	100	100
84	Smart City Office I s.r.o. [1]	EUR	Slovakia	-	100
85	Smart City Office II s.r.o. [1]	EUR	Slovakia	-	100
86	Smart City Office IV s.r.o. [1]	EUR	Slovakia	-	100
87	Smart City Office IX s.r.o. [1]	EUR	Slovakia	-	100
88	Smart City Office s.r.o. [1]	EUR	Slovakia	-	100
89	Smart City Office V s.r.o. [1]	EUR	Slovakia	-	100
90	Smart City Office VII s.r.o. [1]	EUR	Slovakia	-	100
91	Smart City Office VIII s.r.o. [1]	EUR	Slovakia	-	100
92	Smart City Parking s. r. o. [1]	EUR	Slovakia	-	100

2 Significant Accounting Policies (Continued)

2.2 Condensed Consolidated Interim Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held 30 June 2023	31 December 2022
93	Smart City s.r.o.	EUR	Slovakia	90	90
94	SPC Property I, spol. s r.o. [2]	EUR	Slovakia	-	100
95	SPC Property III, s. r. o. v likvidácii	EUR	Slovakia	100	100
96	SPV Vištuk s.r.o.	EUR	Slovakia	100	100
97	Stanica Nivy s.r.o.	EUR	Slovakia	100	100
98	Symbiosy s. r. o.	EUR	Slovakia	100	100
99	TC Nivy a. s.	EUR	Slovakia	100	100
100	Twin City Infrastructure s. r. o.	EUR	Slovakia	100	100
101	Twin City V s. r. o.	EUR	Slovakia	100	100
102	Twin City VIII s. r. o. [1]	EUR	Slovakia	-	100
103	Vištuk Facilities s.r.o.	EUR	Slovakia	100	100
104	HB Reavis CZ, a.s. v likvidaci	CZK	Czech republic	100	100
105	HB Reavis Finance CZ II, s.r.o.	EUR	Czech republic	100	100
106	HB Reavis Finance CZ, s.r.o. v likvidaci	EUR	Czech republic	100	100
107	HB Reavis Group CZ, s.r.o.	CZK	Czech republic	100	100
108	HB Reavis Holding CZ a.s.	CZK	Czech republic	100	100
109	HB Reavis IZ s.r.o., v likvidaci [2]	CZK	Czech republic	-	100
110	HB REAVIS MANAGEMENT CZ spol. s r.o.	CZK	Czech republic	100	100
111	HB REAVIS PROPERTY MANAGEMENT CZ, s.r.o., v likvidaci [2]	CZK	Czech republic	-	100
112	HubHub Czech Republic s.r.o.	CZK	Czech republic	100	100
113	ISTROCENTRUM CZ, a.s.	CZK	Czech republic	100	100
114	KELOM s.r.o., v likvidaci [2]	CZK	Czech republic	-	100
115	Nová Zvonařka Bulvár, s.r.o., v likvidaci	CZK	Czech republic	100	100
116	Nová Zvonařka s.r.o.	CZK	Czech republic	100	100
117	HB Reavis Construction PL Sp. z o.o.	PLN	Poland	100	100
118	HB Reavis Finance PL 3 Sp. z o.o.	PLN	Poland	100	100
119	HB Reavis Poland Sp. z o.o.	PLN	Poland	100	100
120	HB Reavis Qubes Poland Sp. z o.o. w likwidacji	PLN	Poland	100	100
121	HubHub Poland sp. Z o.o.	PLN	Poland	100	100
122	Konstruktorska BC Sp. z o.o.	PLN	Poland	100	100
123	POLCOM INVESTMENT II Sp. z o. o.	PLN	Poland	100	100
124	Polcom Investment III Sp. z o.o w likwidacji	PLN	Poland	100	100
125	Polcom Investment X sp. z o.o.	PLN	Poland	100	100
126	Polcom Investment XI sp. z o.o.	PLN	Poland	100	100
127	Polcom Investment XLIII Sp. z o.o. w likwidacji	PLN	Poland	100	100
128	Polcom Investment XLIX Sp. z o.o. w likwidacji	PLN	Poland	100	100
129	Polcom Investment XVI Sp. z o.o.	PLN	Poland	100	100
130	Polcom Investment XXIV Sp. z o.o. w likwidacji	PLN	Poland	100	100
131	Polcom Investment XXXIII Sp. z o.o.	PLN	Poland	100	100
132	Property Hetman Sp. z o.o.	PLN	Poland	100	100
133	PSD Sp. z o.o. w likwidacji	PLN	Poland	100	100
134	Rainhill Sp. z o. o.	PLN	Poland	100	100
135	CentralTower Berlin GmbH	EUR	Germany	99	99
136	HB Reavis Construction Germany GmbH	EUR	Germany	100	100
137	HB Reavis Germany GmbH	EUR	Germany	100	100
138	Shoreditch QT Guernsey Limited [2]	GBP	Guernsey	-	100
139	Elizabeth House GP LLC	GBP	US	100	100
140	Elizabeth House Limited Partnership	GBP	US	100	100

Number	Joint Ventures	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held 30 June 2023	31 December 2022
141	Port Praski City II sp. z o.o.	PLN	Poland	50	50
142	Port Praski Medical Center sp. z o.o.	PLN	Poland	50	50

[1] *Entities disposed of during the 6 months ended 30 June 2023 (refer to Note 29)*
[2] *Entities were liquidated during the 6 months ended 30 June 2023*

2 Significant Accounting Policies (Continued)

2.3 Interim Period Tax Measurement

Interim period income tax expense is accrued using the effective tax rate that would be applicable to the expected total annual earnings, that is, the estimated weighted average annual effective income tax rate applied to the pre-tax income of the interim period, adjusted for income which is not subject to taxation. The effective tax rate in the interim financial statements may differ from management’s estimate of the effective tax rate for the annual financial statements.

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in these condensed consolidated interim financial statements. Estimates and judgements are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the condensed consolidated interim financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

***Valuation of investment properties**.* The fair value estimates of 68.7% of investment properties (31 December 2022: 99.2%) were determined by the Group having received valuation advice from international valuation companies which have experience in valuing properties of similar location and characteristics. The remaining properties were valued on a basis of broker quotes or management estimates (which are based on letter of intent purchase price submitted by prospective bidders). The fair value of investment properties is estimated based on the income capitalisation method, where the value is estimated from the expected future benefits to be generated by the property in the form of rental income streams. The method considers net income generated by existing or comparable property, capitalised at an appropriate market capitalisation rate to determine the value for property which is subject to the valuation. The assumptions underlying the estimation of the fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; re-letting incentives; maintenance requirements; appropriate discount rates; and in case of properties under development, future constructions, finance and letting costs and market developers’ profits. These valuations are regularly compared to actual market data and actual transactions by the Group and those reported by the market. For further details refer to Note 35.

Income taxes. The Group is subject to income taxes in different jurisdictions. Significant estimates are required in determining the provision for income taxes, in particular in the area of transfer pricing. There are some transactions and calculations for which the ultimate tax determination is uncertain, therefore tax liability is recognised for exposures deemed probable. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The calculation of deferred tax on investment properties is not based on the fact that they might be realised through a share deal but through an asset deal. As a result of the Group’s structure, the potential capital gain may be exempted from any tax in case of share deal if certain conditions are met and hence the accumulated deferred tax liabilities may be recognized as a gain upon disposal depending on the outcome of negotiations with future buyers.

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Initial recognition of related party transactions. In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses. Terms and conditions of related party balances are disclosed in Note 7.

Expected credit losses (ECL) measurement. Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 33.

In line with IFRS 9 the Group use practical expedient for trade and other receivables and calculates ECL using a provision matrix based on its historical credit loss experience adjusted for all reasonable and supportable information that is available without undue cost or effort.

Lease term. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate) the lease.
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate) the lease

Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Estimations of fair value of derivatives are described in Note 35.

4 Adoption of New or Revised Standards and Interpretations

The group has applied the following standards and amendments for the first time for the financial year beginning at 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on 15 February 2021 and effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 8: Definition of Accounting Estimates Policies (issued on 12 February 2021 and effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021 and effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12: International Tax Reform — Pillar Two Model Rules (issued on 23 May 2023 and effective for annual reporting periods beginning on or after 1 January 2023)

The above standards and amendments had not any material impact on the Group's condensed consolidated interim financial statements.

5 New Accounting Pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for reporting period commencing on 1 January 2023 and have not been early adopted by the Group:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* (issued on 23 January 2020 and 15 July 2020 respectively and effective for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual reporting periods beginning on or after 1 January 2024)
- Amendments to IAS 1: Non-current Liabilities with Covenants (issued on 31 October 2022 and effective for annual reporting periods beginning on or after 1 January 2024)
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements (issued on 25 May 2023 and effective for annual reporting periods beginning on or after 1 January 2024)

* These new standards, amendments and interpretations have not been endorsed by the European union yet.

Unless otherwise described above, the new standards and interpretations are not expected to significantly affect the Group’s condensed consolidated interim financial statements.

6 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of CODM are performed by the Board of Directors of the Company.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is managing its business operations on the basis of the following segments:

Asset Management – representing management of income generating properties (properties in use or vacant) developed by the Group or acquired with no major development expected.

Development in Realisation – representing management of activities connected with construction, marketing and leasing activities. A property is reclassified from Development in Realisation to Asset Management at the end of the accounting period in which the property has been commissioned for its intended use and a final building approval has been carried out. This means that the revenues, costs, including the revaluation gains or losses related to the year when property reaches the described criteria, are included within Development in Realisation, whereas the completed property is shown on the balance sheet as of the last day of such period as property “in use or vacant” under the Asset Management business.

Development in Preparation – representing management of activities including acquisition of land and concept design and permitting until the construction commencement. A property is reclassified from Development in Preparation to Development in Realisation at the end of the accounting period in which the construction of the property started. The revenues, costs, including the revaluation gains or losses related to the year when the construction of the property started, are included within Development in Preparation, whereas the property is shown on the balance sheet as of the last day of such period as property under the Development in Realisation.

Investment Management – representing management of activities related to management of third party investment in properties managed by the Group.

Non-Core – representing management of land bank items designated as Non-Core properties of the Group.

HUB HUB – representing management of activities related to management of the Group's co-working platform, providing flexible workspace and business events. The area rented is also subject to a change with a trend towards specific desks/offices. Immaterial number of total premises is rented to external tenants as part of this concept.

Cash – representing management of entities that are set up for concentration of cash for its further investments and providing loans to other entities within consolidated group.

6 Segment Analysis (Continued)

(b) Factors that management used to identify the reportable segments

The Group’s segments are strategic business units that focus on different activities of the Group. They are managed separately because each business unit requires different skill sets, product and market, procurement and human resource strategies.

Segment financial information reviewed by the Board of Directors includes rental and similar income from Asset Management business less directly attributable costs associated with properties that equal to Net Operating Income (NOI). The Board of Directors also reviews the change in fair value of properties. With respect to Development in Preparation segment, the Board reviews acquisition opportunities and submits bids for land and properties and oversees property design, permitting and zoning. With respect to Development in Realisation segment, the Board reviews construction budgets and actual construction costs and delivery schedules as well as property marketing and letting activities at the end of the development cycle. With respect to Investment Management segment, Management reviews opportunities for transfer of further subsidiaries into this segment that would contribute to development and extend of portfolio offered for external investors.

(c) Measurement of operating segment profit or loss, assets and liabilities

The Board reviews financial information prepared based on International Financial Reporting Standards as adopted by the European Union. The Board evaluates performance of each segment based on profit before tax and net assets value. The Group allocates costs to segments based on specific identification of entities that belong to particular segments. Direct operating expenses arising from investment property are allocated on a basis of appropriate cost driver (e.g. MWh of electricity spent for electricity related costs). Transactions of the subsidiaries are allocated to relevant segment based on the substance of the transactions (e.g. expenses of subsidiary that supply utilities to other subsidiaries are allocated to segment for which the utility was purchased) unless it is not possible to allocate them to explicit segment category and they remain unallocated.

6 Segment Analysis (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities

The segment profit and loss information for the period ended 30 June 2023 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Rental income from investment property	23									
- Office		4.3	-	-	-	-	5.4	-	-	**9.7**
- Retail		8.9	-	-	-	-	-	-	-	**8.9**
Service charges income from investment properties	23									
- Office		2.6	-	-	1.3	-	0.1	-	-	**4.0**
- Retail		4.7	-	-	-	-	-	-	-	**4.7**
Management charges income from investment properties	23									
- Office		1.3	-	-	0.1	-	0.3	-	-	**1.7**
- Retail		0.6	-	-	0.3	-	-	-	-	**0.9**
Direct operating expenses arising from investment property	24									
- Office		(3.3)	-	(0.3)	(0.6)	-	(3.8)	**-**	**-**	**(8.0)**
- Retail		(7.9)	-	-	-	-	-	**-**	**-**	**(7.9)**
Net operating income/(loss) from investment property		**11.2**	**-**	**(0.3)**	**1.1**	**-**	**2.0**	**-**	**-**	**14.0**
Revaluation gain/(loss) on investment property	10									
- Office		(0.5)	(6.8)	(123.1)	-	-	(5.8)	-	-	**(136.2)**
- Retail		(8.1)	-	-	-	-	-	-	-	**(8.1)**
- Industrial		-	-	-	-	0.2	-	-	-	**0.2**
Share of loss of joint ventures	11	-	-	(2.5)	-	-	-	-	-	**(2.5)**
Interest expense - third parties	21	(5.6)	(6.9)	(15.1)	-	-	(0.8)	-	(2.5)	**(30.9)**

Table continued on next page

6 Segment Analysis (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities (Continued)

The segment profit and loss information for the 6 months ended 30 June 2023 is as follows:

In millions of EUR	**Note**	**Asset Management**	**Development in Realisation**	**Development in Preparation**	**Investment Management**	**Non-Core**	**HUB HUB**	**Cash**	**Unallocated**	**Total**
Investment management fee		-	-	-	1.1	-	-	-	-	**1.1**
Revenue from construction and other services	25	-	43.6	0.8	0.2	0.5	0.2	-	-	**45.3**
Construction services	28	-	(25.6)	-	-	-	-	-	-	**(25.6)**
Net gains on financial derivatives	33	0.9	5.2	3.6	-	-	-	-	-	**9.7**
Foreign exchange gains, net	31	-	-	-	-	-	-	-	(0.6)	**(0.6)**
Results on disposal of subsidiaries	29	-	-	3.8	-	-	-	(14.0)	-	**(10.2)**
Other (expenses)/revenues		(0.3)	(14.6)	(11.6)	(0.8)	(2.0)	(0.9)	(0.4)	(0.5)	**(31.1)**
Profit/(loss) before income tax (segment result)		**(2.4)**	**(5.1)**	**(144.4)**	**1.6**	**(1.3)**	**(5.3)**	**(14.4)**	**(3.6)**	**(174.9)**

The segment information on purchases, construction cost and sale of investment property for the 6 months ended 30 June 2023 is as follows:

Construction costs related to investment property	10	13.1	31.9	6.1	-	-	1.8	-	**-**	**52.9**
Construction costs related to construction work	28	-	25.6	-	-	-	-	-	-	**25.6**
Total investments		**13.1**	**57.5**	**6.1**	**-**	**-**	**1.8**	**-**	**-**	**78.5**
Sale of investment property	10	(8.5)	-	(24.0)	-	-	(3.8)	-	-	**(36.3)**
Total divestments		(8.5)	-	(24.0)	-	-	(3.8)	-	-	**(36.3)**

6 Segment Analysis (Continued)

d) Information about reportable segment profit or loss, assets and liabilities (Continued)
The segment information on segment assets and liabilities as of 30 June 2023 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Investment property	10									
- Office		280.8	244.3	557.2	-	-	28.1	-	-	1,110.4
- Retail		319.5	-	-	-	3.5	-	-	-	323.0
- Industrial		-	-	-	-	20.3	-	-	-	20.3
- Investment property held for sale	15	-	-	54.0	-	-	-	-	-	54.0
Investment in joint venture	11	-	-	20.8	-	-	-	-	-	20.8
Deferred income tax asset		-	6.0	8.2	-	0.1	0.1	0.4	-	14.8
Inventories	19	0.1	0.2	-	-	-	-	-	-	0.3
Receivables and loans	7,12	16.4	28.7	-	-	-	0.1	-	-	45.2
Other non-current assets	13	11.9	1.5	0.1	-	-	0.1	0.1	-	13.7
Restricted cash	16	-	-	-	-	-	-	5.6	-	5.6
Cash and cash equivalents	17	-	-	-	-	-	-	72.3	-	72.3
Trade and other receivables	7,14	15.5	70.9	1.4	4.6	0.5	0.4	7.1	42.4	142.8
Other unallocated assets*		-	-	-	-	-	-	-	15.7	15.7
Total assets		**644.2**	**351.6**	**641.7**	**4.6**	**24.4**	**28.8**	**85.5**	**58.1**	**1,838.9**
Borrowings	21									
- non-current		(80.2)	(71.3)	(301.2)	-	-	-	-	(13.7)	(466.4)
- current		(226.6)	(95.4)	(169.4)	-	-	-	-	(45.0)	(536.4)
Leasing	9									
- non-current		-	(3.5)	-	-	-	(15.2)	-	-	(18.7)
- current		-	(2.5)	-	-	-	(5.9)	-	-	(8.4)
Trade and other payables	22									
- non-current		(4.1)	(2.7)	(0.1)	-	-	(1.0)	-	(6.1)	(14.0)
- current		(8.7)	(45.1)	(3.7)	(0.7)	(2.8)	(8.9)	-	(28.4)	(98.3)
Deferred income tax liability		(20.8)	(2.2)	(18.1)	-	(2.7)	(0.8)	(0.2)	-	(44.8)
Other unallocated liabilities**		-	-	-	-	-	-	-	(3.4)	(3.4)
Total liabilities		**(340.4)**	**(222.7)**	**(492.5)**	**(0.7)**	**(5.5)**	**(31.8)**	**(0.2)**	**(96.6)**	**(1,190.4)**
Segment net asset value		**303.8**	**128.9**	**149.2**	**3.9**	**18.9**	**(3.0)**	**85.3**	**(38.5)**	**648.5**

*Other unallocated assets consist of: Property, plant and equipment and Right of use assets of EUR 9.3 million, Other assets of EUR 3.4 million and Non-current assets held for sale of EUR 2.9 million.

**Other unallocated liabilities consist of other liabilities directly associated with non-current assets classified as held for sale.

6 Segment Analysis (Continued)

d) Information about reportable segment profit or loss, assets and liabilities (Continued)
Geographical information. Revenue, expenses and assets analysed by country for the 6 months ended 30 June 2023 are as follows:

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus	Unallocated	Total
Rental income	23	14.1	0.7	0.6	0.1	3.1	-	-	-	**18.6**
Service charges	23	8.6	-	-	-	0.1	-	-	-	**8.7**
Management charges	23	1.4	0.3	0.5	0.1	0.2	0.1	-	-	**2.6**
Direct operating expenses	24	(12.8)	(1.6)	(0.1)	-	(1.4)	-	-	-	**(15.9)**
Net operating income/(loss) from investment properties		**11.3**	**(0.6)**	**1.0**	**0.2**	**2.0**	**0.1**	**-**	**-**	**14.0**
Revaluation gain/(loss) on investment property	10	(12.2)	(5.5)	(1.2)	(20.5)	(72.3)	(32.4)	-	-	**(144.1)**
Revenue from construction and other services	25	5.6	0.1	30.7	0.2	0.7	7.8	0.2	-	**45.3**
Construction contract costs	28	(2.5)	(0.1)	(17.3)	-	(0.3)	(5.4)	-	-	**(25.6)**
Share of loss of joint ventures	11	-	-	(2.5)	-	-	-	-	-	**(2.5)**
Interest expense	21	(16.2)	(5.1)	(2.3)	-	(4.1)	(3.0)	(0.2)	-	**(30.9)**
Investment management fee		-	-	-	-	-	-	1.1	-	**1.1**
Net gains on financial derivatives		0.9	2.0	3.4	-	2.7	-	0.7	-	**9.7**
Foreign exchange gains, net	31	-	(0.1)	(3.0)	(3.7)	(0.3)	-	6.5	-	**(0.6)**
Results on disposal of subsidiaries	29	3.8	-	-	-	-	-	-	(14.0)	**(10.2)**
Other (expenses)/revenues		(6.9)	(1.4)	(4.4)	0.5	(6.0)	(6.3)	(6.6)	-	**(31.1)**
Profit/(loss) before tax		**(16.2)**	**(10.7)**	**4.4**	**(23.3)**	**(77.6)**	**(39.2)**	**1.7**	**(14.0)**	**(174.9)**
Investment property in use or vacant	10	611.1	-	3.3	-	14.0	-	-	-	**628.4**
Investment property under development	10	60.0	26.1	3.5	-	504.8	230.9	-	-	**825.3**
Investment in joint venture	11	-	-	20.8	-	-	-	-	-	**20.8**
Other non-current assets*		55.5	0.9	1.3	0.3	7.9	0.3	12.2	4.7	**83.1**
Total non-current assets		**726.6**	**27.0**	**28.9**	**0.3**	**526.7**	**231.2**	**12.2**	**4.7**	**1,557.6**
Non-current assets classified as held-for-sale	15	20.9	-	-	36.0	-	-	-	-	**56.9**
Total non-current assets and assets held for sale		**747.5**	**27.0**	**28.9**	**36.3**	**526.7**	**231.2**	**12.2**	**4.7**	**1,614.5**
Restricted cash	16	4.1	-	0.5	-	0.8	-	0.2	-	**5.6**
Cash and cash equivalents	17	18.6	0.9	14.2	1.3	6.7	12.6	18.0	-	**72.3**
Inventories	19	0.3	-	-	-	-	-	-	-	**0.3**
Trade and other receivables including Other assets	14,18	27.6	5.1	27.4	4.6	14.5	21.3	5.9	39.8	**146.2**
Total assets		**798.1**	**33.0**	**71.0**	**42.2**	**548.7**	**265.1**	**36.3**	**44.5**	**1,838.9**

6 Segment Analysis (Continued)

Geographical information. Liabilities and capital expenditures analysed by country for the 6 months ended 30 June 2023 are as follows:

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus	Unallocated	Total
Borrowings										
- non-current	21	(337.5)	(60.0)	(0.1)	-	(68.8)	-	-	-	**(466.4)**
- current	7,21	(380.2)	(2.5)	(21.9)	-	(0.8)	(131.0)	-	-	**(536.4)**
Leasing										
- non-current	9	(11.0)	-	-	-	(7.7)	-	-	-	**(18.7)**
- current	9	(3.9)	-	(1.0)	-	(3.3)	(0.2)	-	-	**(8.4)**
Trade and other payables										
- non-current	22	(6.7)	(0.2)	(1.5)	-	(0.8)	-	-	(4.8)	**(14.0)**
- current	22	(28.4)	(0.2)	(19.9)	(3.5)	(16.0)	(12.0)	(18.3)	-	**(98.3)**
Liabilities directly associated with non-current assets classified as held for sale	15	(3.3)	-	-	(0.1)	-	-	-	-	**(3.4)**
Deferred income tax liability		(30.9)	(1.5)	(0.2)	-	(2.7)	(9.5)	-	-	**(44.8)**
Total liabilities		**(801.9)**	**(64.4)**	**(44.6)**	**(3.6)**	**(100.1)**	**(152.7)**	**(18.3)**	**(4.8)**	**(1,190.4)**
Net asset value		**(3.8)**	**(31.4)**	**26.4**	**38.6**	**448.6**	**112.4**	**18.0**	**39.7**	**648.5**
Purchases of investment property (including non-cash)	10	-	-	-	-	-	-	-	-	**-**
Construction costs related to investment property	10	14.2	1.8	-	0.6	29.2	7.1	-	-	**52.9**
Construction costs related to construction work	28	2.5	0.1	17.3	-	0.3	5.4	-	-	**25.6**
Total investments		**16.7**	**1.9**	**17.3**	**0.6**	**29.5**	**12.5**	**-**	**-**	**78.5**
Sale of investment property	10,29	(28.5)	(6.7)	(1.1)	-	-	-	-	-	**(36.3)**
Total divestments		**(28.5)**	**(6.7)**	**(1.1)**	**-**	**-**	**-**	**-**	**-**	**(36.3)**

*Other non-current assets consist of Property, plant and equipment and right of use assets of EUR 9.4 million, Receivables and loans of EUR 45.2 million, Deferred income tax asset of EUR 14.8 million, and Other non-current assets of EUR 13.7 million.

6 Segment Analysis (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities (Continued)

The segment profit and loss information for the 6 months ended 30 June 2022 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Rental income from investment property	23										
- Office		24.4	4.8	0.1	-	-	6.0	-	-	**-**	**35.3**
- Retail		8.0	-	-	-	-	-	-	-	**-**	**8.0**
		32.4	**4.8**	**0.1**	**-**	**-**	**6.0**	**-**	**-**	**-**	**43.3**
Service charges income from investment properties	23										
- Office		5.6	0.8	-	0.5	-	0.1	-	-	-	**7.0**
- Retail		4.0	-	-	-	-	-	-	-	-	**4.0**
		9.6	**0.8**	**-**	**0.5**	**-**	**0.1**	**-**	**-**	**-**	**11.0**
Management charges income from investment properties	23										
- Office		0.6	-	-	0.7	-	0.4	-	-	-	**1.7**
- Retail		(0.5)	-	-	0.8	-	-	-	-	-	**0.3**
		0.1	**-**	**-**	**1.5**	**-**	**0.4**	**-**	**-**	**-**	**2.0**
Direct operating expenses arising from investment property	24										
- Office		(7.8)	(1.7)	(1.2)	(0.7)	-	(1.4)	-	-	**-**	**(12.8)**
- Retail		(7.2)	-	(0.1)	(0.6)	-	-	-	-	**-**	**(7.9)**
		(15.0)	**(1.7)**	**(1.3)**	**(1.3)**	**-**	**(1.4)**	**-**	**-**	**-**	**(20.7)**
Net operating income/(loss) from investment property		**27.1**	**3.9**	**(1.2)**	**0.7**	**-**	**5.1**	**-**	**-**	**-**	**35.6**
Revaluation gain/(loss) on investment property	10										
- Office		42.5	61.4	(8.2)	-	-	(5.9)	-	-	-	**89.8**
- Retail		(2.2)	-	-	-	-	-	-	-	-	**(2.2)**
- Industrial		-	-	-	-	2.1	-	-	-	-	**2.1**
		40.3	**61.4**	**(8.2)**	**-**	**2.1**	**(5.9)**	**-**	**-**	**-**	**89.7**
Interest expense - third parties	21	**(9.7)**	**(18.3)**	**(0.3)**	**-**	**-**	**(0.7)**	**-**	**-**	**(3.0)**	**(32.0)**
		57.7	**47.0**	**(9.7)**	**0.7**	**2.1**	**(1.5)**	**-**	**-**	**(3.0)**	**93.3**

Table continued on next page

6 Segment Analysis (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities (Continued)

The segment profit and loss information for the 6 months ended 30 June 2022 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Investment management fee		-	-	-	1.1	-	-	-	-	-	**1.1**
Revenue from construction contracts	25	1.6	3.8	-	-	-	-	-	-	-	**5.4**
Construction contract costs		(0.3)	(3.9)	-	-	-	-	-	-	(1.0)	**(5.2)**
Result on financial investments held at FV		11.8	9.2	-	-	-	-	-	-	(1.9)	**19.1**
Foreign exchange losses, net	31	-	-	-	-	-	-	-	-	(35.3)	**(35.3)**
Other (expenses)/revenues		(3.8)	(20.1)	(8.3)	(1.5)	(1.8)	(1.8)	(1.0)	(1.0)	(1.0)	**(40.3)**
Profit/(loss) before income tax (segment result)		**67.0**	**36.0**	**(18.0)**	**0.3**	**0.3**	**(3.3)**	**(1.0)**	**(1.0)**	**(42.2)**	**38.1**

The segment information on purchases, construction cost and sale of investment property for the 6 months ended 30 June 2022 is as follows:

	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Purchases of investment property (including non-cash)	10	-	-	2.4	-	-	-	-	-	-	**2.4**
Construction costs related to investment property	10	19.2	78.5	7.2	-	-	-	-	-	-	**104.9**
Construction costs related to construction work		0.3	3.9	-	-	-	-	-	-	1.0	**5.2**
Total investments		**19.5**	**82.4**	**9.6**	**-**	**-**	**-**	**-**	**-**	**1.0**	**112.5**
Sale of investment property	10,29	-	-	(67.5)	-	-	(2.0)	-	-	-	**(69.5)**
Total divestments		**-**	**-**	**(67.5)**	**-**	**-**	**(2.0)**	**-**	**-**	**-**	**(69.5)**

6 Segment Analysis (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities (Continued)
The segment information on segment assets and liabilities as of 31 December 2022 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Investment property	10										
- Office		116.4	372.8	714.9	-	-	37.2	-	-	-	1,241.3
- Retail		327.8	-	-	-	3.5	-	-	-	-	331.3
- Industrial		-	-	-	-	20.1	-	-	-	-	20.1
- Investment property held for sale	15	-	-	20.5	-	-	-	-	-	-	20.5
Investment in joint venture	11	-	-	23.0	-	-	-	-	-	-	23.0
Deferred tax asset	30	0.5	4.5	1.3	-	0.3	-	-	-	-	6.6
Inventories	19	-	0.4	23.1	-	0.1	-	-	-	-	23.6
Inventory property held for sale	15	-	-	24.0	-	-	-	-	-	-	24.0
Receivables and loans	7,12	15.1	2.1	-	-	0.4	-	-	-	-	17.6
Other non-current assets	13	17.1	1.7	0.2	-	0.1	0.6	-	0.1	-	19.8
Restricted cash	16	-	-	-	-	-	-	-	4.2	-	4.2
Cash and cash equivalents	17	-	-	-	-	-	-	-	62.7	-	62.7
Trade and other receivables	7,14	21.7	6.5	103.2	0.4	0.2	1.6	0.5	3.4	71.2	208.7
Other unallocated assets*		-	-	-	-	-	-	-	-	22.1	22.1
Total assets		**498.6**	**388.0**	**910.2**	**0.4**	**24.7**	**39.4**	**0.5**	**70.40**	**93.30**	**2,025.5**
Borrowings	7,21										
- non-current		(218.7)	(131.6)	(353.6)	-	-	-	-	-	(32.4)	(736.3)
- current		(11.4)	(95.1)	(96.9)	-	-	-	-	-	(62.8)	(266.2)
Leasing	9										
- non-current		-	(4.8)	(0.2)	-	-	(19.2)	-	-	-	(24.2)
- current		-	(2.5)	-	-	-	(7.4)	-	-	-	(9.9)
Trade and other payables	22										
- non-current		(5.4)	(2.7)	(0.3)	-	-	(1.2)	-	-	(9.4)	(19.0)
- current		(32.6)	(57.1)	(2.5)	(0.5)	(2.4)	(8.7)	(0.7)	-	(28.6)	(133.1)
Deferred tax liability	30	(17.3)	(8.1)	(39.5)	-	(2.8)	(1.3)	-	(0.2)	-	(69.2)
Other unallocated liabilities**		-	-	-	-	-	-	-	-	(4.6)	(4.6)
Total liabilities		**(285.4)**	**(301.9)**	**(493.0)**	**(0.5)**	**(5.2)**	**(37.8)**	**(0.7)**	**(0.2)**	**(137.8)**	**(1,262.5)**
Segment net asset value		**213.2**	**86.1**	**417.2**	**(0.1)**	**19.5**	**1.6**	**(0.2)**	**70.2**	**(44.5)**	**763.0**

*Other unallocated assets consist of: Property, plant and equipment and Right of use assets of EUR 11.9 million, Other assets of EUR 9.5 million and Other Non-current assets classified as held-for-sale of EUR 0.7 million.

**Other unallocated liabilities consist of other liabilities directly associated with non-current assets classified as held for sale.

6 Segment Analysis (Continued)

Geographical information. Revenue, expenses analysed by country for 6 months ended 30 June 2022 and assets analysed by country as of 31 December 2022 are as follows::

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus, US	Unallocated	Total
Rental income	23	11.9	1.3	12.8	7.3	7.7	2.3	-	-	**43.3**
Service charges	23	6.0	-	1.9	1.9	0.8	0.4	-	-	**11.0**
Management charges	23	0.7	0.9	0.2	0.1	0.1	-	-	-	**2.0**
Direct operating expenses	24.	(10.4)	(1.1)	(3.0)	(3.1)	(2.3)	(0.8)	-	-	**(20.7)**
Net operating income from investment properties		**8.2**	**1.1**	**11.9**	**6.2**	**6.3**	**1.9**	**-**	**-**	**35.6**
Revaluation gain/(loss) on investment property	10	12.1	(1.3)	52.3	30.8	3.0	(7.2)	-	-	**89.7**
Revenue from construction contracts	25	1.1	-	2.9	1.4	-	-	-	-	**5.4**
Construction contract costs		(2.0)	-	(1.8)	(1.4)	-	-	-	-	**(5.2)**
Interest expense	31	(12.4)	(1.5)	(6.3)	(1.7)	(6.8)	(2.9)	(0.4)	-	**(32.0)**
Investment management fee		-	-	-	-	-	-	1.1	-	**1.1**
Other (expenses)/revenues		(7.9)	(1.5)	(6.4)	(12.7)	(9.1)	(3.5)	(15.6)	0.2	**(56.5)**
Profit/(loss) before tax		(0.9)	(3.2)	52.6	22.6	(6.6)	(11.7)	(14.9)	0.2	**38.1**
Investment property in use or vacant	10	454.9	6.7	4.7	-	15.2	-	-	-	**481.5**
Investment property under development	10	242.1	28.7	4.1	50.1	530.5	255.7	-	-	**1,111.2**
Investment in joint venture	11	-	-	23.0	-	-	-	-	-	**23.0**
Other non-current assets*		33.7	1.2	1.8	0.5	5.3	0.4	13.0	-	**55.9**
Total non-current assets		**730.7**	**36.6**	**33.6**	**50.6**	**551.0**	**256.1**	**13.0**	**-**	**1,671.6**
Non-current assets classified as held-for-sale	15	45.2	-	-	-	-	-	-	-	**45.2**
Total non-current assets and assets held for sale		**775.9**	**36.6**	**33.6**	**50.6**	**551.0**	**256.1**	**13.0**	**-**	**1,716.8**
Restricted cash	16	2.5	-	0.5	-	0.9	-	0.3	-	**4.2**
Cash and cash equivalents	17	19.7	1.6	13.0	1.2	7.3	13.5	6.4	-	**62.7**
Inventories	19	23.4	-	0.2	-	-	-	-	-	**23.6**
Trade and other receivables including Other assets	14,18	78.4	4.0	28.1	6.9	13.5	13.9	1.5	71.9	**218.2**
Total assets		**900.1**	**42.0**	**75.4**	**58.7**	**572.7**	**283.5**	**21.2**	**71.9**	**2,025.5**

6 Segment Analysis (Continued)

Geographical information. Liabilities as at 31 December 2022 and and capital expenditures for the 6 months ended 30 June 2022 analysed by country are as follows:

In millions of EUR	**Note**	**Slovakia**	**Czech Republic**	**Poland**	**Hungary**	**UK**	**Germany**	**Luxembourg, Netherlands, Cyprus**	**Unallocated**	**Total**
Borrowings										
- non-current	21	(543.6)	(55.1)	-	-	(56.4)	(81.2)	-	-	**(736.3)**
- current	7,21	(169.1)	(4.2)	(43.3)	-	0.2	(44.8)	(5.0)	-	**(266.2)**
Leasing										
- non-current	9	(12.3)	(2.4)	(0.6)	-	(8.9)	-	-	-	**(24.2)**
- current	9	(3.9)	(1.5)	(1.0)	-	(3.3)	(0.2)	-	-	**(9.9)**
Trade and other payables										
- non-current	22	(6.5)	(0.4)	(1.6)	-	(0.9)	(0.2)	(4.0)	(5.4)	**(19.0)**
- current	22	(45.0)	(1.3)	(33.1)	(3.7)	(22.4)	(9.4)	(12.9)	(5.3)	**(133.1)**
Liabilities directly associated with non-current assets classified as held for sale	15	(4.6)	-	-	-	-	-	-	-	**(4.6)**
Deferred income tax liability	30	(35.0)	(2.5)	(0.4)	-	(17.2)	(14.1)	-	-	**(69.2)**
Total liabilities		**(820.0)**	**(67.4)**	**(80.0)**	**(3.7)**	**(108.9)**	**(149.9)**	**(21.9)**	**(10.7)**	**(1,262.5)**
Net asset value		**80.1**	**(25.4)**	**(4.6)**	**55.0**	**463.8**	**133.6**	**(0.7)**	**61.2**	**763.0**
Purchases of investment property (including non-cash)	10	-	-	-	-	-	2.4	-	-	2.4
Construction costs related to investment property	10	33.5	-	35.7	0.1	17.7	17.9	-	-	104.9
Construction costs related to construction work		2.0	-	1.8	1.4	-	-	-	-	5.2
Total investments		**32.5**	**-**	**37,5**	**1.5**	**17.7**	**20.3**	**-**	**-**	**112.5**
Sale of investment property	10,29	(67.5)	-	-	(2.0)	-	-	-	-	**(69.5)**
Total divestments		**(67.5)**	**-**	**-**	**(2.0)**	**-**	**-**	**-**	**-**	**(69.5)**

7 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*.

The Company's immediate parent and ultimate controlling party are disclosed in Note 1. Transactions are generally entered into on an arm's length basis.

Key management of the Group consists of 13 senior managers (2022: 20). Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 30 June 2023 are detailed below.

At 30 June 2023, the outstanding balances with related parties are as follows:

In millions of EUR	**Entities under common control**	**Key management personnel**	**Joint ventures and associates**	**Total**
Trade and other receivables (Note 14)	83.9	0.3	1.3	**85.5**
Loans to related parties (Note 14)	5.1	-	-	**5.1**
ECL allowance for trade receivables and loans to related party (Note 14)	(3.6)	-	-	**(3.6)**
Other current assets (Note 18)	1.3	-	-	**1.3**
Loans to related parties non-current (Note 12)	27.3	-	-	**27.3**
Accrued income (Note 14)	4.5			**4.5**
Trade and other payables current (Note 22)	(23.4)	(2.1)	-	**(25.5)**
Trade and other payables non - current (Note 22)	(5.0)	-	-	**(5.0)**

The income and expense items with related parties for the 6 months ended 30 June 2023 are as follows:

In millions of EUR	**Entities under common control**	**Key management personnel**	**Joint ventures and associates**	**Total**
Revenue from services rendered	1.1	-	-	**1.1**
Revenue from construction contracts	31.5	-	-	**31.5**
Rental income	4.3	-	-	**4.3**
Rental expenses	(4.1)	-	-	**(4.1)**
Other operating income	4.0	-	-	**4.0**
Other services	(1.6)	-	-	**1.6**
Short-term employee benefits (salaries)	-	(3.2)	-	**(3.2)**
Long-term employee benefits (social security costs)	-	(0.4)	-	**(0.4)**
Interest income	0.7	-	-	**0.7**
Interest expense	(0.2)	-	-	**(0.2)**
Other finance costs	(0.7)	-	-	**(0.7)**

At 31 December 2022, the outstanding balances with related parties are as follows:

In millions of EUR	**Entities under common control**	**Key management personnel**	**Joint ventures and associates**	**Total**
Trade and other receivables (Note 14)	118.1	0.5	0.3	**118.9**
Loans to related parties (Note 14)	52.3	0.8	-	**53.1**
ECL allowance for trade receivables and loans to related party (Note 14)	(2.7)	-	-	**(2.7)**
Investment management fee accrued (Note 18)	3.2	-	-	**3.2**
Other current assets (Note 18)	4.6	-	-	**4.6**
Other non-current asset	4.5	-	-	**4.5**
Loans to related parties non-current (Note 12)	1.7	-	-	**1.7**
Trade and other payables current (Note 22)	(20.9)	(2.1)	-	**(23.0)**
Trade and other payables non - current (Note 22)	(9.8)	-	-	**(9.8)**
Borrowings – current (Note 21)	(5.0)	-	-	**(5.0)**

7 Balances and Transactions with Related Parties (Continued)

The income and expense items with related parties for the 6 months ended 30 June 2022 are as follows:

In millions of EUR	Entities under common control	Key management personnel	Joint ventures and associates	Total
Rental income	3.0	-	-	**3.0**
Rental expenses	(0.6)	-	-	**(0.6)**
Other operating income	0.2	-	-	**0.2**
Investment management fee	1.1	-	-	**1.1**
Other operating expenses	(2.5)	-		**(2.5)**
Short-term employee benefits (salaries)	-	(1.5)	-	**(1.5)**
Long-term employee benefits (social security costs)	-	(0.2)	-	**(0.2)**
Other financial expenses	0.3	-	-	**0.3**
			-	

A shareholder entity has made an undertaking to pay to the senior managers of the Group an amount under a profit sharing scheme based on increase in Net Asset Value (adjusted) of the Group. As the amount is payable by the shareholder, and does not constitute a share based payment under IFRS, it has not been expensed by the Group. The amount paid or accrued with respect to 2023 and/or 2022 are not material in the context of the condensed consolidated interim financial statements. The compensation of the Board of Directors of the Parent Company amounted to EUR 1.1 million in 2023 (6 months of 2022: EUR 1.7 million).

The Group had no outstanding loans receivable from the members of the Board of Directors of the Group as at 30 June 2022 (2022: nil).

Distributions to owners paid by the Group in 2023 and 2022 respectively are described in Note 20.

The Group's investment in joint ventures is described in Note 11.

8 Property, Plant and Equipment and Intangible assets

Movements in the carrying amount of property, plant and equipment and intangible assets were as follows:

In millions of EUR	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Intangible assets	Total
Net book value as at 1 January 2022	**3.1**	**1.4**	**2.1**	**0.1**	**2.9**	**9.6**
Additions	-	0.1	-	0.5	0.1	**0.7**
Transfers	0.2	-	0.2	(0.4)	-	**-**
Disposals	(0.1)	-	(0.1)	-	(0.1)	**(0.3)**
Disposal of subsidiary	(2.6)	-	-	-	-	**(2.6)**
Depreciation charge	-	(0.8)	(1.3)	-	(0.8)	**(2.9)**
Net book value as at 31 December 2022	**0.6**	**0.7**	**0.9**	**0.2**	**2.1**	**4.5**
Additions	-	-	0.2	0.1	-	**0.3**
Disposals	(0.1)	-	-	-	-	**(0.1)**
Depreciation charge	-	(0.3)	(0.7)	-	(0.3)	**(1.3)**
Net book value as at 30 June 2023	**0.5**	**0.4**	**0.4**	**0.3**	**1.8**	**3.4**

At 30 June 2023, no property, plant and equipment (at 31 December 2022: no property pledged) has been pledged to third parties as collateral with respect to borrowings.

9 Right-of-use assets and lease liabilities

Leases are recognised as a right-of-use asset and a corresponding liability from the date when the leased asset becomes available for use by the Group. Right-of-use assets that are subleased under an operating lease or otherwise meet definition of investment property are presented within investment properties rather than separately in the consolidated statement of financial position.

Movements in right-of-use assets analysed by classes of underlying items are as follows:

In millions of EUR	**Land and buildings**	**Vehicles and other assets**	**Total**
Carrying amount at 1 January 2022	**9.3**	**0.5**	**9.8**
Additions	0.2	0.5	0.7
Transfer from Investment property	0.7	-	0.7
Disposal of subsidiary	(0.4)	-	(0.4)
Depreciation charge	(2.9)	(0.5)	(3.4)
Carrying amount at 31 December 2022	**6.9**	**0.5**	**7.4**
Additions	-	0.1	0.1
Depreciation charge	(1.3)	(0.2)	(1.5)
Carrying amount at 30 June 2023	**5.6**	**0.4**	**6.0**

The Group recognised lease liabilities as follows:

In millions of EUR	**30 June 2023**	**31 December 2022**
Lease liabilities:		
Current	8.4	9.9
Non-current	18.7	24.2
Total lease liabilities*	**27.1**	**34.1**

The Group has included EUR 30.3 million right-of-use assets in investment properties as of 30 June 2023 (at 31 December 2022: EUR 36.6 million) – see Note 10.

*Lease liabilities include:

- the liabilities associated with right-of-use assets presented in the above table, and
- the liabilities associated with right-of-use assets classified as investment property.

The consolidated statement of profit or loss shows the following amounts relating to leases:

In millions of EUR	**Note**	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**
Depreciation of right-of-use asset			
Land and buildings		1.3	1.5
Vehicles and other assets		0.2	0.2
Total depreciation of right-of-use asset		**1.5**	**1.7**
Other expense related to Leases			
Revaluation loss on investment property	10	3.7	2.8
Interest expense		0.9	1.1

Expenses relating to short-term leases and to leases of low-value assets that are not shown as short-term leases were nil (31 December 2022: nil).

Total cash outflow for leases during the 6 months period ended 30 June 2023 was EUR 5.9 million (6 months period ended 30 June 2022: EUR 5.9 million).

9 Right-of-use assets and lease liabilities (Continued)

Extension and termination options are included in a number of property and equipment leases across the Group. As at 30 June 2023, potential future cash outflows of EUR 22.1 million (at 31 December 2022: EUR 24.5 million) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group. During the current reporting period, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil (at 31 December 2022: nil).

10 Investment Property

	6 months period ended 30 June 2023					**Year ended 31 December 2022**				
	Under development		**In use or vacant**		**Total**	**Under development**		**In use or vacant**		**Total**
In millions of EUR	**Owned**	**Leased**	**Owned**	**Leased**		**Owned**	**Leased**	**Owned**	**Leased**	
Fair value at 1 January	**1,102.1**	**9.1**	**454.0**	**27.5**	**1,592.7**	**1,504.3**	**16.0**	**1,947.1**	**29.8**	**3,497.2**
Right-of-use-asset acquired during the period / lease index and concessions	-	-	-	1.2	**1.2**	-	-	-	10.3	**10.3**
Acquisitions of investment property	-	-	-	-	**-**	106.1	-	-	-	**106.1**
Subsequent expenditure on investment property	46.5	-	6.4		**52.9**	188.3	-	40.4	-	**228.7**
Transfers from under development to in use	(165.5)	-	165.5	-	**-**	(529.5)	(6.7)	529.5	6.7	**-**
Transfers to disposal groups classified as held for sale (Note 15)	(33.5)	-	-	-	**(33.5)**	(20.5)	-	-	-	**(20.5)**
Disposal of subsidiary	(24.0)	-	(8.5)	(3.8)	**(36.3)**	-	-	(2,020.3)	(13.2)	**(2,033.5)**
Transfers to PPE (Note 8)	-	-	-	-	**-**	-	-	-	(0.7)	**(0.7)**
Fair value gains/(losses) – properties completed during the period**	(0.3)	-	-	-	**(0.3)**	4.5	-	-	-	**4.5**
Fair value gains/(losses)**	(129.4)	-	(10.7)	(3.7)	**(143.8)**	(113.2)	(0.1)	4.6	(5.4)	**(114.1)**
Effect of translation to presentation currency**	20.3	-	0.5	-	**20.8**	(37.9)	(0.1)	(47.3)	-	**(85.3)**
Fair value at the end of the period	**816.2**	**9.1**	**607.2**	**21.2**	**1,453.7**	**1,102.1**	**9.1**	**454.0**	**27.5**	**1,592.7**

** As of 30 June 2023, the investment property portfolio of the Group with fair value of EUR 551.8 million or 38.1% of total investment property of the Group as of that date (2022: EUR 640.0 or 40.0% of total investment property of the Group) was based in the United Kingdom, Poland, Hungary and the Czech Republic. The functional currency of the Group's subsidiaries which own such investment properties is GBP, PLN, HUF and CZK, respectively. The depreciation in fair value of these properties expressed in the local functional currencies is presented above as a fair value gain. With the exception of the United Kingdom, this appreciation in value is partly attributable to the fact that most rental contracts are concluded in EUR and based on experience from other emerging markets, only a more severe local currency depreciation would necessitate the lessor to provide rent concessions in order to reflect the devalued local currency exchange rates.

10 Investment Property (Continued)

The effects of 2023 appreciation and 2022 depreciation of the local functional currencies compared to EUR is presented above as effect of translation from functional to presentation currency.

The Group classified certain leases as investment properties. The carrying value of such investment property as of 30 June 2023 was EUR 30.3 million (2022: EUR 36.6 million).

At 30 June 2023, investment properties carried at EUR 1,115.3 million (at 31 December 2022: EUR 1,052.2 million) have been pledged to third parties as collateral with respect to borrowings.

Valuations obtained for investment properties were adjusted for the purpose of the condensed consolidated interim financial statements to avoid double-counting of assets or liabilities that are recognised as separate assets and liabilities and with respect to non-binding offers, results of prospective purchaser due diligence and other factors. Reconciliation between the valuations obtained and the adjusted valuation included in the condensed consolidated interim financial statements is as follows:

In millions of EUR		Note	30 June 2023	31 December 2022
Valuations obtained			**1,503.9**	**1,600.9**
Add:	right-of-use assets classified as investment property		21.2	27.6
Less:	lease incentive receivables	12(a)	(17.4)	(15.3)
Less:	transfers to disposal groups classified as held for sale	15	(54.0)	(20.5)
Fair value at the end of the period			**1,453.7**	**1,592.7**

11 Investment in Joint Ventures

In 2022, the Group entered into joint ventures in Poland with 50% economic interest in Port Praski City II sp. z o.o. and Port Praski Medical Center sp. z o.o.

The following amounts represent 100% of the assets, liabilities as at 30 June 2023 and 31 December 2022, revenue and results of the joint ventures for the 6 months ended 30 June 2023.

In millions of EUR	6 months ended 30 June 2023	6 months ended 30 June 2022
Revenue	-	-
Total comprehensive loss for the period	(5.0)	-

In millions of EUR	30 June 2023	31 December 2022
Investment property	43.8	48.6
Current assets	1.2	0.1
Deferred tax liability	(1.1)	(2.5)
Current liabilities	(0.4)	(0.2)
Borrowings	(1.9)	-
Net assets of the investee	**41.6**	**46.0**
Share of other venturers	**20.8**	**23.0**
Investments in joint ventures	**20.8**	**23.0**

12 Receivables and Loans

In millions of EUR	Note	30 June 2023	31 December 2022
Lease incentives receivables	(a)	17.5	15.3
Loans to related parties – non-current (Note 7)	(b)	27.3	1.7
Loans to third parties		0.4	0.6
Total receivables and loans		**45.2**	**17.6**

Description and analysis by credit quality of receivables and loans is as follows:

(a) Lease incentive receivables of EUR 17.5 million (31 December 2022: EUR 15.3 million) represent cost of incentives recognised over the lease term, on a straight-line basis. These receivables are neither past due nor impaired. They are not secured and they are due from a wide variety of tenants and the Group has the ability to evict non-paying tenants.

(b) The Group has provided loans to its related parties amounting to EUR 27.3 million as of 30 June 2023 (31 December 2022: EUR 1.9 million) with interest of 4,05 % and maturity day 31st October 2029.

13 Other Non-Current Assets

In millions of EUR	Note	30 June 2023	31 December 2022
Interest in unconsolidated entity	29	11.9	12.5
Other non-current assets		1.8	7.3
Total other non-current assets		**13.7**	**19.8**

In December 2022, the Group lost control over its subsidiary UBX 2 Objekt Berlin S.à r.l. through sale of 89.9% share to entity under common control. The remaining 10.1% interest was recognized at fair value as of date of sale. Fair value of interest in this unconsolidated entity was EUR 11.9 million at 30 June 2023 (31 December 2022: EUR 12.5 million).

14 Trade and Other Receivables

In millions of EUR	Note	30 June 2023	31 December 2022
Trade and other receivables from related parties	7	85.5	118.9
Trade and other financial receivables		23.8	13.3
Less expected credit loss allowance for trade receivables		(7.2)	(5.6)
Loans to related parties	7 (a)	5.1	53.1
Derivatives and other financial assets	33	22.9	16.8
Accrued rental income from related parties		4.5	-
Accrued rental income		2.8	4.9
Total financial assets / receivables		**137.4**	**201.4**
VAT receivable		4.0	2.8
Prepayments		1.4	4.5
Total trade and other receivables		**142.8**	**208.7**

(a) As of 30 June 2023, the Group has provided loans to its related parties amounting to EUR 5.1 million (31 December 2022: EUR 53.1 million) with average interest of 6.40 % (31 December 2022: 4.05 %).

14 Trade and Other receivables (Continued)

The expected credit loss allowance for trade receivables is determined according to provision matrix presented in the table below.

	30 June 2023				31 December 2022			
In millions of EUR	**Loss rate**	**Gross carrying amount**	**ECL**	**Net carrying amount**	**Loss rate**	**Gross carrying amount**	**ECL**	**Net carrying amount**
Trade and other receivables, accrued rental income and loans to related parties								
- current	0.25%	71.4	(0.2)	71.2	0.25%	155.3	(0.4)	154.9
- less than 30 days overdue	2.5%	5.3	(0.1)	5.2	2.5%	5.3	(0.1)	5.2
- 30 to 90 days overdue	5.0%	6.6	(0.3)	6.3	5.0%	5.8	(0.3)	5.5
- 91 to 180 days overdue	10.0%	6.3	(0.6)	5.7	10.0%	2.2	(0.2)	2.0
- 181 to 360 days overdue	15.0%	3.3	(0.5)	2.8	15.0%	1.8	(0.3)	1.5
- over 360 days overdue	70.0%	0.9	(0.6)	0.3	70.0%	0.8	(0.6)	0.2
- over 360 days overdue individually impaired	100.0%	1.3	(1.3)	-	100.0%	0.8	(0.8)	-
Total		**95.1**	**(3.6)**	**91.5**		**172.0**	**(2.7)**	**169.3**
Trade and other receivables and accrued rental income								
- current	0.25%	16.3	-	16.3	0.25%	10.4	-	10.4
- less than 30 days overdue	2.5%	2.4	(0.1)	2.3	2.5%	1.4	-	1.4
- 30 to 90 days overdue	5.0%	1.2	(0.1)	1.1	5.0%	0.7	-	0.7
- 91 to 180 days overdue	10.0%	0.6	(0.1)	0.5	10.0%	1.4	(0.1)	1.3
- 181 to 360 days overdue	15.0%	1.8	(0.3)	1.5	15.0%	0.5	(0.1)	0.4
- over 360 days overdue	70.0%	4.3	(3.0)	1.3	70.0%	3.8	(2.7)	1.1
Total		**26.6**	**(3.6)**	**23.0**		**18.2**	**(2.9)**	**15.3**
Derivatives / other at fair value				22.9				16.8
Total financial assets				**137.4**				**201.4**

The primary factor that the Group considers in determining whether a receivable is impaired is its overdue status. As a result, the Group presents above an aging analysis of trade and other receivables. Certain trade receivables are secured by either bank guarantee or deposit. The unsecured trade receivables are from a wide variety of tenants and the Group has the ability to evict non-paying tenants.

The carrying amount of each class of trade and other receivables approximated their fair value.

The following table explains the changes in the credit loss allowance for trade and other receivables under simplified ECL model between the beginning and the end of the annual financial reporting period:

In millions of EUR	**1 January 2023 - 30 June 2023**	**1 January 2022 - 31 December 2022**
Expected credit loss allowance at 1 January	**5.6**	**4.5**
Expected credit loss charge to profit or loss for the period	1.6	2.2
Write-offs	-	(1.1)
Expected credit loss allowance at the end of the accounting period	**7.2**	**5.6**

15 Non-current Assets Held for Sale

Major classes of assets classified as held for sale:

In millions of EUR	30 June 2023	31 December 2022
Investment property under development	54.0	20.5
Inventories	-	24.0
Trade and other receivables	0.1	0.3
Deferred income tax asset	2.1	-
Cash and cash equivalents	0.5	0.3
Other non-current asset	0.2	-
Current income tax receivables	-	0.1
Total assets classified as held for sale	**56.9**	**45.2**

As of 30 June 2023, the Group classified assets and liabilities of the two (2) subsidiaries Logistické centrum Trnava s.r.o. and AGORA Sky Kft. as held for sale.

As of 31 December 2022, the Group classified assets and liabilities of three (3) subsidiaries Logistické centrum Trnava s.r.o., Twin City VIII s. r. o. and Smart City Parking s. r. o. as held for sale.

The investment properties are valued twice a year on 30 June and 31 December at fair value, with the benefit of advice by an independent, professionally qualified valuation expert who has recent experience in valuing similar properties in similar locations. The methods and significant assumptions applied in determining the fair value are described in Notes 3 and 35.

Major classes of liabilities directly associated with assets classified as held for sale:

In millions of EUR	30 June 2023	31 December 2022
Deferred income tax liability	3.1	4.6
Trade and other payables	0.3	-
Total liabilities directly associated with assets classified as held for sale	**3.4**	**4.6**

At 30 June 2023, no investment properties held for sale (at 31 December 2022: EUR 20.5 million) and no receivables (at 31 December 2022: EUR nil) have been pledged to third parties as collateral with respect to borrowings.

Two (Twin City VIII s. r. o. and Smart City Parking s. r. o.) out of three subsidiaries classified held for sale as at 31 December 2022 were sold during the 6 months ended 30 June 2023 (Note 29). Sale of Logisticke centrum Trnava s.r.o. is expected to be completed in the course of 2023.

16 Restricted Cash

Restricted cash is cash and cash equivalents that are held for a specific purpose thus not available for immediate or general use by the Group. At 30 June 2023, restricted cash balance consists of the following:

In millions of EUR	30 June 2023	31 December 2022
Debt service reserve accounts	1.4	-
Tenant security deposits	3.5	3.4
Other	0.7	0.8
Total restricted cash	**5.6**	**4.2**

Debt service reserve account. Cash deposit required to be held on blocked accounts in relation to the Group's development and investment facilities as a reserve to cover future debt service payments.

Tenant security deposit. Cash held at escrow accounts relating to tenancy deposits arising from leasing contracts, which the Group may use to satisfy overdue obligations of the tenant.

Other. Cash deposits associated with tax returns/obligations, insurance proceeds, in each case with contractually limited rights to utilize without third party consent.

Restricted cash gross outflow is EUR 0,3 million and restricted cash gross inflow amounted to EUR 1,7 million for the 6 month period ended 30 June 2023.

17 Cash and Cash Equivalents

In millions of EUR	**30 June 2023**	**31 December 2022**
Cash at bank	59.4	62.7
Cash on transit and in hand	12.9	-
Total cash and cash equivalents	**72.3**	**62.7**

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 30 June 2023. Refer to Note 33 for the description of the Group's credit risk grading system.

In millions of EUR	**30 June 2023**	**31 December 2021**
- Excellent	45.9	40.6
- Good	13.4	22.1
- Satisfactory	0.1	-
Total cash and cash equivalents	**59.4**	**62.7**

The Company classifies banks based on ratings as follows:

- Banks rated Excellent: Rating by Moody's A1, A2, A3 or rating by Fitch A+, A, A-
- Banks rated Good: Rating by Moody's Baa1, Baa2, Baa3 or Fitch BBB+, BBB, BBB-
- Banks rated Satisfactory: Rating by Moody's Ba1, Ba2, Ba3 or Fitch BB+, BB, BB-

The carrying amounts of cash and cash equivalents as of 30 June 2023 and 31 December 2022 are not substantially different from their fair value. The maximum exposure to credit risk relating to cash and cash equivalents is limited to the carrying value of cash and cash equivalents.

18 Other current assets

In millions of EUR	**Note**	**30 June 2023**	**31 December 2022**
Deferred expenses from third parties		2.1	0.5
Deferred expenses from related parties	7	1.3	4.6
Investment management fee accrued		-	3.2
Advances paid		-	1.2
Total other current assets		**3.4**	**9.5**

19 Inventories

In millions of EUR	**30 June 2023**	**31 December 2022**
Inventory property	-	23.1
Material	0.2	0.4
Merchandise	0.1	0.1
Total inventories	**0.3**	**23.6**

19 Inventories (Continued)

A summary of movement in inventory property is set out below:

In millions of EUR	30 June 2023	31 December 2022
Inventory property at 1 January	**23.1**	**76.1**
Development expenditures	0.2	4.5
Disposal of subsidiary	(23.3)	-
Impairment loss on inventory	-	(33.5)
Transfers to disposal groups classified as held for sale (Note 15)	-	(24.0)
Inventory property at 30 June / 31 December	**-**	**23.1**

As at 31 December 2022, inventory property carried at EUR 23.1 million has been pledged to third parties as collateral with respect to borrowings.

20 Share Capital and Share Premium

	Number of shares	Ordinary shares in EUR	Share premium in EUR	Total in EUR
At 1 January 2022	30,000	30,000	807,212,738	**807,242,738**
At 31 December 2022	30,000	30,000	39,985,000	**40,015,000**
At 30 June 2023	31,000	31,000	39,339,100	**39,370,100**

The total authorised number of ordinary shares is 31,000 shares with a par value of EUR 1 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote. 12,500 shares were issued on 20 October 2010 and additional 17,500 shares were issued on 4 September 2018 due to change of legal form of the company from a private limited liability company into a public limited liability company. On 3 February 2023, 1,000 new shares were issued.

During 2022, the shareholders contributed share premium in amount of EUR 40 million, thereof EUR 10 million were paid in 2022 and remaining EUR 30 million in February 2023.

Distributions to owners declared and paid during the period were as follows:

In millions of EUR, except dividends per share amount	30 June 2023	31 December 2022
Distributions to owners payable at 1 January	**-**	**-**
Distributions declared during the period (from share premium)	0.6	807.2
Dividend distributions declared during the period	-	70.5
Distributions paid during the period	-	(22.7)
Non-cash settlement of distributions during the period*	(0.6)	(855.0)
Distributions to owners payable at 30 June / 31 December	**-**	**-**
Amount per share declared during the period in EUR	20.8	29,256.8

*In 2022, the Group sold 100 % share in subsidiary HB Reavis Investments Holding S.A. and 89.9% share in UBX 2 Objekt Berlin S.à r.l. to entities under common control. The receivable from sale was partially settled with liability from equity distributions declared during 2022.

21 Borrowings

In millions of EUR	**31 June 2023**	**31 December 2022**
Non-current		
Bank borrowings	165.2	480.9
Issued bonds	301.2	255.4
Total non-current borrowings	**466.4**	**736.3**
Current		
Bank borrowings	478.8	164.0
Borrowings from related parties	-	5.0
Issued bonds	57.6	97.2
Total current borrowings	**536.4**	**266.2**
Total borrowings	**1,002.8**	**1,002.5**

The Group's borrowings are denominated in EUR, GBP, PLN or CZK.

The Group recognized on its borrowings interest expense in amount of EUR 30.9 million out of which EUR 11.4 million was bond related interest expense (for the period ended 30 June 2022: interest expense EUR 40.0 million out of which EUR 7.5 million bond related interest expense).

The table below sets out an analysis of our debt and the movements in our debt. The debt items are those that are reported as financing in the consolidated statement of cash flows.

In millions of EUR	**Bank borrowings**	**Bonds**	**Lease liabilities**	**Total**
Borrowings and lease liabilities as presented in the consolidated statement of financial position as at 1 January 2022	**1,511.9**	**390.6**	**46.0**	**1,948.5**
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 1 January 2021	-	-	0.2	0.2
Total borrowings and lease liabilities as at 1 January 2022	**1,511.9**	**390.6**	**46.2**	**1,948.7**
Cash flows				
Proceeds from new drawdowns	481.8	162.8	11.0	**655.6**
Repayments	(150.6)	(203.1)	(11.1)	**(364.8)**
Non-cash changes				
Foreign exchange adjustments	19.3	-	(0.8)	**18.5**
Non-cash movement due to loss of control in a subsidiary	(1,200.0)	-	(13.4)	**(1,213.4)**
Non-cash movement due to derecognition of a lease	-	-	-	**-**
Change in accrued interest	16.6	2.3	2.2	**21.1**
Change in amortised transaction costs	0.6	(1.9)	-	**(1.3)**
Effect of translation to presentation currency	(29.7)	1.9	-	**(27.8)**
Borrowings and lease liabilities as presented in the consolidated statement of financial position as at 31 December 2022	**649.9**	**352.6**	**34.1**	**1,036.6**
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 31 December 2022 (Note 15)	-	-	-	-
Total borrowings and lease liabilities as at 31 December 2022	**649.9**	**352.6**	**34.1**	**1,036.6**
Cash flows				
Proceeds from new drawdowns	135.2	-	1.3	**136.5**
Repayments	(147.6)	(0.1)	(5.9)	**(153.6)**
Non-cash changes				
Foreign exchange adjustments	(1.0)	-	0.3	**(0.7)**
Lease concessions	-	-	(3.5)	**(3.5)**
Effect of modified effective interest rate	-	2.2	-	**2.2**
Change in accrued interest	3.9	1.5	0.8	**6.2**
Change in amortised transaction costs	0.3	0.6	-	**0.9**
Effect of translation to presentation currency	3.3	2.0	-	**5.3**
Total borrowings and lease liabilities as at 30 June 2023	**644.0**	**358.8**	**27.1**	**1,029.9**

21 Borrowings (Continued)

The carrying amounts and fair values of the non-current borrowings are set out below:

	Carrying amounts at		Fair values at	
In millions of EUR	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**
Bank borrowings	165.2	480.9	162.0	478.0
Issued bonds	301.2	255.4	289.9	255.1
Non-current borrowings	**466.4**	**736.3**	**451.9**	**733.1**

Assumptions used in determining fair value of borrowings are described in Note 35. The carrying values of current borrowings approximate their fair values. The fair value of lease liabilities would be affected by lease extension and termination options and it is thus not disclosed as allowed by IFRS 7 paragraph 29.
The Group has the following undrawn borrowing facilities:

In millions of EUR	**30 June 2023**	**31 December 2022**
Availability:		
- Expiring within one year	4.2	-
- Expiring beyond one year	97.5	103.3
Total undrawn facilities	**101.7**	**103.3**

Investment properties (Note 10), property, plant and equipment (Note 8) and receivables (Note 14) are pledged as collateral for borrowings of EUR 530.0 million (2022: EUR 610.5 million).

The loan agreements with third party creditors are governed by terms and conditions which include maximum loan to value ratios ranging from 60% to 70% (2022: 60% to 70%) and minimum debt service coverage ratios ranging from 1.2 to 1.25 (2022: 1.2 to 1.25).

During the 6 months ended 30 June 2023 and up to date of authorization of these condensed consolidated interim financial statements for issue, the Group was not in breach of any material loan agreement terms that could lead to loan acceleration or event of default, and no terms of the loans were renegotiated due to defaults or breaches.

After 30 June 2023 and up to date of authorization of these condensed consolidated interim financial statements, the Group repaid EUR 23.2 million of loans and drawn EUR 11.6 million of new loans (Note 38).

22 Trade and Other Payables

In millions of EUR	Note	30 June 2023	31 December 2022
Non–current			
Long-term payables to related parties (Note 7)		5.0	9.8
Other long-term payables		9.0	9.2
Total non-current payables		**14.0**	**19.0**
Current			
Trade payables		17.1	20.5
Liabilities for construction of investment properties		33.9	55.3
Trade and other payables to related parties (Note 7)		25.5	23.0
Accrued liabilities		9.9	15.3
Derivative financial instruments	33	-	1.0
Other payables		2.2	1.4
Total current financial payables		**88.6**	**116.5**
Items that are not financial instruments:			
Deferred rental income		5.1	9.4
Contract liability		0.3	1.3
Accrued employee benefit costs		0.9	2.1
Other taxes payable		1.3	0.4
VAT payable		1.9	1.9
Income tax payable		-	1.5
Prepayments		0.2	-
Total current other payables		**9.7**	**16.6**
Total current trade and other payables		**98.3**	**133.1**

The fair value of trade payables, finance lease liabilities, liabilities for construction of investment property, accrued liabilities, dividends payable, other trade payables to related parties and of other liabilities is not significantly different from their carrying amount.

23 Rental and Similar Income from Investment Property

In millions of EUR	6 months ended 30 June 2023	6 months ended 30 June 2022
Rental income		
Office	4.3	29.3
Retail	8.9	8.0
HubHub	5.4	6.0
Service charges		
Office	3.9	6.9
Retail	4.7	4.0
HubHub	0.1	0.1
Management charges		
Office	1.7	1.3
Retail	0.6	0.3
HubHub	0.3	0.4
Total rental and similar income from investment properties	**29.9**	**56.3**

23 Rental and Similar Income from Investment Property (Continued)

Where the Group is the lessor, the future minimum lease payments receivable under operating leases over the lease term at 30 June 2023 and 31 December 2022 are as follows:

In millions of EUR	30 June 2023	31 December 2022
Not later than 1 year	24.3	22.1
Later than 1 year and not later than 2 years	30.1	26.7
Later than 2 years and not later than 3 years	30.2	28.4
Later than 3 years and not later than 4 years	28.0	27.2
Later than 4 years and not later than 5 years	24.4	21.1
Later than 5 years	94.5	84.2
Total operating lease payments receivable	**231.5**	**209.7**

The Group's rental income includes performance income depending on sales revenue of retail units leased by its tenants. These amounts are not included in the above payments receivable as the Group is unable to estimate them with sufficient certainty. Total variable lease payments receivable recognised as income in 2023 under the Group's operating leases were EUR 0.2 million (2022: EUR 0.3 million).

24 Direct Operating Expenses arising from Investment Property

In millions of EUR	6 months ended 30 June 2023	6 months ended 30 June 2022
Direct operating expenses arising from investment property that generate rental income:		
Services relating to investment property	8.9	11.2
Utilities costs	5.3	6.5
Materials consumed	0.2	0.3
Repairs and maintenance services	0.9	0.6
Real estate tax	0.4	0.6
Other costs	0.2	1.5
Total	**15.9**	**20.7**

25 Revenues from construction and other services

Revenues from construction contracts and other services comprised the following:

In millions of EUR	6 months ended 30 June 2023	6 months ended 30 June 2022
Construction contracts with related parties	12.0	2.5
Fit – out for tenants	26.7	2.9
Sales of services	6.8	4.7
Sales of inventories	0.2	0.1
Other	0.7	(2.3)
Total revenues from construction and other services	**46.4**	**7.9**

26 Employee Benefits

In millions of EUR	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**
Wages and salaries (including social and health insurance)	12.8	15.5
Pension costs – defined contribution plans	0.7	0.8
Total employee benefits	**13.5**	**16.3**

The Group had 353 employees in the core real estate operations of the Group (on full time equivalent basis) as at 30 June 2023 (30 June 2022: 654 employees). The average number of employees for 6 months period ended 30 June 2023 was 395 (6 months period ended 30 June 2022: 707.5).

27 Other Operating Expenses

Other operating expenses comprised the following:

In millions of EUR	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**
Services	10.3	11.8
Other taxes	2.3	0.6
Net impairment losses on financial and contract assets	1.6	-
Audit fees	0.4	0.4
Other	1.8	2.9
Total other operating expenses	**16.4**	**15.7**

28 Construction services

Expenses arising from construction services comprised the following:

In millions of EUR	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**
Construction contracts with related parties	8.1	1.4
Fit – out for tenants	17.5	3.8
Total construction services	**25.6**	**5.2**

29 Disposals of Subsidiaries

The Group sold shares in ten (10) subsidiaries during 6 month period ended 30 June 2023: Twin City VIII s. r. o., Smart City Office IX s.r.o. , Smart City Office VIII s.r.o., Smart City Office s.r.o., Smart City Parking s. r. o., Smart City Office I s.r.o., Smart City Office II s.r.o., Smart City Office IV s.r.o., Smart City Office V s.r.o., Smart City Office VII s.r.o., out of which Twin City VIII s. r. o. and Smart City Parking s. r. o. were classified as Non-current assets held for sale as of 31 December 2022. In addition, the Group liquidated 17 subsidiaries during 6 month period ended 30 June 2023 (6 months ended 30 June 2022: 4 subsidiaries) (Note 2.2). The result from those liquidations is presented under Loss on disposal of subsidiaries and amounted to loss of EUR 14.0 million (6 months ended 30 June 2022: EUR 0.3 million).

During 6 month period ended 30 June 2022, the Group sold shares in five (5) subsidiaries: DNW Czech s.r.o., HubHub Hungary Kft., INLOGIS VII s. r. o., INLOGIS IV s.r.o. and INLOGIS V, spol. s r.o., out of which INLOGIS VII s. r. o.,INLOGIS IV s.r.o. and INLOGIS V, spol. s r.o. were classified as Non-current assets held for sale as of 31 December 2021.

29 Disposals of Subsidiaries (Continued)

The assets and liabilities of subsidiaries disposed of, the sale proceeds and the gain on disposal comprised:

In millions of EUR	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**
Investment property in use	24.0	69.5
Inventories	47.3	
Non-current assets	0.2	0.1
Deferred tax liability	(4.2)	(0.5)
Trade and other payables – long term	(0.7)	(15.5)
Cash and cash equivalents	0.4	0.7
Other working capital	0.8	(0.3)
Net assets value	**67.8**	**54.0**
(Loss)/Gain on disposal of subsidiaries	(10.2)	1.4
Foreign currency translation differences transferred from other comprehensive income upon loss of control	13.9	0.4
Proceeds from sale of subsidiaries	**71.5**	**55.8**
Less cash in subsidiaries at the date of transaction	(0.4)	(0.7)
Less receivable from sale of subsidiary	-	(10.1)
Cash sale proceeds	**71.1**	**45.0**

30 Income Taxes

Income tax expense/(credit) is recognised at an amount determined by multiplying the profit/(loss) before tax for the interim reporting period by management's best estimate of the average annual income tax rate expected for the full financial year adjusted for tax effect of income exempt from taxation. The effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate for the six months ended 30 June 2023 was 18.6% (six months ended 30 June 2022: 22.4%).

31 Foreign exchange (losses)/gains

In millions of EUR	**6 months ended 30 June 2023**	**6 months ended 30 June 2022**
Bank borrowings – unrealised	1.0	(19.1)
Inter-company loans to foreign operations that do not form part of net investment – unrealised	(0.3)	(18.6)
Lease liabilities	(0.1)	0.3
Trade and other receivables and payables – realised during the period	(0.5)	0.8
Trade and other receivables and payables – unrealised	(0.7)	1.3
Foreign exchange losses	**(0.6)**	**(35.3)**

32 Contingencies, Commitments and Operating Risks

Tax legislation. Tax and customs legislation in countries where the Group operates is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities. The Group includes holding companies incorporated in various jurisdictions. The tax liabilities of the Group are determined on the assumption that these holding companies are not subject to profits tax in other countries. This interpretation of relevant legislation may be challenged but the impact of any such challenge cannot be reliably estimated currently; however, it may be significant to the financial position and/or the overall operations of the Group. Refer also to Note 3.

Capital expenditure commitments. Contractual obligations to purchase, construct or develop investment properties totalled EUR 75.8 million as at 30 June 2023 (31 December 2022: EUR 102.9 million); this exposure will be partially financed by external loans (committed lines: EUR 101.7 million). The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments.

33 Financial Risk Management

The risk management function within the Group is carried out in respect of financial risks: credit risk, market risk (including changes in foreign currency exchange rates, interest rate and price risk) and liquidity risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's rental income on credit terms and other transactions with counterparties giving rise to financial assets. The Group's maximum exposure to credit risk represents the carrying value of its financial assets in the condensed consolidated interim financial statements.

The Group has no significant off-balance sheet exposures to credit risk as it did not issue financial guarantees nor loan commitments to other parties. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by Management. Such risks are monitored on a revolving basis and subject to an annual review.

Management has additional policies in place to secure trade receivables from rental business. The Group uses system of required bank guarantees or financial deposits to secure its receivables from rental business based on the rating of tenant. For more information see Note 14.

The Group's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances. Management therefore considers it appropriate to provide ageing and other information about credit risk as disclosed in Note 14.

According to the general terms and conditions of contracts with its customers, the Group requires either a cash collateral or bank guarantee in favour of the Group to ensure its receivables are collectible. The amount guaranteed by cash collateral or a bank guarantee is assessed by the Group annually. The Group has a right of set-off of any balances overdue against the collateral or amount drawn under a bank guarantee.

Credit risks concentrations

As for the banks and financial institutions, Group has relationships only with those banks that have high independent rating assessment. The Group's bank deposits are held with 30 banks (2022: 30 banks) but 91.1% (2022: 91.6%) of cash balances as of 30 June 2023 are held with 10 (2022: 10) major banks. The Group's management considers the concentration of credit risk with respect to cash balances with banks as acceptable. The analysis by credit quality (bank rating) is provided in Note 17.

Expected credit loss (ECL) measurement

The Group uses expected credit loss ("ECL") measurement, which reflects the probability-weighted estimate of the present value of future expected credit losses. The Group applies a simplified approach to trade receivables, unbilled receivables from service charges and accrued rental income ("trade receivables") under IFRS 9 (including related party receivables), i.e. measures ECL using lifetime expected loss. The Group uses for the calculation of lifetime expected loss by applying a provision matrix that takes into account the ageing of trade receivables and trade receivables ultimately written off. Expected credit losses are modelled over receivables lifetime period.

Management models Lifetime ECL, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. As for loans to other parties, 12-month ECL is recognised unless there is a significant increase in credit risk (SICR). 12-month ECL represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining lifetime period of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these condensed consolidated interim financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

Significant increase in credit risk (SICR)

The assessment whether or not there has been a significant increase in credit risk ("SICR") since initial recognition is performed on an individual basis and on a portfolio basis. For other receivables and other financial assets, SICR is assessed either on a portfolio basis or an individual basis, depending on the existence of scoring models. The criteria used to identify an SICR are monitored and reviewed periodically for appropriateness by the Group's Management.

The Group considers other receivables and other financial assets to have experienced an SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

- 30 days past due;
- the Group regularly monitors debtors with increased credit risk and considers such portfolios to have a SICR.

33 Financial Risk Management (Continued)

The level of ECL that is recognised in these condensed consolidated interim financial statements depends on whether the credit risk of the debtor has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The Group has two approaches for ECL measurement: (i) assessment on an individual basis and (ii) assessment on a portfolio basis. The Group performs an assessment on a portfolio basis for trade receivables. The Group performs an assessment on an individual basis for all receivables overdue more than 365 days. For the measuring ECL amount the Group is taking into consideration the fact whether the receivable under the review is secured by a bank guarantee/cash deposit or not.

When assessment is performed on a portfolio basis, the Group determines the staging of the exposures and measures the loss allowance on a collective basis. The Group analyses its exposures by segments determined on the basis of shared credit risk characteristics. The key shared credit characteristics considered are: financial instrument type, type of customer, date of initial recognition and remaining term to maturity. The different segments also reflect differences in credit risk parameters. The appropriateness of groupings is monitored and reviewed on a periodic basis by Management.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs.

Cash flow forecasts are provided by the Board of Directors and provide the best estimate of the expected macro-economic development over the next year. The Group has considered this information, and based on the fact that most of the financial assets are current, this did not have significant impact on the condensed consolidated interim financial statements.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes. The Group regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit.

(ii) Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities and (c) equity investments, all of which are exposed to general and specific market movements.

Currency risk. Due to continuous international expansion, Management acknowledges elevated exposure of the Group to foreign exchange risk arising from various currency exposures, primarily with respect to Czech Koruna, Polish Zloty, British Pound and Hungarian Forint. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currency that is not the entity's functional currency. Therefore, internal objectives, policies and processes for its management have been set. Management has set up a policy to require Group companies to manage their foreign exchange risk exposure with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts, transacted with the help of Group treasury. As a result, the Group has invested into derivative instruments, held for risk management purposes, mostly forwards, that are set up to minimize foreign exchange losses.

Had the foreign exchange rates been by 5% lower than they have been throughout the period of 6 months ended 30 June 2023 with all other variables constant, profit for the period would have been approximately EUR 10.4 million lower (30. June 2022: EUR 55.7 million lower). Equity, after allowing for the tax effects, would have been EUR 8.5 million lower (30. June 2022: EUR 16.6 million lower). For sensitivity analysis borrowings held in other then functional currencies were used as an exposure. The table presents sensitivity analysis by currencies.

In millions of EUR	PLN	GBP	HUF	Total
Foreign exchange sensitivity at 30 June 2023				
Profit for the period	0.7	9.7	-	**10.4**
Equity after allowing for the tax effects	-	8.5	-	**8.5**
Foreign exchange sensitivity at 30 June 2022				
Profit for the period	30.4	10.2	15.1	**55.7**
Equity after allowing for the tax effects	8.7	7.9	-	**16.6**

33 Financial Risk Management (Continued)

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's interest-bearing financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.

In millions of EUR	**Up to 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Interest rate bearing financial assets						
Cash and cash equivalents	72.3	-	-	-	-	**72.3**
Derivatives and other financial assets	-	0.9	1.8	20.2	-	**22.9**
Receivables and loans	-	-	-	-	27.3	**27.3**
Interest rate bearing financial liabilities						
Borrowings	(84.9)	(261.3)	(266.0)	(310.4)	(80.2)	**(1,002.8)**
Lease liabilities	(0.1)	(1.6)	(6.7)	(17.7)	(1.0)	**(27.1)**
Net interest sensitivity gap at 30 June 2023	**(12.7)**	**(262.0)**	**(270.9)**	**(307.9)**	**(53.9)**	**(907.4)**

In millions of EUR	**Up to 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2022						
Interest rate bearing financial assets						
Cash and cash equivalents	62.7	-	-	-	-	**62.7**
Derivatives and other financial assets	-	0.5	0.7	15.6	-	**16.8**
Receivables and loans	-	-	53.1	2.3	-	**55.4**
Interest rate bearing financial liabilities						
Borrowings	(85.9)	(260.3)	(162.5)	(423.6)	(70.2)	**(1,002.5)**
Lease liabilities	(0.2)	(2.2)	(6.2)	(22.5)	(3.0)	**(34.1)**
Derivatives and other financial instruments	-	(0.2)	(0.8)	-	-	**(1.0)**
Net interest sensitivity gap at 31 December 2022	**(23.4)**	**(262.2)**	**(115.7)**	**(428.2)**	**(73.2)**	**(902.7)**

33 Financial Risk Management (Continued)

The Group mitigates its interest rate risk and foreign exchange rate risk using derivative instruments. Cross currency interest rate swaps, interest rate cap options and FX forwards are used by the Group. The table presents notional values and fair values of derivatives.

In millions of Currencies	**Currency**	**30 June 2023**			**31 December 2022**		
Derivatives - Assets		**Notional values**	**Fair values**	**Gain on financial derivatives**	**Notional values**	**Fair values**	**Gain/(loss) on financial derivatives**
Interest rate cap	EUR	250.3	15.3	3.6	250.3	12.7	31.9
Cross currency interest rate	EUR	101.3	4.9	2.0	101.3	2.9	4.9
swap	CZK	2,655.1	-	-	2,655.1	-	-
Cross currency interest rate	EUR	18.8	0.8	1.7	-	-	-
swap	PLN	85.0			-	-	-
FX forward currency pair of EUR/PLN	EUR	150.0	1.5	1.8	180.0	1.2	1.4
FX forward currency pair of EUR/GBP	EUR	10.0	0.4	0.6	-	-	(1.5)
Total			**22.9**	**9.7**		**16.8**	**36.7**
Derivatives - Liability		**Notional values**	**Fair values**	**Gain/(loss) on financial derivatives**	**Notional values**	**Fair values**	**Gain/(loss) on financial derivatives**
FX forward currency pair of EUR/GBP	EUR	-	-	-	27.5	0.8	-
Cross currency interest rate	EUR	-	-	-	18.8	0.2	4.1
swap	PLN	-	-	-	85.0	-	-
Total			**-**	**-**		**1.0**	**4.1**

Gain on financial derivatives for the period of 6 months ended 30 June 2022 was EUR 19.1 million.

Had the interest rates on the Group's variable interest rate loans (generally the third-party borrowings) been higher by 200 basis points than they have been throughout the period of 6 months ended 30 June 2023 with all other variables constant, profit before tax for the 6 months ended 30 June 2023 would have been lower by approximately EUR 6.4 million (30 June 2022: EUR 13.2 million lower). Equity, after allowing for the tax effects, would have been lower by approximately EUR 5.1 million (30 June 2022: lower by EUR 10.4 million).
In addition to certain borrowings with fixed interest rate, the Group's policy is to actively manage the interest rate on its variable interest borrowings in selected cases. To manage this, the Group enters into various derivative instruments such as interest rate swaps or interest rate caps in relation to the relevant borrowings.

The provisions are taken into consideration by the Group's management when pursuing its interest rate management policy. Trade and other receivables and Trade and other payables are interest free and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities.

The Group's interest rate risk is monitored by the Group's management on a monthly basis. The interest rate risk policy is approved quarterly by the Board of Directors. Management analyses the Group's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulation is done on a monthly basis to verify that the maximum potential loss is within the limits set by management.

(iii) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The table below shows liabilities at 30 June 2023 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the consolidated statement of financial position because the carrying amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the respective reporting period. Foreign currency payments are translated using the spot exchange rate at the balance sheet date.

33 Financial Risk Management (Continued)

The remaining maturities of financial liabilities based on contractual undiscounted cash- flows as at 30 June 2023 is as follows:

In millions of EUR	**Demand and less than 12 months**	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**	**Total**
Liabilities					
Borrowings (principal repayments)	526.2	157.3	223.6	80.2	**987.3**
Borrowings (future interest payments)	44.9	17.2	20.4	2.2	**84.7**
Financial payables - current (Note 22)	88.6	-	-	-	**88.6**
Future lease payments (Note 9)	8.4	5.2	17.1	2.2	**32.9**
Total future payments, including future principal and interest payments	**668.1**	**179.7**	**261.1**	**84.6**	**1,193.5**

The remaining maturities of financial liabilities based on contractual undiscounted cash- flows as at 31 December 2022 is as follows:

In millions of EUR	**Demand and less than 12 months**	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**	**Total**
Liabilities					
Borrowings (principal repayments)	217.3	418.9	287.9	70.2	**994.3**
Borrowings (future interest payments)	36.8	24.4	23.6	2.4	**87.2**
Financial payables - current (Note 22)	115.5	-	-	-	**115.5**
Future lease payments (Note 9)	10.1	7.9	17.9	3.1	**39.0**
Net position from derivatives (Note 22)	1.0	-	-	-	**1.0**
Out of which cash inflows from derivatives	*(18.9)*	-	-	-	***(18.9)***
Out of which Cash outflows from derivatives	*19.9*	-	-	-	***19.9***
Total future payments, including future principal and interest payments	**380.7**	**451.2**	**329.4**	**75.7**	**1,237.0**

On an ongoing basis the Board of Directors reviews a rolling cash flow forecast prepared on a consolidated basis. As of the date of preparation of these condensed consolidated interim financial statements and based on our funding capacity the Board has considered cash flow scenarios, including a stress case, and concluded that it is appropriate to use the going concern assumption in preparation of these condensed consolidated interim financial statements (see also Note 2).

34 Management of Capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with other companies in the industry, the Group monitors capital on the Net Asset Value (adjusted) basis. The Group calculates the Net Asset Value (adjusted) on the following basis:

In millions of EUR	**Note**	**30 June 2023**	**31 December 2022**
Equity attributable to the owners of HB Reavis Holding S.A.		647.7	762.2
Adjusted for Add: Deferred income tax net (including non-current assets held for sale)	15,30	31.6	69.7
Net Asset Value (adjusted) as monitored by management		**679.3**	**831.9**

The Group also manages the net debt leverage ratio. This ratio is defined as a ratio between interest bearing liabilities from third parties less Cash and Group total assets.

In millions of EUR	**30 June 2023**	**31 December 2022**
Bank borrowings and finance leases less cash including those classified as held for sale	924.4	935.5
Total assets	1,838.9	2,025.5
Net debt leverage ratio	**50.27%**	**46.18%**

The net debt leverage ratio stood at 50.37% (2022: 46.18%). The Group undertakes efforts to reduce its leverage through all of the following in combination or individually: a) divestments of core and non-core assets; b) seeking JV partners (third-party equity) into individual projects; and c) seeking third-party equity into its ownership structure.

35 Fair Value Estimation

IFRS 13 requires the use of valuation techniques for which sufficient data is available, maximising the use of observable inputs and minimising the use of unobservable inputs. The degree of detail of the disclosure depends on the observability of the inputs used.

For this purpose, IFRS 13 establishes a fair value hierarchy that classifies the inputs into three levels:

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

i) Investment properties

The following table presents the Group's investment properties that are measured at fair value:

In millions of EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property – valuations obtained at 30 June 2023 (Note 10)	-	-	1,503.9	**1,503.9**
Investment property – valuations obtained at 31 December 2022 (Note 10)	-	-	1,600.9	**1,600.9**

Level 3 investment properties are fair valued using residual method, comparative method, direct capitalisation method, hard-core layer method and fair value at cost for assets where reliable comparable information is unavailable and management used its judgement and experience to assess the fair value. The valuation techniques for level 3 are further described in Note 3.

35 Fair Value Estimation (Continued)

Quantitative information about fair value measurements using unobservable inputs:

Asset Management and Investment Management

Segment	Valuation technique	Fair value 30 June 2023 (in millions of EUR)	Fair value 31 Dec 2022 (in millions of EUR)	Input	Range 30 June 2023	Range 31 Dec 2022
Slovakia						
Office	Residual method	167.4	-	capitalised net revenues less cost to completion	19.8	-
				capitalisation rate	5.75%	-
Office	Hard-core layer method	113.7	113.9	average annual rent / sq m	188-200	188-200
				capitalisation rate for terminal value	6.67% - 6.82	6.67% - 6.82%
Retail	Direct capitalisation method	333.7	341.2	average annual rent / sq m	218	216
				capitalisation rate for terminal value	6.40%	6.20%
Total		**614.8**	**455.1**			
Total for segment		**614.8**	**455.1**			

Development in realisation and in preparation

Segment	Valuation technique	Fair value 30 June 2023 (in millions of EUR)	Fair value 31 Dec 2022 (in millions of EUR)	Input	Range 30 June 2023	Range 31 Dec 2022
Slovakia						
Office, Office/Retail	Residual Method	36.1	188.3	Capitalised net revenues less cost to completion	17.8	156.8
				Capitalisation rate	5.75% - 5.80%	5.30% - 6.80%
Residential	Residual Method	-	30.6	price in EUR per sqm		4,550 – 4,840
Total		**36.1**	**218.9**			

35 Fair Value Estimation (Continued)

Segment	Valuation Technique	Fair value 30 June 2023 (in millions of EUR)	Fair value 31 Dec 2022 (in millions of EUR)	Input	Range 30 June 2023	Range 31 Dec 2022
Development in realisation and in preparation (Continued)						
Czech Republic						
Office	Residual method	26.1	27.7	Capitalised net revenues less cost to completion Capitalisation rate	105.8 6.40%	87.8 6.25%
Office	At cost	-	1.0			
Total		**26.1**	**28.7**			
Poland						
Office	Comparative method	2.5	3.2	Price in EUR per sqm of land	740.3	945.7
Office	At cost	1.0	1.0	-		
Total		**3.5**	**4.2**			
United Kingdom						
Office	Residual method	504.9	530.5	Capitalised net revenues less cost to completion Capitalisation rate	1,012.6 4.65% - 5.00%	1016.5 4.50% - 4.65%
Total		**504.9**	**530.5**			

35 Fair Value Estimation (Continued)

Segment	Valuation Technique	Fair value 30 June 2023 (in millions of EUR)	Fair value 31 Dec 2022 (in millions of EUR	Input	Range 30 June 2023	Range 31 Dec 2022
Development in realisation and in preparation (Continued)						
Hungary						
Office	Direct capitalization method	33.5	50.1	average annual rent / sq m	24.0	215
				capitalisation rate	5.90%	5.90%
Total		**33.5**	**50.1**			
Germany						
Office	At cost	-	72.7	-		
Office	Residual method	230.9	183.0	Capitalised net revenues less cost to completion Capitalisation rate	283.3 3.90% - 4.00%	213.6 3.20% - 4.00%
Total		**230.9**	**255.7**			
Total for segment		**835.0**	**1,088.1**			
None - core						
Logistics	Comparative method	34.1	34.0	Price in EUR per sqm	2,285.4	3,016.2
Retail	At cost	13.1	14.0	-		
HubHub	At cost	6.9	9.7	-		
Total for segment		**54.1**	**57.7**			

35 Fair Value Estimation (Continued)

Valuation process

The valuations of the properties are performed twice a year on the basis of valuation reports prepared by independent and qualified valuers.

These reports are based on both:

- information provided by the company such as current rents, terms and conditions of lease agreements, service charges, capital expenditure, etc. This information is derived from the company's financial and property management systems and is subject to the company's overall control environment.
- assumptions and valuation models used by the valuers – the assumptions are typically market related, such as yields and discount rates. These are based on their professional judgment and market observation. Generally, for income producing assets a DCF and direct capitalisation methods are used, for assets under construction residual method is used and comparative methodology is used for non-core and land bank assets.

The information provided to the valuers - and the assumptions and the valuation models used by the valuers - are reviewed by the controlling department and the Group Chief Financial Officer ('CFO'). This includes a review of fair value movements over the period.

Sensitivity of measurement to variance of significant unobservable inputs

A decrease in the estimated annual rent will decrease the fair value. An increase in the discount rates and the capitalisation rates (used for terminal value of DCF and for the direct capitalisation method) will decrease the fair value.

There are interrelationships between these rates as they are partially determined by market rate conditions.

The principal assumptions made, and the impact on the aggregate valuations of reasonably possible changes in these assumptions are as follows for properties in the Western Europe:

Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10% the carrying value of investment property would be higher or lower by EUR 366.9 million (2022: 329.6 million).

- The income capitalisation rate (yield) across the portfolio was assumed to be 3.90% to 5.00%, or 4.57% on average (2022: from 3.20% to 4.65%, or 4.49% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 38.1 million lower or EUR 42.5 million higher (2022: EUR EUR 35.2 million lower or EUR 39.4 million higher).

The principal assumptions made, and the impact on the aggregate valuations of reasonably possible changes in these assumptions are as follows for properties in the CEE region:

- Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10% the carrying value of investment property would be higher or lower by EUR 181.3 million (2022: EUR 228.9 million).

- The income capitalisation rate (yield) across the portfolio was assumed to be from 5.50% to 6.82%, or 5.83% on average (2022: from 5.30% to 6.82%, or 5.71% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 31.4 million lower or EUR 34.3 million higher (2022: EUR 39.4 million lower or EUR 43.0 million higher).

ii) Financial Instruments

Fair value of a financial instrument is the price that would be received to sell the financial instrument in an orderly transaction between market participants at the measurement date and is best evidenced by the transaction price or an active quoted market price. The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies as described below. However, judgement is necessarily required to interpret market data to determine the estimated fair value.

Financial assets carried at amortised cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty.

Liabilities carried at amortised cost. Considering that most borrowings have variable rate of interest and that own credit risk of the Group did not materially change, the amortised cost carrying value approximates fair value. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid. The discount rate was 6.82% p.a. (2022: 5.70% p.a.). Refer to Note 21 for the estimated fair values of borrowings (for non-current borrowings Level 3 inputs are used). Carrying amounts of current borrowings, trade and other payables approximate fair values.

35 Fair Value Estimation (Continued)

Financial derivatives. The fair values of derivatives are based on counterparty bank quotes and are considered level 2 valuations. The fair value was estimated as follows:

Forward exchange contracts. The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Interest rate swaps. The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, future prices and interbank borrowings rates. Estimated cash flows are discounted using yield curve constructed from similar sources and which reflects the relevant benchmark interbank rates used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

Interest rate Cap. The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, future prices and interbank borrowings rates. Estimated cash flows are discounted using yield curve constructed from similar sources and which reflects the relevant benchmark interbank rates used by market participants for this purpose when pricing interest rate swaps. A defined cost paid by purchasing a IR CAP option ensures that the fair value of the derivative can´t be negative.

36 Reconciliation of Classes of Financial Instruments with Measurement Categories

For the purposes of measurement, IFRS 9 "*Financial Instruments*" classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) debt instruments at FVOCI, (c) equity instruments at FVOCI and (c) financial assets at AC. Financial assets at FVTPL have two sub-categories: (i) assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial recognition or subsequently. In addition, finance lease receivables form a separate category.

The Group's financial derivatives are classified as financial assets at FVTPL. All other Group's financial asset is measured at amortised cost as it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All of the Group's financial liabilities are carried at amortised cost except for financial derivatives that are classified as financial liabilities at FVTPL (Note 22).

37 Consolidated Structured Entities

The Group issued

- 1 tranche of bonds through HB Reavis Finance PL 3 Sp. z o.o. incorporated in Poland,
- 1 tranche of bonds through HB REAVIS Finance SK III s. r. o., incorporated in Slovakia,
- 1 tranche of bonds through HB REAVIS Finance SK IV s. r. o., incorporated in Slovakia,
- 3 tranches of bonds through HB REAVIS Finance SK V s. r. o., incorporated in Slovakia,
- 1 tranche of bonds through HB REAVIS Finance SK VI s. r. o., incorporated in Slovakia,
- 4 tranches of bonds through HB REAVIS Finance SK VII s. r. o., incorporated in Slovakia,
- 1 tranche of bonds through HB REAVIS Finance SK VIII s. r. o., incorporated in Slovakia,
- 4 tranches of bonds through HB REAVIS Finance SK IX s. r. o., incorporated in Slovakia,
- 2 tranches of bonds through HB Reavis Finance CZ II s.r.o., incorporated in Czech Republic.

These entities were consolidated as they are wholly owned by the Group, they were specifically set up for the purposes of the Group, and the Group has exposure to substantially all risks and rewards through ownership and outstanding guarantees of the entities' obligations. The Group guarantees all obligations of these entities represented by the bonds issued amounting to PLN 85 million, EUR 273.3 million and CZK 1.377 billion (Note 21). Bonds issued by entities incorporated in Slovakia are listed on Bratislava stock exchange, in Czech Republic on Prague stock exchange and in Poland on alternative bond market Catalyst.

38 Events after the End of the Reporting Period

After 30 June 2023 and up to date of authorization of these condensed consolidated interim financial statements, the Group repaid EUR 23.2 million of loans and drawn EUR 11.6 million of new loans (Note 38).

In August 2023, liquidation of HB Reavis Global REIF was completed.

There were no other material events, which occurred after the end of the reporting period which have a bearing on the understanding of these condensed consolidated interim financial statements.