

HB Reavis Holding S.A.

**Condensed Consolidated Interim Financial Statements
30 June 2022**

Contents

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE 6 MONTHS ENDED 30 JUNE 2022

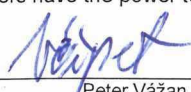
Consolidated Statement of Financial Position	1
Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Consolidated Statement of Changes in Equity	3
Consolidated Statement of Cash Flows	4
Notes to the Consolidated Financial Statements	
1 The HB REAVIS Group and its Operations	5
2 Significant Accounting Policies	7
3 Critical Accounting Estimates and Judgements in Applying Accounting Policies	11
4 Adoption of New or Revised Standards and Interpretations	12
5 New Accounting Pronouncements	12
6 Segment Analysis	13
7 Balances and Transactions with Related Parties	25
8 Property, Plant and Equipment	26
9 Right-of use assets and lease liabilities	27
10 Investment Property	29
11 Receivables and Loans	30
12 Other Non-Current Assets	30
13 Trade and Other Receivables	31
14 Non-current Assets Held for Sale	32
15 Restricted Cash	33
16 Cash and Cash Equivalents	33
17 Other current assets	33
18 Inventories	34
19 Share Capital and Share Premium	34
20 Borrowings	35
21 Deferred income, Trade and Other Payables	37
22 Rental and Similar Income from Investment Property	38
23 Direct Operating Expenses arising from Investment Property	38
24 Analysis of Revenue by Category	39
25 Employee Benefits	39
26 Other Operating Income and Expenses	39
27 Disposals of Subsidiaries	40
28 Income Taxes	40
29 Foreign exchange gains/(losses)	41
30 Contingencies, Commitments and Operating Risks	41
31 Financial Risk Management	41
32 Management of Capital	46
33 Fair Value Estimation	46
34 Reconciliation of Classes of Financial Instruments with Measurement Categories	51
35 Consolidated Structured Entities	52
36 Events after the End of the Reporting Period	52

HB Reavis Holding S.A.
Condensed Consolidated Interim Statement of Financial Position at 30 June 2022
Prepared in accordance with IAS 34, "Interim financial reporting"

1

<i>In millions of EUR</i>	Note	30 June 2022	31 December 2021
ASSETS			
Non-current assets			
Investment property in use or vacant	10	2,181.4	1,976.9
Investment property under development	10	1,446.9	1,520.3
Property, plant and equipment	8	5.8	6.7
Right-of-use assets	9	9.4	9.8
Intangible assets		2.5	2.9
Receivables and loans	11	57.1	41.1
Deferred income tax asset	2.3	-	3.6
Other non-current assets	12	5.4	8.3
Total non-current assets		3,708.5	3,569.6
Current assets			
Non-current assets held for sale	14	10.0	77.7
Inventories	18	78.5	76.5
Trade and other receivables	7, 13	76.0	43.6
Other current assets	17	5.5	9.9
Restricted cash	15	45.2	26.0
Cash and cash equivalents	16	199.5	212.7
		404.7	368.7
Total current assets		414.7	446.4
TOTAL ASSETS		4,123.2	4,016.0
EQUITY			
Share capital (30,000 shares at EUR 1.00 each)	19	-	-
Share premium	19	777.2	792.7
Retained earnings		968.2	932.0
Revaluation reserve for assets transferred to investment properties at fair value		3.8	3.8
Currency translation reserve		(79.1)	(51.8)
Equity attributable to the Company's owners		1,670.1	1,676.7
Non-controlling interest		0.1	0.1
TOTAL EQUITY		1,670.2	1,676.8
LIABILITIES			
Non-current liabilities			
Borrowings	20	1,795.6	1,423.1
Deferred income tax liability		212.7	223.0
Trade and other payables	7, 21	49.1	39.4
Lease liabilities	9	30.9	35.1
Total non-current liabilities		2,088.3	1,720.6
Current liabilities			
Liabilities directly associated with non-current assets classified as held for sale	14	0.4	0.9
Borrowings	20	247.1	479.4
Trade and other payables	7, 21	97.6	119.7
Lease liabilities	9	10.4	10.9
Deferred income	21	9.2	7.7
		364.3	617.7
Total current liabilities		364.7	618.6
TOTAL LIABILITIES		2,453.0	2,339.2
TOTAL LIABILITIES AND EQUITY		4,123.2	4,016.0

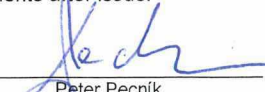
These condensed consolidated interim financial statements have been approved for issue and signed on behalf of the HB Reavis Holding S.A. on 26 September 2022 by the members of the Board of Managers of HB Reavis Holding S.A.. Partners have the power to amend these condensed consolidated interim financial statements after issue.



 Peter Vážan
 Director A



 Liviu-Constantin Rusu
 Director A



 Peter Pecnik
 Director B

The accompanying notes on pages 5 to 52 are an integral part of these consolidated financial statements.

<i>In millions of EUR</i>	Note	6 months ended	
		30 June 2022	30 June 2021
Rental and similar income from investment property	22	56.3	27.5
Direct operating expenses arising from investment property	23	(20.7)	(10.6)
Net operating income from investment property		35.6	16.9
Net revaluation gain on investment property	10	89.7	191.7
Share of profit or (loss) of joint ventures		-	(1.3)
Gain/(Loss) on disposal of subsidiaries	27	1.4	3.7
(Loss) on disposal of joint venture		-	(0.1)
Other operating income	7, 26	2.5	3.3
Revenue from construction contracts		5.4	9.5
Construction services		(5.2)	(9.5)
Employee benefits	7, 25	(16.3)	(12.3)
Depreciation and amortisation		(3.3)	(2.9)
Other operating expenses	26	(15.7)	(12.4)
Operating profit		94.1	186.6
Interest income calculated using the effective interest method		0.2	0.1
Interest expense	20	(32.0)	(23.4)
Foreign exchange (losses)/gains, net	29	(35.3)	19.1
Net gains on financial derivatives		19.1	4.2
Other finance income		0.7	-
Other finance costs		(8.7)	(4.9)
Finance costs, net		(56.0)	(4.9)
Profit before income tax		38.1	181.7
Income tax expense		(1.9)	(42.0)
Net profit for the year		36.2	139.7
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation of foreign operations to the presentation currency for the year		(27.7)	28.6
Translation of foreign operations reclassified to profit or loss upon loss of control of subsidiary or repayment of subsidiaries' capital	27	0.4	(1.0)
Total other comprehensive (loss)/income		(27.3)	27.6
Total comprehensive income for the year		8.9	167.3
Net profit is attributable to:			
- Owners of the Company		36.2	139.7
- Non-controlling interest		-	-
Profit for the year		36.2	139.7
Total comprehensive income is attributable to:			
- Owners of the Company		8.9	167.3
- Non-controlling interest		-	-
Total comprehensive income for the year		8.9	167.3

<i>In millions of EUR</i>	Note	Attributable to owners of the Company					Total	Non-controlling Interest	Total equity
		Share capital (Note 20)	Share premium (Note 20)	Retained earnings	Translation reserve	Revaluation reserve			
Balance at 1 January 2021		-	820.5	642.9	(81.2)	3.8	1,386.0	0.1	1,386.1
Loss for the year		-	-	139.7	-	-	139.7	-	139.7
Other comprehensive loss		-	-	-	27.6	-	27.6	-	27.6
Total comprehensive loss for the period		-	-	139.7	27.6	-	167.3	-	167.3
Distribution to owners	19	-	(5.0)	-	-	-	(5.0)	-	(5.0)
Balance at 30 June 2021		-	815.5	782.6	(53.6)	3.8	1,548.3	0.1	1,548.4
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 profit for the period		-	-	36.2	(27.3)	-	8.9	-	8.9
Distribution to owners	19	-	(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

<i>In millions of EUR</i>	Note	6 months ended	
		30 June 2022	30 June 2021
Cash flows from operating activities			
Profit before income tax		38.1	181.7
<i>Adjustments for:</i>			
Depreciation and amortisation	8, 9	3.3	2.9
Revaluation gains on investment property	10	(89.7)	(190.7)
(Gains)/losses on disposals of subsidiaries	27	(1.4)	(3.7)
Share of loss of joint ventures		-	1.3
Result on disposal of joint ventures		-	0.1
Interest income calculated using the effective interest method		(0.2)	(0.1)
Interest expense	20	32.0	23.4
Unrealised foreign exchange (gains)/losses	29	36.1	(19.4)
Unrealised (gains)/losses from financial derivatives		(19.3)	(3.3)
Transaction costs amortisation		4.9	-
Operating cash flows before working capital changes		3.8	(7.8)
<i>Working capital changes:</i>			
(Increase)/decrease in trade and other receivables		(2.3)	7.7
(Decrease)/increase in trade and other payables		(53.6)	(8.0)
Cash generated used in operations		(52.1)	(8.1)
Interest paid		(20.3)	(14.2)
Income taxes paid		(1.8)	(2.1)
Net cash used in operating activities		(74.2)	(24.4)
Cash flows from investing activities			
Purchases of property, plant and equipment	8	(0.4)	(0.1)
Purchases of investment properties including advance payments made	10	-	0.9
Construction costs related to investment properties paid	10	(71.0)	(156.5)
Construction and development costs related to inventory property	18	(2.0)	-
Proceeds from sales of subsidiaries, net of cash disposed	27	45.0	-
Proceeds from disposal of investments in joint ventures, net of cash disposed		-	34.1
Proceeds from disposal of own use premises and equipment	8	0.2	(0.1)
Acquisition of intangible assets		-	(0.8)
Restricted cash decrease/(increase)	15	(19.2)	(3.2)
Net cash used in investing activities		(47.4)	(125.5)
Cash flows from financing activities			
Proceeds from borrowings	20	521.0	317.6
Repayment of borrowings	20	(391.3)	(98.8)
Repayment of lease liabilities	20	(5.9)	(5.7)
Distributions paid to owners	19	(15.5)	(4.6)
Net cash from financing activities		108.3	208.5
Net increase in cash and cash equivalents		(13.3)	58.6
Cash and cash equivalents at the beginning of the year		212.8	144.5
Cash and cash equivalents at the end of the year		199.5	203.1
<i>Reconciliation of cash and cash equivalents:</i>			
- Cash within non-current assets classified as held for sale	14	-	0.1
Cash and cash equivalents on the balance sheet at the end of the 6-month period	16	199.5	203.0

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 consolidated financial statements. The remaining shares are held by Kennesville Holdings Ltd. (29.0%) and Skymound Ltd. (6.3%) (31 December 2020: Kennesville Holdings Ltd. held 100% of equity shares). 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 for its own portfolio, in leasing out investment properties under operating leases, as well as in asset management and is also active in investment management. The Group develops and manages investment properties to earn rental income or for capital appreciation.

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 2.8 billion. Our aim is to commence construction of the new scheme in 2022/23 and delivery in 2027-2028. The Group has also an acquired additional land plot in 2018, in London, UK, project called Bloom with Gross Development Value of EUR 350 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 266 million.

With respect to Group's expansion to Germany, two acquisition opportunities have been secured in 2018. In Berlin, District project was under construction since 12/2018, delivered at the end of 2021, Gross Development Value reaches about EUR 450 million. A land plot in Dresden, Germany, has been added into the portfolio in 07/2018, the scheme design is under preparation. In 2021, Platform project in Berlin has been secured, to be developed by end of 2024, creating value of EUR 350 million. In 2022, extension of District project has been acquired, to be delivered over 2024-2026, generating Gross Development Value of EUR 170 million.

In Bratislava, Slovakia, project called Nove Apollo has been acquired in August 2021; construction was commenced by the Group prior to the acquisition, in 01/2021, opening is expected by mid-2023.

In terms of deliveries, Agora Tower and Hub projects in Budapest, Hungary, have been completed over the summer 2020 and were handed over to tenants. Varso I and Varso II buildings in Warsaw, Poland have been delivered during the first half of 2020. In 2021, completions followed in Poland and in the UK; Forest Campus in Warsaw in March; Bloom, London, was completed in July. Centrum Nivy, in Bratislava has been opened in September, while District, in Berlin, Germany, followed in December 2021. In March 2022, Forest Tower has been completed, followed by Varso Tower in July 2022. As of the date of preparation of these consolidated financial statements, construction of Platform, in Berlin, Germany, Worship square, in London, UK and Nove Apollo, in Bratislava, Slovakia are in progress.

In terms of divestments, the Group has successfully closed the sale of Alfa Park land plot, in Bratislava, Slovakia in March 2022. In 2021, sale of Museo, Prague, Kesmark in Budapest and Eurovalley land plot, Plavecky Stvrtok in Slovakia, were successfully closed. In 2020, the Group divested 3 completed schemes; Twin City B, Bratislava, Slovakia, 20 Farringdon, in London, UK and Postepu14, Warsaw, Poland.

HB REAVIS Group has started to take steps towards the consolidation of part of the investment portfolio of the HB REAVIS Group and the separation of a significant part of income-producing assets from the HB REAVIS Group as part of the intra-group reorganization. These assets include, Bloom Clerkenwell in the United Kingdom, Agora Hub and Agora Tower in Hungary, DSTRCT in Germany, Forest Campus, Forest Tower, Varso 1, Varso 2 and Varso Tower in Warsaw and Nivy Tower in Slovakia, however, the list of assets is subject to change until final approvals are granted. Reorganization is a strategic interest of the HB REAVIS Group and is considered vital for its further development. Formal separation of investment portfolio assets is expected to take place before 2022 year-end.

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").

1 The HB REAVIS Group and its Operations (Continued)

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.

CE REIF Sub-Fund. While there are no specific country or real estate segment restrictions posed, the CE REIF Sub-Fund will mainly invest in Slovakia, the Czech Republic, Poland and Hungary, as well as in any European Union country, Switzerland and in the United Kingdom in commercial real estate assets. The CE REIF Sub-Fund portfolio provides investments in prime properties located in Slovakia and Czech Republic. The office segment investments are restricted to A-class properties located in central business districts of capital and regional cities in any European Union country, Switzerland and in the United Kingdom.

The retail segment investments will be made in both capital and regional cities of any European Union country, Switzerland and in the United Kingdom. Investments in logistic properties will be restricted to attractive and strategic locations only. CE REIF Sub-Fund seeks to maximize its value via investing in properties which in the past proved to bear characteristics of prime-commercial real estate properties which implies to have a top-tier tenants' portfolio located in prime or strategic locations and soundly technically and architecturally built. CE REIF Sub-Fund seeks to enhance the value of its properties through excellent lease management to maximize property income. The Group lost control of the Sub-Fund A in 2017 and remaining interest as at 30 June 2022 is immaterial to the Group. From 1st January 2020 CE REIF Sub-Fund Investor shares are listed on the regulated market of the Luxembourg Stock Exchange.

Global REIF Sub-Fund. While there are no specific country or real estate segment restrictions posed, Global REIF Sub-Fund aims to mainly invest in commercial real estate assets located in the EU countries. The initial Global REIF Sub-Fund's portfolio included investment properties in prime properties only located in Slovakia. The office segment investments are focused mainly on properties located in business districts of capital and regional cities in the EU countries, but without any specific location restriction. The retail segment investments are aimed to be made in both capital and regional cities of EU countries.

Investments in logistic properties are restricted to attractive and strategic locations in EU countries. In case of "core" investments, Global REIF Sub-Fund seeks to maximize the value via investing in properties, which in the past proved to bear characteristics of a prime-commercial real estate property which as such implies to have a top-tier tenants' portfolio being located in prime or strategic locations and soundly built from both technical and architectural point of view. Global REIF Sub-Fund seeks to enhance value of properties by contracting an excellent lease management in order to maximize property income.

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 financial statements on a going concern basis. The cash flow outlook is further described under the description of management of liquidity in Note 31. 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 2022 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. These policies have been consistently applied to all the years presented, unless otherwise stated. Minor amendments have been made to the comparative periods to improve the clarity of the information disclosed.

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 2021, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU").

Except as described in Note 4, the same accounting policies and methods of computation were followed in the preparation of this consolidated condensed interim financial information as compared with the annual consolidated financial statements for the year ended 31 December 2021.

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 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 right-of-use assets classified as investment properties), financial investment, financial assets (eg earn-out receivables) and derivatives at fair value.

On 24th February 2022, the Russian Federation began the invasion of the Republic of Ukraine. In response, many jurisdictions have imposed unprecedented economic sanctions on the Russian Federation and the Republic of Belarus. While the situation remains highly fluid and the outlook is subject to extraordinary uncertainty, both the conflict and the sanctions on Russia will have a substantial impact on the global economy and financial markets. The Group has identified increase of inflation, supply chain disruptions, foreign currency rates fluctuations and interest rates fluctuations as the potential key factors impacting the Group's performance.

While the impact of the situation cannot be accurately predicted and it is not plausible to assess all possible future implications for the Group, the Group believes that it has financial position that will enable it to sustain the current disruptions in the economic environment.

The management will continue to monitor developments and their impact on the Group including its operations, lending arrangements and debt covenants, and the values and estimates reported in the consolidated financial statements and accompanying notes.

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 33.

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:

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2022	31 December 2021
1	HB Reavis Holding S.A. (Parent Company)	EUR	Luxembourg	N/A	N/A
2	SIXTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
3	THIRTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
4	HubHub Luxembourg S.à r.l.	EUR	Luxembourg	100	100
5	ONE House S.à r.l.	GBP	Luxembourg	100	100
6	HB Reavis DE1 S.à r.l.	EUR	Luxembourg	100	100
7	Symbiosy Luxembourg S.à r.l.	EUR	Luxembourg	100	100
8	UBX 2 Objekt Berlin S.à r.l.	EUR	Luxembourg	100	100
9	HB Reavis DE3 S.à r.l.	EUR	Luxembourg	100	100
10	HB Reavis Strategic Innovations Investments S.à r.l. ⁴	EUR	Luxembourg	-	100
11	HBR CE REIF LUX 3 S.à r.l.	EUR	Luxembourg	100	100
12	HBR CE REIF Lux 4, Sarl ⁴	EUR	Luxembourg	-	100
13	FORTYTWO House S.à r.l.	GBP	Luxembourg	100	100
14	PropCo DE4 S.à r.l.	EUR	Luxembourg	100	100
15	PropCo DE5 S.à r.l. (former :More Luxembourg S.a.r. l.) ³	EUR	Luxembourg	100	100
16	Qubes Luxembourg S.à r.l.	EUR	Luxembourg	100	100
17	HBR KI GP S.a r.l. ⁴	EUR	Luxembourg	-	100
18	HB Reavis Investments Holding S.A.	EUR	Luxembourg	100	100
19	HB Reavis Investment Management S.à r.l.	EUR	Luxembourg	100	100
20	HB REAVIS REAL ESTATE INVESTMENT FUND (Global REIF) ⁵	EUR	Luxembourg	100	100
21	HB REAVIS GROUP B.V.	EUR	Netherlands	100	100
22	Waterfield Management B.V.	EUR	Netherlands	100	100
23	Twin City Holding N.V.	EUR	Netherlands	100	100
24	HB Reavis RE B.V.	EUR	Netherlands	100	100
25	HBR FINANCING LIMITED	EUR	Cyprus	100	100
26	HB REAVIS INVESTMENTS CYPRUS LIMITED	EUR	Cyprus	100	100
27	HBR Investors Ltd.	EUR	Cyprus	100	100
28	HBR IM Holding Ltd.	EUR	Cyprus	100	100
29	HB Reavis UK Ltd.	GBP	UK	100	100
30	HB Reavis Construction UK Ltd.	GBP	UK	100	100
31	33 CENTRAL LIMITED	GBP	UK	100	100
32	HBR FM LTD	GBP	UK	100	100
33	HBR Capital Investment LP	GBP	UK	100	100
34	HubHub UK Ltd	GBP	UK	100	100
35	4th Floor Elizabeth House Limited	GBP	UK	100	100
36	Elizabeth Property Holdings Ltd	GBP	UK	100	100
37	Elizabeth Property Nominee (No 1) Ltd	GBP	UK	100	100
38	Elizabeth Property Nominee (No 2) Ltd	GBP	UK	100	100
39	Elizabeth Property Nominee (No 3) Ltd	GBP	UK	100	100
40	Elizabeth Property Nominee (No 4) Ltd	GBP	UK	100	100
41	HB Reavis Investments UK Ltd.	EUR	UK	100	100
42	10 Leake Street Ltd	GBP	UK	100	100
43	HB REAVIS IM ADVISOR LIMITED	EUR	Jersey	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 2022	31 December 2021
44	HB Reavis Hungary Kft.	HUF	Hungary	100	100
45	HB Reavis Construction Hungary Kft.	HUF	Hungary	100	100
46	AGORA Budapest Kft. (former HB Reavis Project 2 Kft.)	HUF	Hungary	100	100
47	HubHub Hungary Kft. ²	HUF	Hungary	-	100
48	HB REAVIS REAL ESTATE DEVELOPMENT FUND	HUF	Hungary	100	100
49	HB Reavis Qubes Hungary Kft.	HUF	Hungary	100	100
50	Symbiosy Hungary Kft.	HUF	Hungary	100	100
51	AGORA Sky Kft.	HUF	Hungary	100	100
52	HB Reavis Investments Hungary Kft.	HUF	Hungary	100	100
53	ALISTON Finance I s. r. o.	EUR	Slovakia	100	100
54	ALISTON Finance II s.r.o.	EUR	Slovakia	100	100
55	ALISTON Finance III s. r. o.	EUR	Slovakia	100	100
56	ALISTON Finance IV s. r. o.	EUR	Slovakia	100	100
57	Aliston Finance V s.r.o.	EUR	Slovakia	100	100
58	ALISTON Finance VI s. r. o.	EUR	Slovakia	100	100
59	Apollo Business Center III a.s.	EUR	Slovakia	100	100
60	Apollo Business Center V a. s.	EUR	Slovakia	100	100
61	Apollo Property Management, s.r.o.	EUR	Slovakia	100	100
62	Bus Station Services s. r. o.	EUR	Slovakia	100	100
63	DVL Engineering a.s.	EUR	Slovakia	100	100
64	Eurovalley, a.s.	EUR	Slovakia	100	100
65	FORUM BC II s. r. o.	EUR	Slovakia	100	100
66	FutureNow s. r. o.	EUR	Slovakia	100	100
67	General Property Services, a.s.	EUR	Slovakia	100	100
68	HB REAVIS Consulting k.s.	EUR	Slovakia	100	100
69	HB Reavis Entity II s. r. o.	EUR	Slovakia	100	100
70	HB Reavis Entity s. r. o.	EUR	Slovakia	100	100
71	HB REAVIS Finance SK II s. r. o.	EUR	Slovakia	100	100
72	HB REAVIS Finance SK III s. r. o.	EUR	Slovakia	100	100
73	HB REAVIS Finance SK IV s.r.o.	EUR	Slovakia	100	100
74	HB REAVIS Finance SK IX s. r. o.	EUR	Slovakia	100	100
75	HB REAVIS Finance SK s. r. o.	EUR	Slovakia	100	100
76	HB REAVIS Finance SK V s. r. o.	EUR	Slovakia	100	100
77	HB REAVIS Finance SK VI s.r.o.	EUR	Slovakia	100	100
78	HB REAVIS Finance SK VII s. r. o.	EUR	Slovakia	100	100
79	HB REAVIS Finance SK VIII s. r. o.	EUR	Slovakia	100	100
80	HB REAVIS Finance SK X s. r. o.	EUR	Slovakia	100	100
81	HB Reavis Group s. r. o. (former HB REAVIS Development s. r. o.)	EUR	Slovakia	100	100
82	HB REAVIS IM Advisor Slovakia s.r.o.	EUR	Slovakia	100	100
83	HB Reavis Investment Management správ. spol., a.s.	EUR	Slovakia	100	100
84	HB Reavis Investments Slovakia s. r. o. (former: Smart City Services s.r.o.)	EUR	Slovakia	100	100
85	HB REAVIS MANAGEMENT spol. s r.o.	EUR	Slovakia	100	100
86	HB REAVIS Slovakia a. s.	EUR	Slovakia	100	100
87	HB REM, spol. s r.o.	EUR	Slovakia	100	100
88	HBR SFA, s. r. o.	EUR	Slovakia	100	100
89	HubHub Group s.r.o.	EUR	Slovakia	100	100
90	HubHub Slovakia s. r. o.	EUR	Slovakia	100	100
91	INLOGIS IV s.r.o. ²	EUR	Slovakia	-	100
92	INLOGIS LCR a. s. v likvidácii ⁴	EUR	Slovakia	-	100
93	INLOGIS V, spol. s r.o. ²	EUR	Slovakia	-	100
94	INLOGIS VII s. r. o. (former HB Reavis Management ZB, s.r.o. until 12.12.2013) ²	EUR	Slovakia	-	100
95	ISTROCENTRUM s. r. o.	EUR	Slovakia	100	100
96	Logistické centrum Trnava s.r.o.	EUR	Slovakia	100	100
97	LUGO, s. r. o.	EUR	Slovakia	100	100
98	Nivy Tower s. r. o.	EUR	Slovakia	100	100
99	Nové Apollo s. r. o.	EUR	Slovakia	100	100
100	Pressburg Urban Projects a. s.	EUR	Slovakia	100	100
101	Smart City Bridge s. r. o.	EUR	Slovakia	100	100
102	Smart City Eko s. r. o.	EUR	Slovakia	100	100
103	Smart City Office I s.r.o.	EUR	Slovakia	100	100
104	Smart City Office II s.r.o.	EUR	Slovakia	100	100
105	Smart City Office IV s.r.o.	EUR	Slovakia	100	100
106	Smart City Office IX s.r.o. (former HB Reavis Divitia I s.r.o., former Tower Nivy a. s. until 15.12.2020)	EUR	Slovakia	100	100
107	Smart City Office s.r.o.	EUR	Slovakia	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 2022	31 December 2021
108	Smart City Office V s.r.o.	EUR	Slovakia	100	100
109	Smart City Office VII s.r.o.	EUR	Slovakia	100	100
110	Smart City Office VIII s.r.o. (former HB Reavis Media s.r.o., former Smart City Link s.r.o.)	EUR	Slovakia	100	100
111	Smart City Parking s. r. o.	EUR	Slovakia	100	100
112	Smart City s.r.o.	EUR	Slovakia	90	90
113	SPC Property I, spol. s r.o.	EUR	Slovakia	100	100
114	SPC Property III, s. r. o.	EUR	Slovakia	100	100
115	Stanica Nivy s.r.o.	EUR	Slovakia	100	100
116	Symbiosy s. r. o. (former HB Reavis Qubes Slovakia s.r.o.)	EUR	Slovakia	100	100
117	TC Nivy a. s.	EUR	Slovakia	100	100
118	Twin City Infrastructure s. r. o.	EUR	Slovakia	100	100
119	Twin City V s. r. o.	EUR	Slovakia	100	100
120	Twin City VIII s. r. o.	EUR	Slovakia	100	100
121	Nová Zvonařka s.r.o. (former AUPARK Brno, spol. s r.o.)	CZK	Czech Rep	100	100
122	HB Reavis CZ, a.s.	CZK	Czech Rep	100	100
123	HB Reavis Group CZ, s.r.o.	CZK	Czech Rep	100	100
124	HB REAVIS MANAGEMENT CZ spol. s r.o.	CZK	Czech Rep	100	100
125	HB REAVIS PROPERTY MANAGEMENT CZ, s.r.o.	CZK	Czech Rep	100	100
126	ISTROCENTRUM CZ, a.s.	CZK	Czech Rep	100	100
127	DNW Czech s.r.o. ²	CZK	Czech Rep	-	100
128	KELOM s.r.o.	CZK	Czech Rep	100	100
129	HB Reavis Finance CZ, s.r.o.	EUR	Czech Rep	100	100
130	HubHub Czech Republic s.r.o.	CZK	Czech Rep	100	100
131	HB Reavis IZ s.r.o.	CZK	Czech Rep	100	100
132	HB Reavis Finance CZ II, s.r.o.	EUR	Czech Rep	100	100
133	Nová Zvonařka Bulvár, s.r.o.	CZK	Czech Rep	100	100
134	HB Reavis Holding CZ a.s. ¹	CZK	Czech Rep	100	100
135	HB Reavis Poland Sp. z o.o.	PLN	Poland	100	100
136	POLCOM INVESTMENT II Sp. z o. o.	PLN	Poland	100	100
137	Polcom Investment III Sp. z o.o	PLN	Poland	100	100
138	HB Reavis Construction PL Sp. z o.o.	PLN	Poland	100	100
139	Polcom Investment VI Sp. z o. o.	PLN	Poland	100	100
140	PSD Sp. z o.o.	PLN	Poland	100	100
141	Konstruktorska BC Sp. z o.o.	PLN	Poland	100	100
142	CHM1 Sp. z o.o.	PLN	Poland	100	100
143	CHM2 Sp. z o. o.	PLN	Poland	100	100
144	Polcom Investment X sp. z o.o.	PLN	Poland	100	100
145	Polcom Investment XI sp. z o.o.	PLN	Poland	100	100
146	Polcom Investment XVI Sp. z o.o.	PLN	Poland	100	100
147	Polcom Investment XVIII Sp. z o.o.	PLN	Poland	100	100
148	HB Reavis JV S.A. w likwidacji	PLN	Poland	100	100
149	Polcom Investment XXIV Sp. z o.o.	PLN	Poland	100	100
150	HubHub Poland sp. Z o.o.	PLN	Poland	100	100
151	HB Reavis Finance PL 2 Sp. z o.o. w likwidacji	PLN	Poland	100	100
152	Polcom Investment XXXIII Sp. z o.o.	PLN	Poland	100	100
153	Property Hetman Sp. z o.o.	PLN	Poland	100	100
154	Polcom Investment XLIII Sp. z o.o.	PLN	Poland	100	100
155	HB Reavis Investments Poland Sp. Z o.o. (former: Brookline Investments sp. Z o.o.)	PLN	Poland	100	100
156	HB Reavis Finance PL 3 Sp. z o.o.	PLN	Poland	100	100
157	Rainhill Sp. z o. o.	PLN	Poland	100	100
158	HB Reavis Qubes Poland Sp. z o.o.	PLN	Poland	100	100
159	Polcom Investment XLIX Sp. z o.o.	PLN	Poland	100	100
160	Elizabeth House GP LLC	GBP	US	100	100
161	Elizabeth House Limited Partnership	GBP	US	100	100
162	HB Reavis Investments Germany GmbH (HB Reavis Verwaltungs GmbH)	EUR	Germany	100	100
163	HB Reavis Germany GmbH	EUR	Germany	100	100
164	HB Reavis Construction Germany GmbH	EUR	Germany	100	100
165	Shoreditch QT Guernsey Limited	GBP	Guernsey	100	100

2 Significant Accounting Policies (Continued)

2.2 Condensed Consolidated Interim Financial Statements (Continued)

- ¹ Entities established / acquired by the Group during the 6 months period ended 30 June 2022
- ² Entities disposed of during the 6 months period ended 30 June 2022 (refer to Note 27)
- ³ Entities were part of legal mergers or spin off and subsequently renamed during the 6 months period ended 30 June 2022
- ⁴ Entities were liquidated during the 6 months period ended 30 June 2022
- ⁵ In January 2017, the Group lost control over HB REAVIS CE Real Estate Investment Investment Fund, the Group lost control over HB REAVIS CE Real Estate Investment Fund, a sub-fund of a fully consolidated subsidiary HB Reavis Real Estate Investment Fund.

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 the 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 99.2% of investment properties (31 December 2021: 98.8%) 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. 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 to determine the value for property which is subject to the valuation. The principal 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 33.

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 437.9 million (2021: EUR 422.0 million).
- The income capitalisation rate (yield) across the portfolio was assumed to be 3.14% to 4.35%, or 3.84% on average (2021: 3.30% to 4.35%, or 3.92% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 88.8 million lower or EUR 101.1 million higher (2021: EUR 86.0 million lower or EUR 97.7 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 478.7 million (2021: 454.1 million).
- The income capitalisation rate (yield) across the portfolio was assumed to be from 4.35% to 6.75%, or 5.06% on average (2021: from 4.50% to 6.75%, or 5.22% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 118.8 million lower or EUR 107.6 million higher (2021: EUR 112.0 million lower or EUR 101.7 million higher).

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.

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

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.

Initial recognition of related party transactions. In the normal course of business, the Group enters 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 31.

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.

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 2022:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (all issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022)

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 2022 and have not been early adopted by the Group:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current and 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 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimated and Errors: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transactions (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023)

* 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 affect significantly 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.

Symbiosy – representing management of activities related to the provision of smart building solutions for tenants of the Group and other third parties, across various geographies.

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 year ended 30 June 2022 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Rental income from investment property	22										
- 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	22										
- 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	22										
- 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	23										
- 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	20	(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 year ended 30 June 2022 is as follows:

<i>In millions of EUR</i>	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	24	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	29	-	-	-	-	-	-	-	-	(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
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	10,27	-	-	(67.5)	-	-	(2.0)	-	-	-	(69.5)
Total divestments		-	-	(67.5)	-	-	(2.0)	-	-	-	(69.5)

6 Segment Analysis (Continued)

The segment information on segment assets and liabilities as of 30 June 2022 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Investment property	10										
- Office		1,836.1	574.5	829.8	-	0.8	30.9	-	-	-	3,272.1
- Retail		324.1	-	-	-	3.5	-	-	-	-	327.6
- Industrial		-	-	-	-	28.6	-	-	-	-	28.6
- Investment property held for sale	14	-	-	10.0	-	-	-	-	-	-	10.0
Receivables and loans	11	52.2	4.8	-	-	-	0.1	-	-	-	57.1
Inventories	18	-	0.3	78.1	-	0.1	-	-	-	-	78.5
Restricted cash	15	-	-	-	-	-	-	-	45.2	-	45.2
Cash and cash equivalents	16	-	-	-	-	-	-	-	199.5	-	199.5
Trade and other receivables	13	24.8	7.4	8.2	-	0.2	2.0	0.3	3.0	2.3	48.2
Derivatives and other financial assets	13	19.3	8.0	-	-	-	-	-	-	0.5	27.8
Other assets	17	0.4	2.2	0.2	2.4	-	0.3	-	-	-	5.5
Other unallocated assets*		-	-	-	-	-	-	-	-	23.1	23.1
Total assets		2,256.9	597.2	926.3	2.4	33.2	33.3	0.3	247.7	25.9	4,123.2
Borrowings											
- non-current	20	(1,175.8)	(570.4)	-	-	-	-	-	-	(49.4)	(1,795.6)
- current	20	(71.5)	(56.0)	(44.9)	-	-	-	-	-	(74.7)	(247.1)
Leasing											
- non-current	9	(10.7)	(6.3)	-	-	-	(13.9)	-	-	-	(30.9)
- current	9	(0.8)	(3.9)	-	-	-	(5.7)	-	-	-	(10.4)
Deferred tax liability		(129.6)	(19.7)	(57.9)	-	(5.2)	(0.1)	-	(0.2)	-	(212.7)
Trade and other payables including Deferred income											
- non-current	21	(15.9)	(2.3)	-	-	-	(1.2)	-	-	(29.7)	(49.1)
- current	21	(20.6)	(56.1)	(1.5)	(0.4)	(0.1)	(6.4)	(0.9)	-	(20.8)	(106.8)
Other unallocated liabilities**		-	-	-	-	-	-	-	-	(0.4)	(0.4)
Total liabilities		(1,424.9)	(714.7)	(104.3)	(0.4)	(5.3)	(27.3)	(0.9)	(0.2)	(175.0)	(2,453.0)
Segment net asset value		832.0	(117.5)	822.0	2.0	27.9	6.0	(0.6)	247.5	(149.1)	1,670.2

*Other unallocated assets consist of: Property, plant and equipment and Right of use assets of EUR 15.2 million, Intangible assets and Other non-current assets of EUR 7.9 million.

**Other unallocated liabilities consist of: Other liabilities directly associated with non-current assets classified as held for sale of EUR 0.4 million.

6 Segment Analysis (Continued)

Geographical information. Revenue, expenses and assets analysed by country for the year ended 30 June 2022 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus	Unallocated	Total
Rental income	22	11.9	1.3	12.8	7.3	7.7	2.3	-	-	43.3
Service charges	22	6.0	-	1.9	1.9	0.8	0.4	-	-	11.0
Management charges	22	0.7	0.9	0.2	0.1	0.1	-	-	-	2.0
Direct operating expenses	23	(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	24	1.1	-	2.9	1.4	-	-	-	-	5.4
Construction contract costs		(2.0)	-	(1.8)	(1.4)	-	-	-	-	(5.2)
Interest expense	29	(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	546.2	7.5	651.4	278.6	302.2	395.5	-	-	2,181.4
Investment property under development	10	236.9	28.0	371.3	55.1	616.4	139.2	-	-	1,446.9
Other non-current assets		28.3	0.9	25.3	9.1	9.6	6.8	0.2	-	80.2
Total non-current assets		811.4	36.4	1,048.0	342.8	928.2	541.5	0.2	-	3,708.5
Non-current assets classified as held-for-sale	14	-	-	10.0	-	-	-	-	-	10.0
Total non-current assets and assets held for sale		811.4	36.4	1,058.0	342.8	928.2	541.5	0.2	-	3,718.5
Restricted cash	15	2.5	-	11.2	11.2	2.5	17.6	0.2	-	45.2
Cash and cash equivalents	16	69.5	3.5	25.8	10.9	13.2	23.9	52.7	-	199.5
Inventories	18	78.5	-	-	-	-	-	-	-	78.5
Trade and other receivables including Other assets	13,17	-	-	-	-	-	-	-	81.5	81.5
Total assets		961.9	39.9	1,095.0	364.9	934.9	583.0	53.1	81.5	4,123.2

6 Segment Analysis (Continued)

Geographical information. Liabilities and capital expenditures analysed by country for the year ended 30 June 2022 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus	Unallocated	Total
Borrowings	20									
- non-current		(648.3)	(59.6)	(381.2)	(173.9)	(215.1)	(267.7)	(49.8)	-	(1,795.6)
- current		(106.1)	(1.0)	(37.5)	(7.5)	0.8	(45.7)	(50.1)	-	(247.1)
Leasing	9									
- non-current		(5.6)	(3.1)	(11.8)	-	(10.2)	(0.2)	-	-	(30.9)
- current		(2.0)	(1.5)	(2.5)	-	(4.2)	(0.2)	-	-	(10.4)
Liabilities directly associated with non-current assets classified as held for sale	14	-	-	(0.4)	-	-	-	-	-	(0.4)
Deferred income tax liability		(49.7)	(2.1)	(79.5)	(1.1)	(51.5)	(29.4)	0.6	-	(212.7)
Trade and other payables	21	-	-	-	-	-	-	-	(155.9)	(155.9)
Total liabilities		(811.7)	(67.3)	(512.9)	(182.5)	(280.2)	(343.2)	(99.3)	(155.9)	(2,453.0)
Net asset value		150.2	(27.4)	582.1	182.4	663.7	239.8	(46.2)	(74.4)	1,670.2
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	10,27	(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

The segment profit and loss information for 6 months ended 30 June 2021 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB	HUB	Symbiosy	Cash	Unallocated	Total
Rental income from investment property	22											
- Office		14.3	0.2	-	-	-	2.7	-	-	-	-	17.2
- Retail		0.5	-	-	-	-	-	-	-	-	-	0.5
		14.8	0.2	-	-	-	2.7	-	-	-	-	17.7
Service charges income from investment properties	22											
- Office		3.7	-	-	3.0	-	0.1	-	-	-	-	6.8
- Retail		0.1	-	-	-	-	-	-	-	-	-	0.1
		3.8	-	-	3.0	-	0.1	-	-	-	-	6.9
Management charges income from investment properties	22											
- Office		2.1	0.1	-	0.2	-	0.1	-	-	-	-	2.5
- Retail		-	-	-	0.4	-	-	-	-	-	-	0.4
		2.1	0.1	-	0.6	-	0.1	-	-	-	-	2.9
Direct operating expenses arising from investment property	23											
- Office		(5.4)	-	(0.9)	(1.8)	-	(2.0)	-	-	-	-	(10.1)
- Retail		(0.3)	-	-	(0.2)	-	-	-	-	-	-	(0.5)
		(5.7)	-	(0.9)	(2.0)	-	(2.0)	-	-	-	-	(10.6)
Net operating income from investment property		15.0	0.3	(0.9)	1.6	-	0.9	-	-	-	-	16.9
Revaluation gain/(loss) on investment property	10											
- Office		(25.2)	128.4	88.1	-	-	(1.7)	-	-	-	-	189.6
- Retail		-	0.2	-	-	1.6	-	-	-	-	-	1.8
- Industrial		-	-	-	-	0.3	-	-	-	-	-	0.3
Share of profit/(loss) of joint ventures		(1.3)	-	-	-	-	-	-	-	-	-	(1.3)
		(26.5)	128.6	88.1	-	1.9	(1.7)	-	-	-	-	190.4
Interest expense - third parties	20	(4.7)	(14.6)	(0.4)	-	-	(0.8)	-	-	-	(2.9)	(23.4)
		(16.2)	114.3	86.8	1.6	1.9	(1.6)	-	-	-	(2.9)	183.9

Table continued on next page

6 Segment Analysis (Continued)

The segment information on segment assets and liabilities as of 31 December 2021 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Investment property	10										
- Office		1,616.0	616.9	872.6	-	0.8	39.4	-	-	-	3,145.7
- Retail		321.6	-	-	-	3.5	-	-	-	-	325.1
- Industrial		-	-	-	-	26.4	-	-	-	-	26.4
- Investment property held for sale	14	-	-	77.5	-	-	-	-	-	-	77.5
Receivables and loans	11	38.4	1.3	-	-	-	0.1	-	-	1.3	41.1
Deferred tax asset		0.9	1.0	1.5	-	0.1	-	-	0.1	-	3.6
Inventories	18	-	0.3	76.1	-	0.1	-	-	-	-	76.5
Restricted cash	15	-	-	-	-	-	-	-	26.0	-	26.0
Cash and cash equivalents	16	-	-	-	-	-	-	-	212.7	-	212.7
Trade and other receivables	13	15.3	12.8	3.7	0.2	0.2	2.3	0.3	-	3.0	37.8
Derivatives and other financial assets	13	3.5	1.3	-	-	-	-	-	-	1.0	5.8
Other assets	17	0.3	5.1	0.6	2.7	-	1.2	-	-	-	9.9
Other unallocated assets*		-	-	-	-	-	-	-	-	27.9	27.9
Total assets		1,996.0	638.7	1,032.0	2.9	31.1	43.0	0.3	238.8	33.2	4,016.0
Borrowings											
- non-current	20	(730.3)	(572.7)	(99.0)	-	-	-	-	-	(21.1)	(1,423.1)
- current	20	(179.8)	(147.5)	0.8	-	-	-	-	-	(152.9)	(479.4)
Leasing											
- non-current	9	(6.1)	(12.3)	-	-	-	(16.7)	-	-	-	(35.1)
- current	9	(0.5)	(3.9)	-	-	-	(6.5)	-	-	-	(10.9)
Deferred tax liability		(121.5)	(29.4)	(66.0)	-	(4.9)	(0.7)	-	(0.5)	-	(223.0)
Trade and other payables including Deferred income											
- non-current	21	(12.8)	(0.8)	-	-	-	(1.1)	-	-	(24.7)	(39.4)
- current	21	(18.4)	(70.1)	(2.6)	(0.4)	(0.1)	(7.3)	(1.2)	(0.2)	(27.1)	(127.4)
Other unallocated liabilities**		-	-	-	-	-	-	-	-	(0.9)	(0.9)
Total liabilities		(1,069.4)	(836.7)	(166.8)	(0.4)	(5.0)	(32.3)	(1.2)	(0.7)	(226.7)	(2,339.2)
Segment net asset value		926.6	(198.0)	865.2	2.5	26.1	10.7	(0.9)	238.1	(193.5)	1,676.8

*Other unallocated assets consist of: Property, plant and equipment and Right of use assets of EUR 16.5 million, Intangible assets and Other non-current assets of EUR 11.2 million and Other Non-current assets classified as held-for-sale of EUR 0.2 million.

**Other unallocated liabilities consist of: Other liabilities directly associated with non-current assets classified as held for sale of EUR 0.9 million.

6 Segment Analysis (Continued)

Geographical information. Revenue, expenses analysed by country for 6 months ended 30 June 2021 and assets analysed by country as of 31 December 2021 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Rental income	22	6.0	0.6	5.7	4.1	1.3	-	-	-	17.7
Service charges	22	4.8	-	1.3	0.8	-	-	-	-	6.9
Management charges	22	0.9	0.4	1.6	-	-	-	-	-	2.9
Direct operating expenses	23	(5.2)	(0.4)	(1.4)	(1.3)	(2.3)	-	-	-	(10.6)
Net operating income from investment properties		6.5	0.6	7.2	3.6	(1.0)	-	-	-	16.9
Revaluation gain/(loss)	10	18.9	(2.6)	(1.5)	(14.8)	130.5	61.2	-	-	191.7
Revenue from construction contracts	24	8.2	-	0.4	0.9	-	-	-	-	9.5
Construction contract costs		(7.5)	(0.1)	-	(1.9)	-	-	-	-	(9.5)
Share of profit or loss of joint ventures		(1.3)	-	-	-	-	-	-	-	(1.3)
Interest expense	29	(11.1)	(1.9)	(6.7)	(1.6)	(0.9)	(1.2)	-	-	(23.4)
Investment management fee		-	-	-	-	-	-	1.2	-	1.2
Other (expenses)/revenues		(9.0)	(0.2)	0.7	5.3	(2.3)	(4.1)	6.2	-	(3.4)
Profit before tax		4.7	(4.2)	0.1	(8.5)	126.3	55.9	7.4	-	181.7
Investment property in use or vacant	10	542.2	8.3	474.7	274.1	293.9	383.7	-	-	1,976.9
Investment property under development	10	195.3	28.0	480.4	55.6	623.2	137.8	-	-	1,520.3
Other non-current assets		28.5	0.7	17.2	11.9	8.4	5.1	0.6	-	72.4
Total non-current assets		766.0	37.0	972.3	341.6	925.5	526.6	0.6	-	3,569.6
Non-current assets classified as held-for-sale	14	67.6	-	10.1	-	-	-	-	-	77.7
Total non-current assets and assets held for sale		833.6	37.0	982.4	341.6	925.5	526.6	0.6	-	3,647.3
Restricted cash	15	2.2	-	8.7	14.1	0.7	-	0.3	-	26.0
Cash and cash equivalents	16	16.0	2.0	44.4	9.3	8.1	9.9	123.0	-	212.7
Inventories	18	76.5	-	-	-	-	-	-	-	76.5
Trade and other receivables including Other assets	13,17	-	-	-	-	-	-	-	53.5	53.5
Total assets		928.3	39.0	1,035.5	365.0	934.3	536.5	123.9	53.5	4,016.0

7 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or has joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. 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 20 senior managers (31 December 2021: 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 2022 are detailed below.

At 30 June 2022, the outstanding balances with related parties are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Total
Trade and other receivables (Note 13)	4.2	0.5	4.7
ECL allowance for trade receivables to related party	(1.2)	-	(1.2)
Investment management fee accrued (Note 17)	2.3	-	2.3
Loans to related parties non - current (Note 11)	0.1	0.8	0.9
Trade and other payables current (Note 21)	(6.4)	-	(6.4)
Trade and other payables non - current (Note 21)	(21.8)	-	(21.8)

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

<i>In millions of EUR</i>	Entities under common control	Key management personnel	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

At 31 December 2021, the outstanding balances with related parties are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Total
Trade and other receivables (Note 13)	3.2	0.5	3.7
ECL allowance for trade receivables to related party	(1.4)	-	(1.4)
Loans to related parties (Note 13)	0.8	-	0.8
Investment management fee accrued (Note 17)	3.2	-	3.2
Financial assets (Note 11)	0.1	0.6	0.7
Trade and other payables current (Note 21)	(4.4)	-	(4.4)
Trade and other payables non - current (Note 21)	(22.6)	-	(22.6)

7 Balances and Transactions with Related Parties (Continued)

The income and expense items with related parties for the 6 months ended 30 June 2021 are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Total
Revenue from services rendered	1.2	-	1.2
Revenue from construction contracts	7.6	-	7.6
Rental income	2.9	-	2.9
Rental expenses	(1.0)	-	(1.0)
Other operating income	0.4	-	0.4
Other services	(1.9)	-	(1.9)
Short-term employee benefits (salaries)	-	(1.5)	(1.5)
Long-term employee benefits (social security costs)	-	(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 2021 and/or 2022 are not material in the context of the consolidated financial statements. The compensation of the Board of Directors of the Parent Company amounted to EUR 1.2 million during 6 months ended 30 June 2022 (during 6 months ended 30 June 2021: EUR 0.9 million).

The Group had no outstanding loans receivable from the members of the Board of Directors of the Group as at 30 June 2022 (2021: nil).

Distributions to owners paid by the Group in 2022 and 2021 respectively are described in Note 19.

8 Property, Plant and Equipment

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

<i>In millions of EUR</i>	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
Net book value as at 1 January 2021	0.5	0.6	0.4	3.1	4.6
Additions	-	-	-	0.2	0.2
Transfer from Investment property	2.7	-	1.8	-	4.5
Transfers	-	1.7	1.5	(3.2)	-
Disposals	-	-	(0.2)	-	(0.2)
Depreciation charge	(0.1)	(0.9)	(1.4)	-	(2.4)
Net book value as at 31 December 2021	3.1	1.4	2.1	0.1	6.7
Additions	-	0.1	-	0.3	0.4
Transfers	-	0.1	0.2	(0.3)	-
Disposals	-	-	(0.2)	-	(0.2)
Depreciation charge	-	(0.5)	(0.6)	-	(1.1)
Net book value as at 30 June 2022	3.1	1.1	1.5	0.1	5.8

As at 30 June 2022, property, plant and equipment carried at EUR 2.6 million (at 31 December 2021: 2.7 million) 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:

<i>In millions of EUR</i>	Land and buildings	Vehicles and other assets	Total
Carrying amount at 1 January 2021	12.0	0.9	12.9
Additions	0.3	-	0.3
Depreciation charge	(3.0)	(0.4)	(3.4)
Carrying amount at 31 December 2021	9.3	0.5	9.8
Additions	0.2	0.4	0.6
Depreciation charge	(1.5)	(0.2)	(1.7)
Transfers from IP	0.7	-	0.7
Carrying amount at 30 June 2022	8.7	0.6	9.4

The Group recognised lease liabilities as follows:

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Lease liabilities:		
Current**	10.4	10.9
Non-current	30.9	35.1
Total lease liabilities	41.3	46.0

The Group has included EUR 42.0 million right-of-use assets in investment properties as of 30 June 2022 (at 31 December 2021: EUR 45.8 million) – see Note 10.

As at 30 June 2022, non-current lease liabilities of EUR 0.2 million associated with Lodz property have been classified as Non-current assets held for sale (at 31 December 2021: EUR 0.2 million associated with Lodz property).

**Current 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

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

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

<i>In millions of EUR</i>	Note	6 months ended 30 June 2022	6 months ended 30 June 2021
Depreciation of right-of-use asset			
Land and buildings		1.5	1.5
Vehicles and other assets		0.2	0.2
Total depreciation of right-of-use asset		1.7	1.7
Other (income)/expense related to Leases			
Revaluation (gain) / loss on investment property	10	2.8	1.9
Interest expense		1.1	1.6

Expenses relating to short-term leases and to leases of low-value assets that are not shown as short-term leases were EUR nil as at 30 June 2022 (30 June 2021: nil).

Total cash outflow for leases during the 6 months period ended 30 June 2022 was EUR 5.9 million (6 months period ended 30 June 2021: EUR 5.7 million).

Extension and termination options are included in a number of property and equipment leases across the Group. As at 30 June 2022, potential future cash outflows of EUR 18.5 million (at 31 December 2021: EUR 18.2 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 year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil (at 31 December 2021: nil).

The Group leases certain landplots in Poland which are presented within Investment property as at 30 June 2022 and 31 December 2021. Under an agreement with the local government unit in Poland the right to use the landplot is transferred to the Group in exchange for remuneration in the form of fees that are subject to indexation. The lease liability is based on the current level of the fees at 30 June 2022. The Group remeasures the lease liability to reflect changes to the lease payments when necessary.

10 Investment Property

In millions of EUR	6 months ended 30 June 2022					Year ended 31 December 2021				
	Under development		In use or vacant		Total	Under development		In use or vacant		Total
	Owned	Leased	Owned	Leased		Owned	Leased	Owned	Leased	
Fair value at 1 January	1,504.3	16.0	1,947.1	29.8	3,497.2	1,733.1	16.1	681.1	34.3	2,464.6
Right-of-use-asset acquired during the year / lease index and concessions	0	0	0	0.3	0.3	-	(0.1)	-	(0.2)	(0.3)
Acquisitions of investment property	2.4	0	0	0	2.4	120.2	-	-	-	120.2
Subsequent expenditure on investment property	74.8	0	30.1	0	104.9	291.6	-	17.6	-	309.2
Transfers from in use to under development*	0	0	0	0	0	17.6	-	(17.6)	-	-
Transfers from under development to in use	(163.3)	0	163.3	0	0	(1,047.5)	-	1,047.5	-	-
Transfers to disposal groups classified as held for sale (Note 15)	0	0	0	0	0	(77.3)	-	-	(0.2)	(77.5)
Transfers from disposal groups classified as held for sale (Note 15)	0	0	0	0	0	-	-	264.0	-	264.0
Disposals	0	0	(1.5)	(0.6)	(2.1)	(4.8)	-	(6.5)	-	(11.3)
Transfers to inventory - residential property (Note 19)	0	0	0	0	0	(55.1)	-	(18.6)	-	(73.7)
Transfers to PPE (Note 8)	0	0	0	(0.7)	(0.7)	(1.8)	-	(2.7)	-	(4.5)
Fair value gains/(losses) – properties completed during the year**	21.7	0	0	0	21.7	147.4	-	-	-	147.4
Fair value gains/(losses)**	15.8	(0.1)	55.0	(2.7)	68.0	335.3	-	(10.6)	(4.1)	320.6
Effect of translation to presentation currency**	(24.7)	0	(38.7)	0	(63.4)	45.6	-	(7.1)	-	38.5
Fair value at 30 June	1,431.0	15.9	2,155.3	26.1	3,628.3	1,504.3	16.0	1,947.1	29.8	3,497.2

* No property has been transferred from in use to under development in 2022. 10 Leake Street premises in London have been vacated and prepared for development of office scheme in 2021. Therefore, investment property of EUR 17.6 million has been transferred from in use to under development category as at 1 January 2021. Subsequent movements in its fair value during the 2021 and 2022 have been recorded in under development category.

** As of 30 June 2022, the investment property portfolio of the Group with fair value of EUR 2,310.5 million or 63.7% of total investment property of the Group as of that date (December 2021: EUR 2,238.2 million or 64.0% of total investment property of the Group) - see also Note 6 Segmental Analysis – Geographical Information, 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 decrease of fair value gain. With the exception of the United Kingdom, this depreciation 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. The effects of 2022 depreciation and 2021 appreciation 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 2022 was EUR 42.0 million (December 2021: EUR 45.8 million).

At 30 June 2022, investment properties carried at EUR 2,979.2 million (at 31 December 2021: EUR 2,810.1 million) have been pledged to third parties as collateral with respect to borrowings.

10 Investment Property (Continued)

Valuations obtained for investment properties were adjusted for the purpose of the 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 financial statements is as follows:

<i>In millions of EUR</i>	Note	30 June 2022	31 December 2021
Valuations obtained		3,661.3	3,656.8
Add: right-of-use assets classified as investment property		33.9	36.7
Less: lease incentive receivables	11(a)	(54.2)	(39.5)
Less: transfers to disposal groups classified as held for sale	14	(10.0)	(77.5)
Less: management adjustments to consider subsequent non-binding offers, results of prospective purchaser due diligence and other factors		-	(3.1)
Less: land classified as inventory (residential projects)	18	-	(73.7)
Less: property classified as property plant and equipment (own use)	8	(2.7)	(2.7)
Less: Foreign currency adjustments on lease incentive receivables		-	0.2
Fair value at the end of the period		3,628.3	3,497.2

11 Receivables and Loans

<i>In millions of EUR</i>	Note	30 June 2022	31 December 2021
Lease incentives receivables	(a)	54.0	39.5
Loans to related parties – non-current (Note 7)	(b)	0.9	0.7
Loans to third parties		2.2	0.9
Total receivables and loans		57.1	41.1

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

- (a) Lease incentive receivables of EUR 54.0 million (31 December 2021: EUR 39.5 million) represent cost of incentives recognised over the lease term, on a straight-line. 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 0.9 million as of 30 June 2022 (31 December 2021: EUR 0.7 million).

12 Other Non-Current Assets

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Prepayments held by trustee in Hungary	-	4.0
Other non-current assets	5.4	4.3
Total other non-current assets	5.4	8.3

13 Trade and Other Receivables

<i>In millions of EUR</i>	Note	30 June 2022	31 December 2021
Trade receivables		11.4	10.0
Derivatives and other financial assets		27.8	5.8
Accrued rental income		5.2	3.9
Other financial receivables		9.1	6.8
Trade and other receivables from related parties	7	4.7	3.7
Less expected credit loss allowance for trade receivables		(4.4)	(4.5)
Loans to related parties	7	-	0.8
Total financial assets / receivables		53.8	26.5
VAT receivable		9.3	14.9
Prepayments		12.0	2.2
Current income tax refund receivable		0.9	-
Total trade and other receivables		76.0	43.6

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

<i>In thousands of EUR</i>	30 June 2022				30 December 2021			
	Loss rate	Gross carrying amount	ECL	Net carrying amount	Loss rate	Gross carrying amount	ECL	Net carrying amount
Trade and other receivables								
- current	0.25%	15.1	(0,1)	15.0	0.25%	12.8	-	12.8
- less than 30 days overdue	2.5%	4.7	(0,1)	4.6	2.5%	2.4	(0,1)	2.3
- 30 to 90 days overdue	5.0%	0.9	-	0.9	5.0%	1.9	(0,1)	1.8
- 91 to 180 days overdue	10.0%	2.8	(0,3)	2.5	10.0%	0.8	(0,1)	0.7
- 181 to 360 days overdue	15.0%	1.5	(0,2)	1.3	15.0%	0.7	(0,1)	0.6
- over 360 days overdue	70.0%	5.4	(3,7)	1.7	70.0%	5.8	(4,1)	1.7
Total		30.4	(4,4)	26.0		24.4	(4,5)	19.9
Loans to related parties		-	-	-		-	-	0.8
Derivatives / other at fair value				27.8				5.8
Total financial assets				53.8				26.5

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 ageing 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.

13 Trade and Other receivables (Continued)

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:

<i>In millions of EUR</i>	2022	2021
Expected credit loss allowance at 1 January	4.5	4.9
Expected credit loss charge to profit or loss for the period	-	(0.1)
Write-offs	(0.1)	(0.3)
Expected credit loss allowance at 30 June	4.4	4.5

14 Non-current Assets Held for Sale

Major classes of assets classified as held for sale:

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Investment property	10.0	77.5
Cash and cash equivalents	-	0.1
Other non-current asset	-	0.1
Total assets classified as held for sale	10.0	77.7

As at 30 June 2022, the Group classified assets and liabilities of subsidiary Polcom Investment XXXIII Sp. z o.o. as held for sale.

As at 31 December 2021, the Group classified assets and liabilities of four (4) subsidiaries Polcom Investment XXXIII Sp.z.o.o., INLOGIS VII s. r. o., INLOGIS IV s.r.o. and INLOGIS V, spol. s r.o.) as held for sale.

The investment properties are valued semi-annually 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 33.

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

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Deferred income tax liability	0.2	0.7
Lease liabilities long-term	0.2	0.2
Total liabilities directly associated with assets classified as held for sale	0.4	0.9

At 30 June 2022 no assets have been pledged to third parties as collateral with respect to borrowings. At 31 December 2021, investment properties held for sale carried at EUR 67.5 have been pledged to third parties as collateral with respect to borrowings.

Three (INLOGIS VII s. r. o., INLOGIS IV s.r.o. and INLOGIS V, spol. s r.o.) out of four subsidiaries classified held for sale as at 31 December 2021 were sold during year 2022 (Note 27).

15 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 2022, restricted cash balance consists of the following:

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Utilisation accounts	20.6	4.6
Debt service reserve accounts	11.3	7.4
Tenant security deposits	12.4	10.6
Other	0.9	3.4
Total restricted cash	45.2	26.0

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.

Utilisation accounts. Cash associated with previously drawn development facility. The balance will be released in parallel with progress in development.

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 amounted to EUR 3.3 million and restricted cash gross inflow amounted to EUR 22.5 million during the period ended 30 June 2022.

16 Cash and Cash Equivalents

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Cash at bank	199.1	212.7
Cash on transit and in hand	0.4	-
Total cash and cash equivalents	199.5	212.7

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 30 June 2022. Refer to Note 31 for the description of the Group's credit risk grading system.

<i>In millions of EUR</i>	30 June 2022	31 December 2021
- Excellent	147.4	150.6
- Good	51.7	62.1
Total cash and cash equivalents	199.1	212.7

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 2022 and 31 December 2021 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.

17 Other current assets

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Advances paid	1.3	3.0
Deferred expenses	1.9	3.7
Investment management fee accrued (note 7)	2.3	3.2
Total other current assets	5.5	9.9

18 Inventories

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Inventory property	78.1	76.1
Material	0.3	0.3
Merchandise	0.1	0.1
Total inventories	78.5	76.5

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

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Inventory property at 1 January	76.1	-
Transfer from Investment property (Note 10)	-	73.7
Construction expenditures	2.0	2.4
Inventory property at 30 June / 31 December	78.1	76.1

No inventory costs were recognised in condensed consolidated statement of profit or loss and other comprehensive income for period ended 30 June 2022 (31.12.2021: nil).

At 30 June 2022, inventory property carried at EUR 76.5 million (at 31 December 2021: EUR 76.1 million) has been pledged to third parties as collateral with respect to borrowings.

19 Share Capital and Share Premium

	Number of shares	Ordinary shares in EUR	Share premium in EUR	Total in EUR
At 1 January 2021	30,000	30,000	820,472,758	820,502,758
At 31 December 2021	30,000	30,000	792,689,247	792,719,247
At 30 June 2022	30,000	30,000	777,164,094	777,194,094

The total authorised number of ordinary shares is 30,000 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.

The terms of external borrowings drawn by the Group impose limitations on the ability of the subsidiaries to pay distributions to owners.

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

<i>In millions of EUR, except dividends per share amount</i>	Note	30 June 2022	31 December 2021
Distributions to owners payable at 1 January	20	-	-
Distributions declared during the year (from share premium)		15.5	27.8
Distributions paid during the year		(15.5)	(27.8)
Distributions to owners payable at 30 June / 31 December	20	-	-
Amount per share declared during the year in EUR		516.5	927.2

20 Borrowings

<i>In millions of EUR</i>	Note	30 June 2022	31 December 2021
Non-current			
Bank borrowings		1,461.9	1,113.3
Issued bonds	(a)	333.7	309.8
Total non-current borrowings		1,795.6	1,423.1
Current			
Bank borrowings		241.9	398.6
Issued bonds	(a)	5.2	80.8
Total current borrowings		247.1	479.4
Total borrowings		2,042.7	1,902.5

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

20 Borrowings (Continued)

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.

<i>In millions of EUR</i>	Bank borrowings	Bonds	Lease liabilities	Total
Borrowings and lease liabilities as presented in the consolidated statement of financial position as at 1 January 2021	858.7	373.3	85.1	1,317.1
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 1 January 2021 (Note 14)	114.0	-	-	114.0
Total borrowings and lease liabilities as at 1 January 2021	972.7	373.3	85.1	1,431.1
Cash flows				
Proceeds from new drawdowns	573.7	87.7	-	661.4
Repayments	(52.6)	(72.9)	(44.1)	(169.6)
Non-cash changes				
New leases	-	-	0.4	0.4
Leases concessions due to Covid	-	-	(0.3)	(0.3)
Foreign exchange adjustments	4.1	-	0.9	5.0
Non-cash movement due to loss of control in a subsidiary	(5.1)	-	-	(5.1)
Non-cash movement due to derecognition of a lease	-	-	(0.4)	(0.4)
Change in accrued interest	15.9	0.6	2.4	18.9
Change in amortised transaction costs	7.6	-	-	7.6
Effect of translation to presentation currency	(4.4)	1.9	2.2	(0.3)
Borrowings and lease liabilities as presented in the consolidated statement of financial position as at 31 December 2021	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 31 December 2021 (Note 14)	-	-	0.2	0.2
Total borrowings and lease liabilities as at 31 December 2021	1,511.9	390.6	46.2	1,948.7
Cash flows				
Proceeds from new drawdowns	459.4	61.6	-	521.0
Repayments	(278.2)	(113.1)	(5.9)	(397.2)
Non-cash changes				
New leases	-	-	0.9	0.9
Foreign exchange adjustments	19.1	-	(0.3)	18.8
Non-cash movement due to derecognition of a lease	-	-	(0.5)	(0.5)
Change in accrued interest	11.0	0.5	1.1	12.6
Change in amortised transaction costs	4.7	0.2	-	4.9
Effect of translation to presentation currency	(24.1)	(0.9)	-	(25.0)
Borrowings and lease liabilities as presented in the consolidated statement of financial position as at 30 June 2022	1,703.8	338.9	41.3	2,084.0
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 30 June 2022 (Note 14)	-	-	0.2	0.2
Total borrowings and lease liabilities as at 30 June 2022	1,703.8	338.9	41.5	2,084.2

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

<i>In millions of EUR</i>	Carrying amounts		Fair values	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Bank borrowings	1,461.9	1,113.3	1,512.7	1,054.8
Issued bonds	333.7	309.8	330.6	300.9
Non-current borrowings	1,795.6	1,423.1	1,843.3	1,355.7

20 Borrowings (Continued)

Assumptions used in determining fair value of borrowings are described in Note 33. 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:

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Availability:		
- Expiring within one year	16.4	166.4
- Expiring beyond one year	270.8	216.6
Total undrawn facilities	287.2	383.0

Investment properties (Note 10), property, plant and equipment (Note 8) receivables (Note 13), and inventories (Note 18) are pledged as collateral for borrowings of EUR 1,548.4 million (31 December 2021: EUR 1,390.9 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 75% (2021: 60% to 75%) and minimum debt service coverage ratios ranging from 1.2 to 1.25 (2021: 1.2 to 1.25). During the half year period 2022 and up to the date of authorisation of these consolidated financial statements for issue, the Group was in compliance with all loan agreement terms and no terms of the loans were renegotiated due to defaults or breaches. After 30 June 2022 and up to date of authorization of these consolidated financial statements, the Group repaid EUR 6.3 million of loans and drawn EUR 112.8 million of new loans (Note 36).

The Group recognized on its borrowings interest expense amounting to of EUR 32.0 million out of which EUR 7.5 million was bond related interest expense (2021: interest expense EUR 23.4 million out of which EUR 7.6 million EUR bond related interest expense).

21 Deferred income, Trade and Other Payables

<i>In millions of EUR</i>	Note	30 June 2022	31 December 2021
Non-current			
Long-term payables to related parties (Note 7)		21.8	22.6
Other long-term payables		27.3	16.8
Total non-current payables		49.1	39.4
Current			
Trade payables		8.0	9.3
Trade and other payables to related parties (Note 7)		6.4	4.4
Liabilities for construction of investment properties		36.3	50.3
Accrued liabilities		36.4	42.4
Derivative financial instruments		2.5	7.2
Other payables		1.5	0.4
Total current financial payables		91.1	114.0
Items that are not financial instruments:			
Deferred rental income		9.2	7.7
Contract liability		3.4	1.1
Accrued employee benefit costs		2.6	1.8
VAT payable		-	1.7
Income tax payable		-	0.6
Prepayments		0.5	0.5
Total deferred income, current trade and other payables		106.8	127.4

21 Deferred income, Trade and Other Payables (Continued)

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.

22 Rental and Similar Income from Investment Property

<i>In millions of EUR</i>	6 months ended 30 June 2022	6 months ended 30 June 2021
Rental income		
Office	29.3	14.5
Retail	8.0	0.5
HubHub	6.0	2.7
Service charges		
Office	6.9	6.7
Retail	4.0	0.1
HubHub	0.1	0.1
Management charges		
Office	1.3	2.8
Retail	0.3	-
HubHub	0.4	0.1
Total rental and similar income from investment properties	56.3	27.5

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

<i>In millions of EUR</i>	6 months ended 30 June 2022	6 months ended 30 June 2021
Not later than 1 year	79.0	40.7
Later than 1 year and not later than 2 years	101.0	59.2
Later than 2 years and not later than 3 years	122.5	66.4
Later than 3 years and not later than 4 years	117.6	68.0
Later than 4 years and not later than 5 years	112.5	65.9
Later than 5 years	496.7	272.2
Total operating lease payments receivable	1,029.3	572.4

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 for 6 months period ended 30 June 2022 under the Group's operating leases were EUR nil (2021: nil).

23 Direct Operating Expenses arising from Investment Property

<i>In millions of EUR</i>	6 months ended 30 June 2022	6 months ended 30 June 2021
<i>Direct operating expenses arising from investment property that generate rental income:</i>		
Materials consumed	0.3	0.4
Repairs and maintenance services	0.6	0.6
Utilities costs	6.5	2.8
Services relating to investment property	11.2	6.2
Real estate tax	0.6	0.2
Other costs	1.5	0.4
Total	20.7	10.6

24 Analysis of Revenue by Category

<i>In millions of EUR</i>	Note	6 months ended 30 June 2022	6 months ended 30 June 2021
Rental income	22	43.3	17.7
Service charges	22	11.0	6.9
Management charges income	22	2.0	2.9
Total Rental and similar income from investment property		56.3	27.5
Services rendered	26	1.4	1.8
Other	26	1.1	1.5
Total Other operating income		2.5	3.3
Revenue from construction contracts		5.4	9.5
Total revenue and other income		64.2	40.3

As at 30 June 2022 and 31 December 2021 the Group has completed all contracts for construction of properties.

25 Employee Benefits

<i>In millions of EUR</i>	6 months ended 30 June 2022	6 months ended 30 June 2021
Wages and salaries (including social and health insurance)	15.5	11.7
Pension costs – defined contribution plans	0.8	0.6
Total employee benefits	16.3	12.3

The Group had 719 employees in the core real estate operations of the Group (on full time equivalent basis) as at 30 June 2022 (30 June 2021: 714 employees). The average number of employees for the first 6 months of 2022 was 707,5 (first 6 months of 2021: 717.7).

26 Other Operating Income and Expenses

Other operating expenses comprised the following:

<i>In millions of EUR</i>	6 months ended 30 June 2022	6 months ended 30 June 2021
Services	11.8	7.1
Audit fees	0.4	0.7
Material consumption	0.3	0.3
Cost of sold inventories	0.2	0.1
Other taxes	0.6	0.3
Energy costs	0.2	0.4
Rental expense	0.1	1.1
Net impairment losses on financial and contract assets	-	0.4
Other	2.1	2.0
Total other operating expenses	15.7	12.4

26 Other Operating Income and Expenses (Continued)

Other operating income comprised the following

<i>In millions of EUR</i>	6 months ended 30 June 2022	6 months ended 30 June 2021
Sales of services	1.4	1.8
Sales of inventories	0.1	0.2
Other operating income	1.0	1.3
Total other operating income	2.5	3.3

27 Disposals of Subsidiaries

The Group sold shares in five (5) subsidiaries during the six months period ended 30 June 2022: 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.

The Group sold shares in one (1) subsidiary during the six months period ended 30 June 2021: Phibell s.r.o., which was classified as Non-current assets held for sale as of 31 December 2020.

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

<i>In millions of EUR</i>	6 months ended 30 June 2022	6 months ended 30 June 2021
Investment property in use	69.5	33.5
Non-current assets	0.1	-
Deferred tax liability	(0.5)	(2.2)
Trade and other payables – long term	(15.5)	-
Cash and cash equivalents	0.7	0.1
Other working capital	(0.3)	-
Net assets value	54.0	31.4
Gain on disposal of subsidiaries	1.4	3.7
Foreign currency translation differences transferred from other comprehensive income upon loss of control	0.4	(1.0)
Proceeds from sale of subsidiaries	55.8	34.1
Less cash in subsidiaries at the date of transaction	(0.7)	(0.1)
Less receivable from sale of subsidiary	(10.1)	-
Cash sale proceeds	45.0	34.0

28 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 2022 was 22.4% (six months ended 30 June 2021: 22.8%).

29 Foreign exchange gains/(losses)

<i>In millions of EUR</i>	6 months ended 30 June 2022	6 months ended 30 June 2021
Bank borrowings – unrealised	(19.1)	9.3
Inter-company loans to foreign operations that do not form part of net investment – unrealised	(18.6)	(0.8)
Lease liabilities	0.3	8.3
Trade and other receivables and payables – realised during the year	0.8	(0.3)
Trade and other receivables and payables – unrealised	1.3	2.6
Foreign exchange gains/(losses)	(35.3)	19.1

30 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 152.2 million at 30 June 2022 (31 December 2021: EUR 144.0 million); this exposure will be partially financed by external loans (committed lines: EUR 287.2 million). The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments.

31 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), liquidity risks, operational risks and legal 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 consolidated statement of financial position.

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.

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 13.

31 Financial Risk Management (Continued)

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 26 banks (31 December 2021: 26 banks) but 92.6% (2021: 94.3%) of cash balances as of 30 June 2022 are held with 10 (31 December 2021: 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 16.

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 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.

31 Financial Risk Management (Continued)**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.

The level of ECL that is recognised in these consolidated 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 consolidated 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 hedging instruments, mostly forwards, that are set up to minimize foreign exchange losses.

31 Financial Risk Management (Continued)

Had the foreign exchange rates been by one tenth lower than they have been throughout the period of 6 months ended 30 June 2022 with all other variables constant, profit for the year would have been approximately EUR 37.9 million lower (30 June 2021: EUR 38.3 million lower). Equity, after allowing for the tax effects, would have been EUR 30.0 million lower (30 June 2021: EUR 30.3 million lower).

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 financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.

<i>In millions of EUR</i>	Less than 12 months	Over 12 months	Total
30 June 2022			
Total monetary financial assets	265.0	3.1	268.1
Total monetary financial liabilities	(348.6)	(1,875.6)	(2,224.2)
Net interest sensitivity gap at 30 June 2022	(83.6)	(1,872.5)	(1,956.1)
31 December 2021			
Total monetary financial assets	275.1	5.6	280.7
Total monetary financial liabilities	(604.3)	(1,497.6)	(2,101.9)
Net interest sensitivity gap at 31 December 2021	(329.2)	(1,492.0)	(1,821.2)

Had the interest rates on the Group's variable interest rate loans (generally the third-party borrowings) been by one tenth lower than they have been throughout the period of 6 months ended 30 June 2022 with all other variables constant, profit before tax for the year would have been higher by approximately EUR 0.9 million (30 June 2021: EUR 0.6 million higher). Equity, after allowing for the tax effects, would have been higher by approximately EUR 0.7 million higher (30 June 2021: higher by EUR 0.5 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 hedging instruments such as interest rate swaps or interest rate caps in relation to the relevant borrowings.

These provisions are taken into consideration by the Group's management when pursuing its interest rate hedging 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 2022 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 balance sheet 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.

31 Financial Risk Management (Continued)

The remaining maturities of financial liabilities based on contractual undiscounted cash- flows as at 30 June 2022 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal repayments)	241.7	539.9	605.4	664.3	2,051.3
Borrowings (future interest payments)	68.2	68.6	102.4	93.1	332.3
Financial payables - current (Note 22)	88.6	-	-	-	88.6
Future lease payments (Note 9)	10.4	7.4	14.3	47.8	79.9
Net position from derivatives (Note 22)	1.2	0.4	0.9	-	2.5
<i>Out of which cash inflows from derivatives</i>	<i>(0.1)</i>	<i>(19.4)</i>	<i>(60.7)</i>	-	<i>(80.2)</i>
<i>Out of which Cash outflows from derivatives</i>	<i>1.3</i>	<i>19.8</i>	<i>61.6</i>	-	<i>82.7</i>
Total future payments, including future principal and interest payments	410.1	616.3	723.0	805.2	2,554.6

The remaining maturities of financial liabilities based on contractual undiscounted cash- flows as at 31 December 2021 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal repayments)	488.1	272.0	768.9	390.5	1,919.5
Borrowings (future interest payments)	51.6	38.1	61.7	18.0	169.4
Financial payables - current (Note 22)	106.8	-	-	-	106.8
Future lease payments (Note 9)	10.9	9.2	16.7	51.1	87.9
Net position from derivatives (Note 22)	4.9	0.4	1.9	-	7.2
<i>Out of which cash inflows from derivatives</i>	<i>(48.9)</i>	<i>(20.3)</i>	<i>(63.3)</i>	-	<i>(132.5)</i>
<i>Out of which Cash outflows from derivatives</i>	<i>53.8</i>	<i>20.7</i>	<i>65.2</i>	-	<i>139.7</i>
Total future payments, including future principal and interest payments	662.3	319.7	849.2	459.6	2,290.8

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 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 the financial statements (see also Note 2).

32 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:

<i>In millions of EUR</i>	Note	30 June 2022	31 December 2021
Equity attributable to the owners of HB Reavis Holding S.A.		1,670.1	1,676.8
Adjusted for			
Add: Deferred income tax net (including non-current assets held for sale)	14	212.9	220.1
Net Asset Value (adjusted) as monitored by management		1,883.0	1,896.9

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 line with the announced Group's intention aimed at consolidating part of the Group's investment portfolio and prospective separation of portion of its assets from the Group, the Group's leverage increased in course the 6 months period ended 30 June 2022 as a result of higher proportion of income producing assets on the Group's total assets. In connection to this, the net debt leverage ratio stood at 43.61% (31 December 2021: 41.43%). The Group management believe that this position places the Group conservatively in their pursuit of new development opportunities.

<i>In millions of EUR</i>	30 June 2022	31 December 2021
Bank borrowings less cash including those classified as held for sale	1,798.0	1,663.7
Total assets	4,123.2	4,016.0
Net debt leverage ratio	43.61%	41.43%

33 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:

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Investment property – valuations obtained at 30 June 2022 (Note 10)	-	-	3,661.3	3,661.3
Investment property – valuations obtained at 31 December 2021 (Note 10)	-	-	3,656.8	3,656.8

Level 3 investment properties are fair valued using discounted cash flow method, yield method, residual method, comparative method and fair value at acquisition/divestment (cost) for assets which were either acquired/held for sale close to the balance sheet date or 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.

The fair value of the properties which were included in Residential segment as of 31 December 2021 have been transferred to Inventories.

33 Fair Value Estimation (Continued)

Quantitative information about fair value measurements using unobservable inputs:

Asset Management and Investment Management

Segment	Valuation technique	Fair value 30 Jun 2022 (in millions of EUR)	Fair value 31 Dec 2021 (in millions of EUR)	Input	Range 30 Jun 2022	Range 31 Dec 2021
Slovakia						
Office	Discounted cash flow	105.4	109.1	Average annual rent in EUR per sqm Discount rate p.a. Capitalisation rate for terminal value	185-191 6.75% 6.70% - 6.75%	185-192 6.75% 6.70% - 6.75%
Office	Direct capitalisation method	113.2	110.5	Average annual rent in EUR per sqm Capitalisation rate for terminal value	213 5.30%	210 5.30%
Office	At cost	0.5	-	price in EUR per sqm	-	-
Retail	Direct capitalisation method	335.2	330.7	average annual rent / sq m capitalisation rate for terminal value	297 6.31%	310 6.32%
Total		554.3	550.3			
Poland						
Office	Direct capitalization method	664.4	481.3	Average annual in EUR per sqm Capitalization rate for terminal value	210-275 4.45-5.25%	218-275 4.55-5.50%
Office	Comparative method	3.9	-	price in EUR per sqm	-	-
Total		668.3	481.3			
Hungary						
Office	Direct capitalisation method	-	-	Average annual rent in EUR per sqm Capitalisation rate for terminal value	-	-
Office	Discounted cash flow	285.8	277.8	Average annual rent in EUR per sqm Discount rate p.a. Capitalisation rate for terminal value	215 6.00% 5.35%	210 6.0% 5.40%
Total		285.8	277.8			

33 Fair Value Estimation (Continued)

Segment	Valuation technique	Fair value 30 Jun 2022 (in millions of EUR)	Fair value 31 Dec 2021 (in millions of EUR)	Input	Range 30 Jun 2022	Range 31 Dec 2021
Asset Management and Investment Management (Continued)						
United Kingdom						
Office	Residual value	-	-	Capitalised net revenues less cost to completion	-	-
				Capitalisation rate	-	-
Office	Discounted cash flow	292.2	278.0	Average annual rent in EUR per sqm	1,039.0	1,059.0
				Capitalisation rate for terminal value	4.10%	4.10%
Total		292.2	278.0			
Germany						
Office	Residual method	401.8	388.3	Capitalised net revenues less cost to completion	57.0	26.9
				Capitalisation rate	3.25%	3.30%
Total		401.8	388.3			
Total for segment		2,202.4	1,975.7			
Development in realisation and in preparation						
Slovakia						
Office, Office/Retail	Residual Method	204.3	232.6	Capitalised net revenues less cost to completion	288.8	328.9
				Capitalisation rate	5.06% - 6.25%	5.15% - 6.25%
Residential	Residual Method	-	73.7	price in EUR per sqm	4,274 - 4,550	4,274 - 4,550
Retail	Residual Method	-	-	Capitalised net revenues less cost to completion	-	-
				Capitalisation rate	-	-
Office	At cost	-	-	-	-	-
Total		204.3	306.3			

The average annual rent provided includes the Estimated Market Rental Value (EMRV) i.e. the open market rent of each space (not necessarily equal to the current passing rent) of the property, including rental income from office and retail space but including ancillary income from storage, parking, signage, technology and other income divided by square meters of lettable office, retail and storage space.

33 Fair Value Estimation (Continued)

Segment	Valuation Technique	Fair value 30 Jun 2022 (in millions of EUR)	Fair value 31 Dec 2021 (in millions of EUR)	Input	Range 30 Jun 2022	Range 31 Dec 2021
Development in realisation and in preparation (Continued)						
Czech Republic						
Office	Residual method	27.0	27.0	Capitalised net revenues less cost to completion Capitalisation rate	60.8 6.0%	60.8 6.0%
Office	At cost	1.0	1.0			
Total		28.0	28.0			
Poland						
Office	Residual Method	0	321.0	Capitalised net revenues less cost to completion Capitalisation rate	- -	54.4 4.5%
Office	Direct capitalisation method	357.9	144.4	Average annual rent in EUR per sqm Capitalisation rate	304.0 4.50%	215.5 5.50%
Office	Comparative method	13.2	13.2	Price in EUR per sqm of land	911 – 1,025	911 – 1,025
Office	At cost	1.0	1.0	-		
Total		372.1	479.6			
United Kingdom						
Office	Residual method	616.4	623.2	Capitalised net revenues less cost to completion Capitalisation rate	1,067.9 4.15% - 4.35%	1,085.9 4.1% - 4.35%
Total		616.4	623.2			

33 Fair Value Estimation (Continued)

Segment	Valuation Technique	Fair value 30 Jun 2022 (in millions of EUR)	Fair value 31 Dec 2021 (in millions of EUR)	Input	Range 30 Jun 2022	Range 31 Dec 2021
Development in realisation and in preparation (Continued)						
Hungary						
Office	Direct capitalization method	55.1	55.4	average annual rent / sq m capitalisation rate	216 5.50%	204 5.75%
Office	Residual method	-	-	Capitalised net revenues less cost to completion Capitalisation rate	-	-
Office	Discounted cash flow	-	-	Average annual rent in EUR per sqm Discount rate p.a. Capitalisation rate for terminal value	-	-
Total		55.1	55.4			
Germany						
Office	At cost	-	-	-		
Office	Residual method	139.2	137.7	Capitalised net revenues less cost to completion Capitalisation rate	223.0 4.15% - 4.35%	108.1 2.90% - 4.25%
Total		139.2	137.7			
Total for segment		1,415.1	1,630.2			
None - core						
Logistics	Comparative method	29.2	31.0	Price in EUR per sqm	4.7 – 2,673.0	2,673.0
Retail	At cost	3.7	4.1	-		-
HubHub	At cost	10.9	15.8	-		-
Total for segment		43.8	50.9			

33 Fair Value Estimation (Continued)

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. Please refer to Note 3 for the quantitative sensitivity analysis.

Valuation process

The valuations of the properties are performed twice a year based on 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.

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 3.47% p.a. (2021: 3.84% p.a.). Refer to Note 20 for the estimated fair values of borrowings (for current borrowings Level 2 inputs are used, for non-current borrowings Level 3 inputs are used). Carrying amounts of trade and other payables approximate fair values.

Financial derivatives. The fair values of derivatives are based on counterparty bank quotes and are considered level 2 valuations. The fair value was estimated using the discounted cash flows technique.

34 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.

35 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,
- 3 tranche of bonds through HB REAVIS Finance SK IX s. r. o., incorporated in Slovakia,
- 3 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 EUR 257.6 million, CZK 1.492 billion and to PLN 85 million (Note 20).

36 Events after the End of the Reporting Period

In July 2022, the Group concluded an asset deal by means of which it acquired a land plot in Berlin, Germany for the consideration of EUR 23.2 million.

In September 2022, the Group acquired a piece of land in Berlin, Germany through the acquisition of 99% share in CentralTower Berlin GmbH for the consideration of EUR 73.5 million.

After 30 June 2022 and up to date of authorization of these consolidated financial statements, the Group repaid EUR 6.3 million of loans and drawn EUR 112.8 million of new loans.

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