HB Reavis Holding S.A.

Condensed Consolidated Interim Financial Statements
30 June 2024

Contents

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE 6 MONTHS ENDED 30 JUNE 2024

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In millions of EUR	Note	30 June 2024	31 December 2023
ASSETS			
Non-current assets			
Investment property in use or vacant	10	452.7	463.3
Investment property under development	10	757.5	684.5
Property, plant and equipment and intangible assets	8	1.0	1.4
Right-of-use assets	9	4.5	5.2
Receivables and loans	7, 12	20.2	35.9
Deferred income tax asset		35.0	28.4
Other non-current assets	13	11.8	11.3
Total non-current assets		**1,282.7**	**1,230.0**
Current assets			
Non-current assets held for sale	15	16.1	37.7
Inventories		0.4	0.4
Trade and other receivables	7, 14	133.0	191.6
Other current assets	18	1.9	2.0
Restricted cash	16	12.3	8.9
Cash and cash equivalents	17	44.7	51.9
		192.3	**254.8**
Total current assets		**208.4**	**292.5**
TOTAL ASSETS		**1,491.1**	**1,522.5**
EQUITY			
Share capital *(31,000 shares at EUR 1.00 each)*	19	-	-
Share premium	19	20.6	26.3
Retained earnings		528.4	510.9
Revaluation reserve for assets transferred to investment properties at fair value		3.8	3.8
Currency translation reserve		(0.4)	(11.1)
Equity attributable to the Company's owners		552.4	529.9
Non-controlling interest		0.5	0.6
TOTAL EQUITY		**552.9**	**530.5**
LIABILITIES			
Non-current liabilities			
Borrowings	20	559.6	474.6
Deferred income tax liability		44.3	36.1
Trade and other payables	7, 21	8.9	9.5
Lease liabilities	9	10.7	12.0
Total non-current liabilities		**623.5**	**532.2**
Current liabilities			
Liabilities directly associated with non-current assets classified as held for sale	15	1.3	4.4
Borrowings	20	251.9	335.1
Trade and other payables	7, 21	58.2	116.8
Lease liabilities	9,20	3.3	3.5
		313.4	**455.4**
Total current liabilities		**314.7**	**459.8**
TOTAL LIABILITIES		**938.2**	**992.0**
TOTAL LIABILITIES AND EQUITY		**1,491.1**	**1,522.5**

These condensed consolidated interim financial statements have been approved for issue and signed on behalf of the HB Reavis Holding S.A. on 17 September 2024 by the members of the Board of Directors of HB Reavis Holding S.A. Shareholders have the power to amend these condensed consolidated interim financial statements after issue.

Vincent Leduc Director A	Liviu-Constantin Rusu Director A	Steven Skinner Director B

The accompanying notes on pages 5 to 47 are an integral part of these condensed consolidated interim financial statements.

In millions of EUR	**Note**	**6 months ended 30 June 2024**	**30 June 2023**
Rental and similar income from investment property	22	24.1	29.9
Direct operating expenses arising from investment property	23	(12.0)	(15.9)
Net operating income from investment property		**12.1**	**14.0**
Net revaluation gain/(loss) on investment property	10	44.8	(144.1)
Share of loss of joint ventures	11	-	(2.5)
Gain/(loss) on disposal of subsidiaries	28	5.9	(10.2)
Revenue from construction and other services	26	16.0	46.4
Construction services	27	(10.6)	(25.6)
Employee benefits	7, 24	(3.3)	(13.5)
Depreciation and amortisation		(1.2)	(2.8)
Other operating expenses	25	(9.5)	(16.4)
Operating profit/(loss)		**54.2**	**(154.7)**
Interest income calculated using the effective interest method		2.1	2.3
Interest expense	20	(27.1)	(30.9)
Foreign exchange gains/(losses), net	30	4.8	(0.6)
Net (losses)/gains on financial assets at fair value through profit or loss	13, 32	(8.0)	9.7
Other financial income/(costs)		0.2	(0.7)
Finance costs, net		**(28.0)**	**(20.2)**
Profit/(loss) before income tax		**26.2**	**(174.9)**
Income tax (expense)/benefit		**(3.9)**	**30.5**
Net profit/(loss) for the period		**22.3**	**(144.4)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Translation of foreign operations to the presentation currency for the period		8.4	16.6
Translation of foreign operations reclassified to profit or loss upon loss of control of subsidiary or repayment of subsidiaries' capital	28	2.3	13.9
Total other comprehensive income		10.7	30.5
Total comprehensive income/(loss) for the period		**33.0**	**(113.9)**
Net profit/(loss) is attributable to:			
- Owners of the Company		22.4	(144.4)
- Non-controlling interest		(0.1)	-
Profit/(loss) for the period		**22.3**	**(144.4)**
Total comprehensive income/(loss) is attributable to:			
- Owners of the Company		33.1	(113.9)
- Non-controlling interest		(0.1)	-
Total comprehensive income/(loss) for the period		**33.0**	**(113.9)**

		Attributable to owners of the Company							
In millions of EUR	**Note**	**Share capital (Note 19)**	**Share premium (Note 19)**	**Retained earnings**	**Translation reserve**	**Revalu-ation reserve**	**Total**	**Non-controlling Interest**	**Total equity**
Balance at 1 January 2023		**-**	**40.0**	**755.9**	**(37.5)**	**3.8**	**762.2**	**0.8**	**763.0**
Loss for the period		-	-	(144.4)	-	-	**(144.4)**	**-**	**(144.4)**
Other comprehensive income		-	-	-	30.5	-	**30.5**	-	**30.5**
Total comprehensive (loss)/income for the period		**-**	**-**	**(144.4)**	**30.5**	**-**	**(113.9)**	**-**	**(113.9)**
Distribution to owners	19	-	(0.6)	-	-	-	**(0.6)**	-	**(0.6)**
Balance at 30 June 2023		**-**	**39.4**	**611.5**	**(7.0)**	**3.8**	**647.7**	**0.8**	**648.5**
Balance at 1 January 2024		**-**	**26.3**	**510.9**	**(11.1)**	**3.8**	**529.9**	**0.6**	**530.5**
Profit for the period		-	-	22.4	-	-	**22.4**	(0.1)	**22.3**
Other comprehensive income		-	-	-	10.7	-	10.7	-	10.7
Total comprehensive income/(loss) for the period		**-**	**-**	**22.4**	**10.7**	**-**	**33.1**	**(0.1)**	**33.0**
Distribution to owners	19	-	(5.7)	(4.9)	-	-	**(10.6)**	-	**(10.6)**
Balance at 30 June 2024		**-**	**20.6**	**528.4**	**(0.4)**	**3.8**	**552.4**	**0.5**	**552.9**

In millions of EUR	Note	6 months ended 30 June 2024	30 June 2023
Cash flows from operating activities			
Profit/(loss) before income tax		26.2	(174.9)
Adjustments for:			
Depreciation and amortisation	8,9	1.2	2.8
Revaluation (gains)/losses on investment property	10	(44.8)	144.1
(Gains)/losses on disposals of subsidiaries	28	(5.9)	10.2
Share of loss of joint ventures	11	-	2.5
Interest income calculated using the effective interest method		(2.1)	(2.3)
Interest expense	20	27.1	30.9
Revaluation loss on investment in unconsolidated entity	13	10.9	-
Unrealised foreign exchange losses	30	0.7	0.1
Unrealised losses/(gains) from financial derivatives		2.5	(7.0)
Impairment of receivables	14	0.7	1.6
Operating cash flows before working capital changes		16.5	8.0
Working capital changes:			
Decrease in trade and other receivables, restricted cash and other assets		11.5	37.6
Decrease in trade and other payables		(62.8)	(58.9)
Cash used in operations		(34.8)	(13.3)
Interest paid		(25.4)	(21.6)
Interest received		1.7	-
Income taxes paid		(0.8)	(5.1)
Net cash used in operating activities		**(59.3)**	**(40.0)**
Cash flows from investing activities			
Proceeds from sales of subsidiaries, net of cash disposed	28	109.2	71.1
Proceeds from loans provided to related parties	7	18.3	25.9
Loans provided to related parties	7	(34.0)	(5.1)
Construction costs related to investment properties		(20.9)	(31.5)
Capital contribution to unconsolidated entity		(12.0)	-
Development costs related to inventory property		-	(0.2)
Purchases of property, plant and equipment and intangible assets		-	(0.3)
Proceeds from sale of investment properties		1.5	8.8
Proceeds from disposal of own use premises and equipment		0.1	0.1
Net cash from investing activities		**62.2**	**68.8**
Cash flows from financing activities			
Proceeds from borrowings	20	38.9	135.2
Repayment of borrowings	20	(39.9)	(147.7)
Repayment of lease liabilities	20	(2.3)	(5.9)
Distributions paid to owners	19	(8.3)	(0.6)
Net cash used in financing activities		**(11.6)**	**(19.0)**
Net (decrease)/increase in cash and cash equivalents		**(8.7)**	**9.8**
Cash and cash equivalents at the beginning of the period		53.4	63.0
Cash and cash equivalents at the end of the period, thereof:		**44.7**	**72.8**
Cash and cash equivalents presented as held for sale	15	**-**	**(0.5)**
Cash and cash equivalents as presented in the Statement of financial position	17	**44.7**	**72.3**

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 2024 for HB Reavis Holding S.A. (the "Company") and its subsidiaries (together referred to as the "Group" or "HB REAVIS Group").

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

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

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

Significant projects (acquisitions and divestments). 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 ('GDV') of EUR 2.5 billion.

In 2021, Platform project in Berlin has been secured, creating GDV of EUR 280 million. In 2022, additional two projects in Berlin have been purchased. Land plot adjacent to DSTRCT I, named DSTRCT II, with Gross Development Value of EUR 150 million and a project called Central Tower Berlin, with future GDV of EUR 340 million and planned completion in 2029.

As of the date of preparation of these condensed consolidated interim financial statements, design works on PLTFRM, and Central Tower, both in Berlin, Germany are in progress.

In November 2022, the Group's income producing portfolio was separated from its development activities by selling shares in HB Reavis Investments Holding S.A. to its shareholders and two separate business lines, a pure developer (HB REAVIS Group), and a pure income REIT-type* vehicle (the Company's subsidiary HB Reavis Investments Holding S.A. and its subsidiaries, together referred to as "HB REAVIS Investments Group") were created.

The Group continued in divesting non-core assets over the course of 2024 and divested land plots in Bratislava and Trnava.

In 2023, the Group completed and transferred project Nove Apollo in Bratislava to HB REAVIS Investment Group. The Group divested land plots in Mlynske Nivy zone in Bratislava, Slovakia, land plot in Budapest, Hungary as well as land plot in Brno, Czech Republic. Symbiosy, tech platform providing smart building solutions created in-house at HB REAVIS Group, was acquired through strategic partnership with HqO, the world's leading real estate experience platform.

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).

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 was 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").

The Group lost control over the Sub-Fund A in 2017 and remaining interest as at 30 June 2024 is immaterial to the Group. In August 2023, liquidation of HB Reavis Global REIF was completed.

On 12 June 2024, sale of 100% of shares in HB Reavis Investment Management S.à r.l., which manages HB Reavis Real Estate Investment Fund, was completed.

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

The Group's strategy is reflected in its cash flow forecast that is regularly monitored by the Board of Managers, including their assessment of appropriateness of preparation of the condensed consolidated interim financial statements on a going concern basis. The cash flow outlook is further described under the description of management of liquidity in Note 32. 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 2024 the Group had offices in Luxembourg, Amsterdam, Bratislava, Warsaw, Prague, Budapest, London, Nicosia and Berlin.

*REIT – real estate investment trust

2 Significant Accounting Policies

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

2.1 Basis of Preparation

Statement of compliance. These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU").

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

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

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

Valuation techniques such as discounted cash flows models or models based on recent arm's length transactions or consideration of financial data of the counterparties are used to fair value certain financial instruments or investment properties for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Refer to Note 34.

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

Real estate worldwide has been one of the few sectors to suffer long-term ill effects from the pandemic. Subsequently, global geopolitical risks have soared since Russia's invasion of Ukraine. Investors, market participants, and policymakers expect that the war will exert a drag on the global economy while pushing up inflation, with a sharp increase in uncertainty and risks of severe adverse outcomes.

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

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

The Management has performed stress-test scenario based on the business plan covering 24 months from the 30 June 2024 to evaluate the Group's cash-flow and 12 months from 30 June 2024 to evaluate Group's financial position. The stress test assumed unavailability of liquid markets with acceptable yields for the Group to sell its investment properties (other than completion of ongoing transactions of non-core land plots) until the end of June 2025. Using the same timeframe, the Group assumed ability to raise additional financing under existing commitments for Worship project in London which is currently fairly late in the development cycle.

The stress test for balance sheet position assumed a further slight reduction in valuation of investment properties in both Western and CEE markets, despite market interest rates having stabilized in 2024 and the pressure on yields in Real estate is weaker than in previous years. Applying measures having at disposal, the assumed declines in fair market values of investment properties would still keep the LTV covenant at the Group level below the threshold triggering default as defined by the bond prospectuses, which is the strictest of all LTV covenants in place. In addition, the outcome of stress-test exercise has resulted in a cash surplus and sufficient liquidity for the activities of the Group at the end of the stress test period.

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

Having slowed down the development activities resulted in operational restructuring (including streamlining of the Group operations and activities) and eventually led to significant reduction of Group's operating costs.

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 2024	31 December 2023
1	**HB Reavis Holding S.A. (The Company)**	**EUR**	**Luxembourg**	**N/A**	**N/A**
2	FORTYTWO House S.à r.l.	GBP	Luxembourg	100	100
3	HB Reavis DE1 S.à r.l.	EUR	Luxembourg	100	100
4	HB Reavis DE3 S.à r.l.	EUR	Luxembourg	100	100
5	HB Reavis Investment Management S.à r.l. [1]	EUR	Luxembourg	-	100
6	PropCo DE4 S.à r.l.	EUR	Luxembourg	100	100
7	PropCo DE5 S.à r.l.	EUR	Luxembourg	100	100
8	SIXTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
9	THIRTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
10	HB REAVIS GROUP B.V.	EUR	Netherlands	100	100
11	HBR FINANCING LIMITED	EUR	Cyprus	100	100
12	HBR IM Holding Ltd.	EUR	Cyprus	100	100
13	HBR Investors Ltd.	EUR	Cyprus	100	100
14	10 Leake Street Ltd	GBP	UK	100	100
15	33 CENTRAL LIMITED	GBP	UK	100	100
16	Elizabeth Property Holdings Ltd	GBP	UK	100	100
17	Elizabeth Property Nominee (No 1) Ltd	GBP	UK	100	100
18	Elizabeth Property Nominee (No 2) Ltd	GBP	UK	100	100
19	Elizabeth Property Nominee (No 3) Ltd	GBP	UK	100	100
20	Elizabeth Property Nominee (No 4) Ltd	GBP	UK	100	100
21	HB Reavis Construction UK Ltd.	GBP	UK	100	100
22	HB Reavis UK Ltd.	GBP	UK	100	100
23	HubHub UK Ltd	GBP	UK	100	100
24	HB Reavis IM Advisor	EUR	Jersey	100	100
25	AGORA Budapest Kft., "v.a." [2]	HUF	Hungary	-	100
26	AGORA Sky Kft.	HUF	Hungary	100	100
27	HB Reavis Construction Hungary Kft.	HUF	Hungary	100	100
28	HB Reavis Hungary Kft., "v.a."	HUF	Hungary	100	100
29	ALISTON Finance II s.r.o. v likvidácii [2]	EUR	Slovakia	-	100
30	ALISTON Finance III s. r. o.	EUR	Slovakia	100	100
31	ALISTON Finance IV s. r. o. v likvidácii	EUR	Slovakia	100	100
32	ALISTON Finance VI s. r. o.	EUR	Slovakia	100	100
33	Apollo Business Center III a.s.	EUR	Slovakia	100	100
34	Apollo Business Center V a. s.	EUR	Slovakia	100	100
35	Bus Station Services s. r. o.	EUR	Slovakia	100	100
36	DVL Engineering a.s.	EUR	Slovakia	100	100
37	Eurovalley, a.s.	EUR	Slovakia	100	100
38	HB Reavis Entity II s. r. o.	EUR	Slovakia	100	100
39	HB Reavis Entity s. r. o.	EUR	Slovakia	100	100
40	HB REAVIS Finance SK III s. r. o. v likvidácii	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 2024	31 December 2023
41	HB REAVIS Finance SK IV s.r.o.	EUR	Slovakia	100	100
42	HB REAVIS Finance SK IX s. r. o.	EUR	Slovakia	100	100
43	HB REAVIS Finance SK s. r. o., v likvidácii	EUR	Slovakia	100	100
44	HB REAVIS Finance SK V s. r. o.	EUR	Slovakia	100	100
45	HB REAVIS Finance SK VI s.r.o.	EUR	Slovakia	100	100
46	HB REAVIS Finance SK VII s. r. o.	EUR	Slovakia	100	100
47	HB REAVIS Finance SK VIII s. r. o.	EUR	Slovakia	100	100
48	HB REAVIS Finance SK X s. r. o. v likvidacii	EUR	Slovakia	100	100
49	HB Reavis Group s. r. o.	EUR	Slovakia	100	100
50	HB Reavis Investment Management správ. spol., a.s.	EUR	Slovakia	100	100
51	HB REAVIS MANAGEMENT spol. s r.o.	EUR	Slovakia	100	100
52	HB REAVIS Slovakia a. s.	EUR	Slovakia	100	100
53	HB REM, spol. s r.o.	EUR	Slovakia	100	100
54	HBR SFA, s. r. o.	EUR	Slovakia	100	100
55	HubHub Slovakia s. r. o.	EUR	Slovakia	100	100
56	ISTROCENTRUM s. r. o.	EUR	Slovakia	100	100
57	Logistické centrum Trnava s.r.o. [1]	EUR	Slovakia	-	100
58	LUGO, s. r. o. v likvidácii	EUR	Slovakia	100	100
59	Pressburg Urban Projects a. s. [1]	EUR	Slovakia	-	100
60	Smart City Bridge s. r. o.	EUR	Slovakia	100	100
61	Smart City s.r.o.	EUR	Slovakia	90	90
62	SPC Property III, s. r. o. v likvidácii[2]	EUR	Slovakia	-	100
63	SPV Vištuk s.r.o.	EUR	Slovakia	100	100
64	Stanica Nivy s.r.o.	EUR	Slovakia	100	100
65	Twin City Infrastructure s. r. o.	EUR	Slovakia	100	100
66	Twin City V s. r. o.	EUR	Slovakia	100	100
67	Vištuk Facilities s.r.o.	EUR	Slovakia	100	100
68	HB Reavis Finance CZ II, s.r.o.	EUR	Czech republic	100	100
69	HB Reavis Finance CZ, s.r.o. v likvidaci[2]	EUR	Czech republic	-	100
70	HB Reavis Group CZ, s.r.o. , v likvidaci	CZK	Czech republic	100	100
71	HB Reavis Holding CZ a.s.	CZK	Czech republic	100	100
72	HB REAVIS MANAGEMENT CZ spol. s r.o.	CZK	Czech republic	100	100
73	HubHub Czech Republic s.r.o., v likvidaci	CZK	Czech republic	100	100
74	ISTROCENTRUM CZ, a.s., v likvidaci	CZK	Czech republic	100	100
75	HB Reavis Construction PL Sp. z o.o.	PLN	Poland	100	100
76	HB Reavis Finance PL 3 Sp. z o.o.	PLN	Poland	100	100
77	HB Reavis Poland Sp. z o.o.	PLN	Poland	100	100
78	HB Reavis Qubes Poland Sp. z o.o. w likwidacji[2]	PLN	Poland	-	100
79	HubHub Poland sp. Z o.o.	PLN	Poland	100	100
80	Konstruktorska BC Sp. z o.o.	PLN	Poland	100	100
81	POLCOM INVESTMENT II Sp. z o. o.	PLN	Poland	100	100
82	Polcom Investment III Sp. z o.o w likwidacji	PLN	Poland	100	100
83	Polcom Investment X sp. z o.o.	PLN	Poland	100	100
84	Polcom Investment XI sp. z o.o.	PLN	Poland	100	100
85	Polcom Investment XLIII Sp. z o.o. w likwidacji[2]	PLN	Poland	-	100
86	Polcom Investment XLIX Sp. z o.o. w likwidacji[2]	PLN	Poland	-	100
87	Polcom Investment XVI Sp. z o.o. w likwidacji	PLN	Poland	100	100
88	Polcom Investment XXIV Sp. z o.o. w likwidacji[2]	PLN	Poland	-	100
89	Polcom Investment XXXIII Sp. z o.o. w likwidacji	PLN	Poland	100	100
90	Property Hetman Sp. z o.o.	PLN	Poland	100	100
91	PSD Sp. z o.o. w likwidacji	PLN	Poland	100	100
92	Rainhill Sp. z o. o.	PLN	Poland	100	100
93	CentralTower Berlin GmbH	EUR	Germany	99.0	99.0
94	HB Reavis Construction Germany GmbH [3]	EUR	Germany	100	100
95	HB Reavis Germany GmbH	EUR	Germany	100	100
96	Elizabeth House GP LLC	GBP	US	100	100
97	Elizabeth House Limited Partnership	GBP	US	100	100

[1] *Entities disposed of during the 6 months ended 30 June 2024 (refer to Note 28)*
[2] *Entities were liquidated during the 6 months ended 30 June 2024*
[3] *HB Reavis Construction Germany GmbH, registered seat in Berlin/Germany, is claiming exemption from the requirements of the § 264 sec. 3 HGB (German Commercial Code).*

2 Significant Accounting Policies (Continued)

2.3 Interim Period Tax Measurement

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

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies

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

Valuation of investment properties. As at 30 June 2024 the fair value estimates of investment properties are valued on a basis of broker quotes (which are based on letter of intent purchase price submitted by prospective bidders) or management estimates. As at 31 December 2023, the fair value estimates of 92.1% of investment properties 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 fair value of investment properties is estimated based on the income capitalisation method, where the value is estimated from the expected future benefits to be generated by the property in the form of rental income streams. The method considers net income generated by existing or comparable property, capitalised at an appropriate market capitalisation rate to determine the value for property which is subject to the valuation. The assumptions underlying the estimation of the fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; re-letting incentives; maintenance requirements; appropriate discount rates; and in case of properties under development, future constructions, finance and letting costs and market developers’ profits. These valuations are regularly compared to actual market data and actual transactions by the Group and those reported by the market. For further details refer to Note 34.

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

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

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

Expected credit losses (ECL) measurement. Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 32.

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.

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

Estimations of fair value of derivatives are described in Note 34.

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 2024:

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

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 2024 and have not been early adopted by the Group:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023 and effective for annual reporting periods beginning on or after 1 January 2025)*
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual reporting periods beginning on or after 1 January 2026)*
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual reporting periods beginning on or after 1 January 2027)*
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual reporting periods beginning on or after 1 January 2027)*

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

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

6 Segment Analysis

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

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

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

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

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

6 Segmental Analysis (Continued)

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

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

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

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

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

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

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

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

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

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

6 Segment Analysis (Continued)

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

The segment profit and loss information for the period ended 30 June 2024 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Rental income from investment property	22									
- Office		3.5	-	0.1	-	-	2.1	-	**-**	**5.7**
- Retail		9.5	-	-	-	-	-	-	**-**	**9.5**
		13.0	**-**	**0.1**	**-**	**-**	**2.1**	**-**	**-**	**15.2**
Service charges income from investment properties	22									
- Office		2.1	-	-	0.9	-	-	-	-	**3.0**
- Retail		4.3	-	-	-	-	-	-	-	**4.3**
		6.4	**-**	**-**	**0.9**	**-**	**-**	**-**	**-**	**7.3**
Management charges income from investment properties	22									
- Office		0.3	-	-	0.3	-	0.4	-	-	**1.0**
- Retail		0.6	-	-	-	-	-	-	-	**0.6**
		0.9	**-**	**-**	**0.3**	**-**	**0.4**	**-**	**-**	**1.6**
Direct operating expenses arising from investment property	23									
- Office		(2.3)	(0.1)	(0.2)	(0.7)	-	(1.2)	-	**-**	**(4.5)**
- Retail		(7.5)	-	-	-	-	-	-	**-**	**(7.5)**
		(9.8)	**(0.1)**	**(0.2)**	**(0.7)**	**-**	**(1.2)**	**-**	**-**	**(12.0)**
Net operating income/(loss) from investment property		**10.5**	**(0.1)**	**(0.1)**	**0.5**	**-**	**1.3**	**-**	**-**	**12.1**
Revaluation gain/(loss) on investment property	10									
- Office		(6.2)	33.4	14.5	-	-	(3.4)	-	-	**38.3**
- Retail		(0.2)	-	-	-	-	-	-	-	**(0.2)**
- Industrial		-	-	-	-	6.7	-	-	-	**6.7**
Share of loss of joint ventures		-	-	-	-	-	-	-	-	**-**
Interest expense - third parties	20	(6.9)	(9.9)	(9.1)	-	-	(0.5)	-	(0.7)	**(27.1)**

Table continued on next page

6 Segment Analysis (Continued)

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

The segment profit and loss information for the 6 months ended 30 June 2024 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Investment management fee		-	-	-	0.6	-	-	-	-	**0.6**
Revenue from construction and other services	26	0.3	15.0	-	-	-	0.1	-	-	**15.4**
Construction services	27	-	(10.6)	-	-	-	-	-	-	**(10.6)**
Net (losses)/gains on financial assets at fair value through profit or loss	32	(9.2)	1.2	-	-	-	-	-	-	**(8.0)**
Foreign exchange gains, net	30	-	-	-	-	-	-	-	4.8	**4.8**
Results on disposal of subsidiaries	28	(0.2)	-	(1.3)	3.6	3.9	(0.1)	-	-	**5.9**
Other (expenses)/revenues		(1.3)	(6.7)	(2.7)	(0.4)	(0.5)	(0.2)	0.1	-	**(11.7)**
Profit/(loss) before income tax (segment result)		**(13.2)**	**22.3**	**1.3**	**4.3**	**10.1**	**(2.8)**	**0.1**	**4.1**	**26.2**

The segment information on purchases, construction cost and sale of investment property for the 6 months ended 30 June 2024 is as follows:

Construction costs related to investment property	10	0.3	16.4	3.4	-	-	-	-	-	**20.1**
Construction costs related to construction work	27	-	10.6	-	-	-	-	-	-	**10.6**
Total investments		**0.3**	**27.0**	**3.4**	**-**	**-**	**-**	**-**	**-**	**30.7**
Sale of investment property	10	-	-	(6.0)	-	(27.1)	-	-	-	**(33.1)**
Total divestments		**-**	**-**	**(6.0)**	**-**	**(27.1)**	**-**	**-**	**-**	**(33.1)**

6 Segment Analysis (Continued)

d) Information about reportable segment profit or loss, assets and liabilities (Continued)
The segment information on segment assets and liabilities as of 30 June 2024 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Investment property	10									
- Office		106.1	204.7	529.7	-	-	12.1	-	-	852.6
- Retail		334.5	-	-	-	3.5	-	-	-	338.0
- Industrial		-	-	-	-	19.6	-	-	-	19.6
- Investment property held for sale	15	-	-	15.9	-	-	-	-	-	15.9
Deferred income tax asset		5.3	8.6	20.3	-	0.1	0.4	0.3	-	35.0
Inventories		0.1	0.3	-	-	-	-	-	-	0.4
Receivables and loans	7,12	16.1	4.0	-	-	-	0.1	-	-	20.2
Other non-current assets	13	9.0	0.5	-	-	2.3	-	-	-	11.8
Restricted cash	16	-	-	-	-	-	-	12.3	-	12.3
Cash and cash equivalents	17	-	-	-	-	-	-	44.7	-	44.7
Trade and other receivables	7,14	9.6	72.8	6.0	0.1	-	0.6	0.1	43.8	133.0
Other unallocated assets*		-	-	-	-	-	-	-	7.6	7.6
Total assets		**480.7**	**290.9**	**571.9**	**0.1**	**25.5**	**13.2**	**57.4**	**51.4**	**1,491.1**
Borrowings	20									
- non-current		(211.3)	(95.3)	(253.0)	-	-	-	-	-	(559.6)
- current		(7.6)	(115.1)	(76.8)	-	-	-	-	(52.4)	(251.9)
Leasing	9,20									
- non-current		-	(3.2)	-	-	-	(7.5)	-	-	(10.7)
- current		-	(1.4)	-	-	-	(1.9)	-	-	(3.3)
Trade and other payables	7,21									
- non-current		(4.2)	(1.9)	(0.1)	-	-	(0.7)	-	(2.0)	(8.9)
- current		(8.6)	(31.6)	(0.5)	(0.1)	(0.1)	(5.5)	(0.1)	(11.7)	(58.2)
Deferred income tax liability		(22.5)	(6.5)	(12.1)	-	(2.8)	(0.3)	(0.1)	-	(44.3)
Other unallocated liabilities**		-	-	-	-	-	-	-	(1.3)	(1.3)
Total liabilities		**(254.2)**	**(255.0)**	**(342.5)**	**(0.1)**	**(2.9)**	**(15.9)**	**(0.2)**	**(67.4)**	**(938.2)**
Segment net asset value		**226.5**	**35.9**	**229.4**	**-**	**22.6**	**(2.7)**	**57.2**	**(16.0)**	**552.9**

*Other unallocated assets consist of: Property, plant and equipment and intangible assets and Right of use assets of EUR 5.5 million, Other assets of EUR 1.9 million and Non-current assets 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.

6 Segment Analysis (Continued)

d) Information about reportable segment profit or loss, assets and liabilities (Continued)
Geographical information. Revenue, expenses and assets analysed by country for the 6 months ended 30 June 2024 are as follows:

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus	Unallocated	Total
Rental income	22	13.0	-	0.1	-	2.1	-	-	-	**15.2**
Service charges	22	7.3	-	-	-	-	-	-	-	**7.3**
Management charges	22	1.4	-	-	-	0.2	-	-	-	**1.6**
Direct operating expenses	23	(10.9)	-	-	-	(1.1)	-	-	-	**(12.0)**
Net operating income/(loss) from investment properties		**10.8**	**-**	**0.1**	**-**	**1.2**	**-**	**-**	**-**	**12.1**
Revaluation gain/(loss) on investment property	10	(2.3)	-	4.9	-	46.7	(4.5)	-	-	**44.8**
Revenue from construction and other services	26	4.5	-	8.1	-	-	2.1	0.7	-	**15.4**
Construction contract costs	27	(2.7)	-	(6.5)	-	(0.1)	(1.3)	-	-	**(10.6)**
Share of loss of joint ventures		-	-	-	-	-	-	-	-	**-**
Interest expense	20	(14.3)	(1.6)	-	(0.4)	(6.4)	(4.3)	(0.1)	-	**(27.1)**
Investment management fee		-	-	-	-	-	-	0.6	-	**0.6**
Net (losses)/gains on financial assets at fair value through profit or loss	32	1.7	-	0.1	-	0.8	(10.9)	0.3	-	**(8.0)**
Foreign exchange gains, net	30	-	0.6	(0.3)	0.6	-	-	3.9	-	**4.8**
Results on disposal of subsidiaries	28	2.9	-	-	(2.4)	0.2	-	5.2	-	**5.9**
Other (expenses)/revenues		(3.0)	(0.8)	(1.8)	-	(2.8)	(1.9)	(1.4)	-	**(11.7)**
Profit/(loss) before tax		**(2.4)**	**(1.8)**	**4.6**	**(2.2)**	**39.6**	**(20.8)**	**9.2**	**-**	**26.2**
Investment property in use or vacant	10	441.0	-	-	-	11.7	-	-	-	**452.7**
Investment property under development	10	51.6	-	1.0	-	544.1	160.8	-	-	**757.5**
Other non-current assets*		28.1	0.2	0.9	-	19.4	5.7	18.2	-	**72.5**
Total non-current assets		**520.7**	**0.2**	**1.9**	**-**	**575.2**	**166.5**	**18.2**	**-**	**1,282.7**
Non-current assets classified as held-for-sale	15	-	-	8.0	-	-	8.1	-	-	**16.1**
Total non-current assets and assets held for sale		**520.7**	**0.2**	**9.9**	**-**	**575.2**	**174.6**	**18.2**	**-**	**1,298.8**
Restricted cash	16	4.7	-	0.1	-	0.9	6.4	0.2	-	**12.3**
Cash and cash equivalents	17	12.1	0.3	13.6	0.9	4.5	5.7	7.6	-	**44.7**
Inventories		0.4	-	-	-	-	-	-	-	**0.4**
Trade and other receivables including Other assets	7,14,18	15.1	2.1	18.5	4.5	6.5	16.2	0.3	71.7	**134.9**
Total assets		**553.0**	**2.6**	**42.1**	**5.4**	**587.1**	**202.9**	**26.3**	**71.7**	**1,491.1**

6 Segment Analysis (Continued)

Geographical information. Liabilities and capital expenditures analysed by country for the 6 months ended 30 June 2024 are as follows:

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus	Unallocated	Total
Borrowings	20									
- non-current		(453.5)	-	-	-	-	(106.1)	-	-	**(559.6)**
- current		(85.7)	(57.8)	-	-	(85.1)	(23.3)	-	-	**(251.9)**
Leasing	9,20									
- non-current		(3.1)	-	(0.1)	-	(7.5)	-	-	-	**(10.7)**
- current		(1.3)	-	(0.1)	-	(1.9)	-	-	-	**(3.3)**
Trade and other payables	7,21									
- non-current		(6.1)	-	-	-	(0.8)	-	(2.0)	-	**(8.9)**
- current		(17.7)	(0.4)	(9.6)	(2.6)	(13.5)	(6.8)	(7.6)	-	**(58.2)**
Liabilities directly associated with non-current assets classified as held for sale	15	-	-	(0.8)	-	-	(0.5)	-	-	**(1.3)**
Deferred income tax liability		(30.8)	-	(0.4)	(0.3)	(10.5)	(2.3)	-	-	**(44.3)**
Total liabilities		**(598.2)**	**(58.2)**	**(11.0)**	**(2.9)**	**(119.3)**	**(139.0)**	**(9.6)**	**-**	**(938.2)**
Net asset value		**(45.2)**	**(55.6)**	**31.1**	**2.5**	**467.8**	**63.9**	**16.7**	**71.7**	**552.9**
Construction costs related to investment property	10	0.3	-	-	-	17.3	2.5	-	-	**20.1**
Construction costs related to construction work	27	2.7	-	6.5	-	0.1	1.3	-	-	**10.6**
Total investments		**3.0**	**-**	**6.5**	**-**	**17.4**	**3.8**	**-**	**-**	**30.7**
Sale of investment property	28	(33.1)	-	-	-	-	-	-	-	**(33.1)**
Total divestments		**(33.1)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(33.1)**

*Other non-current assets consist of Property, plant and equipment and intangible assets and Right of use assets of EUR 5.5 million, Receivables and loans of EUR 20.2 million, Deferred income tax asset of EUR 35.0 million, and Other non-current assets of EUR 11.8 million.

6 Segment Analysis (Continued)

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

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

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Rental income from investment property	22									
- Office		4.3	-	-	-	-	5.4	-	-	**9.7**
- Retail		8.9	-	-	-	-	-	-	-	**8.9**
		13.2	**-**	**-**	**-**	**-**	**5.4**	**-**	**-**	**18.6**
Service charges income from investment properties	22									
- Office		2.6	-	-	1.3	-	0.1	-	-	**4.0**
- Retail		4.7	-	-	-	-	-	-	-	**4.7**
		7.3	**-**	**-**	**1.3**	**-**	**0.1**	**-**	**-**	**8.7**
Management charges income from investment properties	22									
- Office		1.3	-	-	0.1	-	0.3	-	-	**1.7**
- Retail		0.6	-	-	0.3	-	-	-	-	**0.9**
		1.9	**-**	**-**	**0.4**	**-**	**0.3**	**-**	**-**	**2.6**
Direct operating expenses arising from investment property	23									
- Office		(3.3)	-	(0.3)	(0.6)	-	(3.8)	**-**	**-**	**(8.0)**
- Retail		(7.9)	-	-	-	-	-	**-**	**-**	**(7.9)**
		(11.2)	**-**	**(0.3)**	**(0.6)**	**-**	**(3.8)**	**-**	**-**	**(15.9)**
Net operating income/(loss) from investment property		**11.2**	**-**	**(0.3)**	**1.1**	**-**	**2.0**	**-**	**-**	**14.0**
Revaluation gain/(loss) on investment property	10									
- Office		(0.5)	25.5	(155.4)	-	-	(5.8)	-	-	**(136.2)**
- Retail		(8.1)	-	-	-	-	-	-	-	**(8.1)**
- Industrial		-	-	-	-	0.2	-	-	-	**0.2**
Share of loss of joint ventures	11	-	-	(2.5)	-	-	-	-	-	**(2.5)**
Interest expense - third parties	20	(5.6)	(6.0)	(16.0)	-	-	(0.8)	-	(2.5)	**(30.9)**

Table continued on next page

6 Segment Analysis (Continued)

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

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

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Investment management fee		-	-	-	1.1	-	-	-	-	**1.1**
Revenue from construction and other services	26	-	43.6	0.8	0.2	0.5	0.2	-	-	**45.3**
Construction services	27	-	(25.6)	-	-	-	-	-	-	**(25.6)**
Net (losses)/gains on financial assets at fair value through profit or loss	32	0.9	5.2	3.6	-	-	-	-	-	**9.7**
Foreign exchange gains, net	30	-	-	-	-	-	-	-	(0.6)	**(0.6)**
Results on disposal of subsidiaries	28	-	-	3.8	-	-	-	(14.0)	-	**(10.2)**
Other (expenses)/revenues		(0.3)	(14.2)	(12.0)	(0.8)	(2.0)	(0.9)	(0.4)	(0.5)	**(31.1)**
Profit/(loss) before income tax (segment result)		**(2.4)**	**28.5**	**178.0**	**1.6**	**(1.3)**	**(5.3)**	**(14.4)**	**(3.6)**	**(174.9)**

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

Construction costs related to investment property	10	13.1	26.6	11.4	-	-	1.8	-	**-**	**52.9**
Construction costs related to construction work	27	-	25.6	-	-	-	-	-	-	**25.6**
Total investments		**13.1**	**52.5**	**11.4**	**-**	**-**	**1.8**	**-**	**-**	**78.5**
Sale of investment property	10	(8.5)	-	(24.0)	-	-	(3.8)	-	-	**(36.3)**
Total divestments		(8.5)	-	(24.0)	-	-	(3.8)	-	-	**(36.3)**

6 Segment Analysis (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities (Continued)
The segment information on segment assets and liabilities as of 31 December 2023 is as follows:

In millions of EUR	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Investment property	10									
- Office		113.4	150.5	510.9	-	-	15.4	-	-	**790.2**
- Retail		334.5	-	-	-	3.5	-	-	-	**338.0**
- Industrial		-	-	-	-	19.6	-	-	-	**19.6**
- Investment property held for sale	15	-	-	14.3	-	20.5	-	-	-	**34.8**
Deferred income tax asset		-	5.3	22.4	-	0.1	0.1	0.5	-	**28.4**
Inventories		0.1	0.2	-	-	0.1	-	-	-	**0.4**
Receivables and loans	7,12	15.9	2.1	-	-	-	0.1	17.8	-	**35.9**
Other non-current assets	13	7.8	1.1	-	-	2.3	0.1	-	-	**11.3**
Restricted cash	16	-	-	-	-	-	-	8.9	-	**8.9**
Cash and cash equivalents	17	-	-	-	-	-	-	51.9	-	**51.9**
Trade and other receivables	7,14	13.7	52.3	5.2	-	0.1	2.1	0.5	117.7	**191.6**
Other unallocated assets*		-	-	-	-	-	-	-	11.5	**11.5**
Total assets		**485.4**	**211.5**	**552.8**	**-**	**46.2**	**17.8**	**79.6**	**129.2**	**1,522.5**
Borrowings	20									
- non-current		(163.1)	(100.7)	(210.8)	-	-	-	-	-	**(474.6)**
- current		(59.3)	(120.4)	(150.4)	-	-	-	-	(5.0)	**(335.1)**
Leasing	9,20									
- non-current		-	(3.7)	-	-	-	(8.3)	-	-	**(12.0)**
- current		-	(1.6)	-	-	-	(1.9)	-	-	**(3.5)**
Trade and other payables	7,21									
- non-current		(4.3)	(1.9)	-	-	-	(0.8)	-	(2.5)	**(9.5)**
- current		(9.4)	(42.8)	-	-	(0.1)	(6.6)	(0.6)	(57.3)	**(116.8)**
Deferred tax liability		(20.9)	-	(12.3)	-	(2.8)	-	(0.1)	-	**(36.1)**
Other unallocated liabilities**		-	-	-	-	-	-	-	(4.4)	**(4.4)**
Total liabilities		**(257.0)**	**(271.1)**	**(373.5)**	**-**	**(2.9)**	**(17.6)**	**(0.7)**	**(69.2)**	**(992.0)**
Segment net asset value		**228.4**	**(59.6)**	**179.3**	**-**	**43.3**	**0.2**	**78.9**	**60.0**	**530.5**

*Other unallocated assets consist of: Property, plant and equipment and Right of use assets of EUR 6.6 million, Other assets of EUR 2 million and Other Non-current assets classified as held-for-sale of EUR 2.9 million.
**Other unallocated liabilities consist of other liabilities directly associated with non-current assets classified as held for sale of EUR 4.4 million.

6 Segment Analysis (Continued)

Geographical information. Revenue, expenses analysed by country for 6 months ended 30 June 2023 and assets analysed by country as of 31 December 2023 are as follows:

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus	Unallocated	Total
Rental income	22	14.1	0.7	0.6	0.1	3.1	-	-	-	**18.6**
Service charges	22	8.6	-	-	-	0.1	-	-	-	**8.7**
Management charges	22	1.4	0.3	0.5	0.1	0.2	0.1	-	-	**2.6**
Direct operating expenses	23	(12.8)	(1.6)	(0.1)	-	(1.4)	-	-	-	**(15.9)**
Net operating income/(loss) from investment properties		**11.3**	**(0.6)**	**1.0**	**0.2**	**2.0**	**0.1**	**-**	**-**	**14.0**
Revaluation gain/(loss) on investment property	10	(12.2)	(5.5)	(1.2)	(20.5)	(72.3)	(32.4)	-	-	**(144.1)**
Revenue from construction and other services	26	5.6	0.1	30.7	0.2	0.7	7.8	0.2	-	**45.3**
Construction contract costs	27	(2.5)	(0.1)	(17.3)	-	(0.3)	(5.4)	-	-	**(25.6)**
Share of loss of joint ventures	11	-	-	(2.5)	-	-	-	-	-	**(2.5)**
Interest expense	20	(16.2)	(5.1)	(2.3)	-	(4.1)	(3.0)	(0.2)	-	**(30.9)**
Investment management fee		-	-	-	-	-	-	1.1	-	**1.1**
Net (losses)/gains on financial assets at fair value through profit or loss	32	0.9	2.0	3.4	-	2.7	-	0.7	-	**9.7**
Foreign exchange gains, net	30	-	(0.1)	(3.0)	(3.7)	(0.3)	-	6.5	-	**(0.6)**
Results on disposal of subsidiaries	28	3.8	-	-	-	-	-	-	(14.0)	**(10.2)**
Other (expenses)/revenues		(6.9)	(1.4)	(4.4)	0.5	(6.0)	(6.3)	(6.6)	-	**(31.1)**
Profit/(loss) before tax		**(16.2)**	**(10.7)**	**4.4**	**(23.3)**	**(77.6)**	**(39.2)**	**1.7**	**(14.0)**	**(174.9)**
Investment property in use or vacant	10	449.4	-	1.0	-	12.9	-	-	-	**463.3**
Investment property under development	10	51.7	-	4.3	-	465.8	162.7	-	-	**684.5**
Other non-current assets*		23.8	0.4	1.0	-	18.7	8.6	29.7	-	**82.2**
Total non-current assets		**524.9**	**0.4**	**6.3**	**-**	**497.4**	**171.3**	**29.7**	**-**	**1,230.0**
Non-current assets classified as held-for-sale	15	28.0	-	-	-	-	8.0	1.7	-	**37.7**
Total non-current assets and assets held for sale		**552.9**	**0.4**	**6.3**	**-**	**497.4**	**179.3**	**31.4**	**-**	**1,267.7**
Restricted cash	16	7.7	-	0.1	-	0.8	-	0.3	-	**8.9**
Cash and cash equivalents	17	11.7	0.9	17.8	0.5	5.0	7.1	8.9	-	**51.9**
Inventories		0.4	-	-	-	-	-	-	-	**0.4**
Trade and other receivables including Other assets	7,14,18	23.2	2.5	18.5	3.9	6.3	26.1	0.6	112.5	**193.6**
Total assets		**595.9**	**3.8**	**42.7**	**4.4**	**509.5**	**212.5**	**41.2**	**112.5**	**1,522.5**

6 Segment Analysis (Continued)

Geographical information. Liabilities as at 31 December 2023 and capital expenditures for the 6 months ended 30 June 2023 analysed by country are as follows:

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Luxembourg, Netherlands, Cyprus	Unallocated	Total
Borrowings	20									
- non-current		(417.3)	(57.3)	-	-	-	-	-	-	**(474.6)**
- current		(92.2)	(2.2)	-	-	(79.3)	(132.3)	(29.1)	-	**(335.1)**
Leasing	9,20									
- non-current		(3.6)	-	(0.1)	-	(8.3)	-	-	-	**(12.0)**
- current		(1.3)	-	(0.3)	-	(1.8)	(0.1)	-	-	**(3.5)**
Trade and other payables	7,21									
- non-current		(6.3)	-	-	-	(0.7)	-	(2.5)	-	**(9.5)**
- current		(23.2)	(0.1)	(12.1)	(2.1)	(14.7)	(11.5)	(53.1)	-	**(116.8)**
Liabilities directly associated with non-current assets classified as held for sale	15	(3.3)	-	-	-	-	(0.3)	(0.8)	-	**(4.4)**
Deferred income tax liability		(28.8)	-	(0.3)	(0.3)	(1.0)	(5.7)	-	-	**(36.1)**
Total liabilities		**(576.0)**	**(59.6)**	**(12.8)**	**(2.4)**	**(105.8)**	**(149.9)**	**(85.5)**	**-**	**(992.0)**
Net asset value		**19.9**	**(55.8)**	**29.9**	**2.0**	**403.7**	**62.6**	**(44.3)**	**112.5**	**530.5**
Construction costs related to investment property	10	14.2	1.8	-	0.6	29.2	7.1	-	-	**52.9**
Construction costs related to construction work	27	2.5	0.1	17.3	-	0.3	5.4	-	-	**25.6**
Total investments		**16.7**	**1.9**	**17.3**	**0.6**	**29.5**	**12.5**	**-**	**-**	**78.5**
Sale of investment property	10,28	(28.5)	(6.7)	(1.1)	-	-	-	-	-	**(36.3)**
Total divestments		**(28.5)**	**(6.7)**	**(1.1)**	**-**	**-**	**-**	**-**	**-**	**(36.3)**

*Other non-current assets consist of Property, plant and equipment and right of use assets of EUR 6.6 million, Receivables and loans of EUR 35.9 million, Deferred income tax asset of EUR 28.6 million, and Other non-current assets of EUR 11.3 million.

7 Balances and Transactions with Related Parties

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

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

Key management of the Group consists of 8 senior managers (2023: 9). 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 2024 are detailed below.

At 30 June 2024, the outstanding balances with related parties are as follows:

In millions of EUR	**Entities under common control**	**Key management personnel**	**Total**
Trade and other receivables (Note 14)	48.4	-	**48.4**
Loans to related parties (Note 14)	34.0	-	**34.0**
ECL allowance for trade receivables and loans to related party (Note 14)	(4.1)	-	**(4.1)**
Trade and other payables current (Note 21)	(11.0)	-	**(11.0)**
Distribution payable to owners (Note 21)	(2.3)	-	**(2.3)**
Trade and other payables non - current (Note 21)	(2.5)	-	**(2.5)**

The income, expense and other transactions with related parties for the 6 months ended 30 June 2024 are as follows:

In millions of EUR	**Entities under common control**	**Key management personnel**	**Total**
Revenue from construction contracts (Note 26)	3.3	-	**3.3**
Revenues from fit-out (Note 26)	7.9	-	**7.9**
Rental income	3.7	-	**3.7**
Revenue from services rendered	2.7	-	**2.7**
Rental expenses	(2.4)	-	**(2.4)**
Other services	(3.1)	-	**(3.1)**
Employee benefits (salaries)	-	(1.3)	**(1.3)**
Employee benefits (social security costs)	-	(0.1)	**(0.1)**
Interest income	1.3	-	**1.3**
Interest expense	(0.4)	-	**(0.4)**
Proceeds from sale of subsidiary	0.5	-	**0.5**
Capital contribution to unconsolidated entity (Note 13)	(12.0)	-	**(12.0)**

At 31 December 2023, the outstanding balances with related parties are as follows:

In millions of EUR	**Entities under common control**	**Key management personnel**	**Total**
Trade and other receivables (Note 14)	148.5	0.1	**148.6**
Loans to related parties (Note 14)	0.5	-	**0.5**
ECL allowance for trade receivables and loans to related party (Note 14)	(2.7)	-	**(2.7)**
Other current assets (Note 18)	0.6	-	**0.6**
Financial assets - loans (Note 12)	17.8	-	**17.8**
Trade and other payables current (Note 21)	(57.4)	-	**(57.4)**
Trade and other payables non - current (Note 21)	(2.9)	-	**(2.9)**
Borrowings – current (Note 20)	(29.1)	-	**(29.1)**

7 Balances and Transactions with Related Parties (Continued)

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

In millions of EUR	Entities under common control	Key management personnel	Total
Revenue from construction contracts (Note 26)	12.0	-	**12.0**
Revenues from fit-out (Note 26)	19.5	-	**19.5**
Rental income	4.3	-	**4.3**
Revenue from services rendered	1.1	-	**1.1**
Rental expenses	(4.1)	-	**(4.1)**
Other operating income	4.0	-	**4.0**
Other services	(1.6)	-	**1.6**
Short-term employee benefits (salaries)	-	(3.2)	**(3.2)**
Long-term employee benefits (social security costs)	-	(0.4)	**(0.4)**
Interest income	0.7	-	**0.7**
Interest expense	(0.2)	-	**(0.2)**
Other finance costs	(0.7)	-	**(0.7)**

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 2024 and/or 2023 are not material in the context of the condensed consolidated interim financial statements. The compensation of the Board of Directors of the Parent Company amounted to EUR 1.0 million in 6 months of 2024 (6 months of 2023: EUR 1.1 million).

The Group had no outstanding loans receivable from the members of the Board of Directors of the Group as at 30 June 2024 (2023: nil).

Distributions to owners paid by the Group in 2024 and 2023 respectively are described in Note 19.

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

8 Property, Plant and Equipment and Intangible assets

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

In millions of EUR	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances	Intangible assets	Total
Net book value as at 1 January 2023	**0.6**	**0.7**	**0.9**	**0.2**	**2.1**	**4.5**
Additions	-	-	-	-	-	**-**
Transfer from Investment property	-	-	-	-	-	**-**
Transfers	-	-	0.2	(0.2)	-	**-**
Disposals	(0.5)	-	(0.2)	-	-	**(0.7)**
Disposal of subsidiary	-	-	-	-	(0.6)	**(0.6)**
Depreciation charge	-	(0.5)	(0.7)	-	(0.6)	**(1.8)**
Net book value as at 31 December 2023	**0.1**	**0.2**	**0.2**	**-**	**0.9**	**1.4**
Additions	-	-	-	-	-	**-**
Disposals	-	(0.1)	-	-	-	**(0.1)**
Depreciation charge	-	-	(0.1)	-	(0.2)	**(0.3)**
Net book value as at 30 June 2024	**0.1**	**0.1**	**0.1**	**-**	**0.7**	**1.0**

At 30 June 2024, no property, plant and equipment (at 31 December 2023: nill) has been pledged to third parties as collateral with respect to borrowings.

9 Right-of-use assets and lease liabilities

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

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

In millions of EUR	**Land and buildings**	**Vehicles and other assets**	**Total**
Carrying amount at 1 January 2023	**6.9**	**0.5**	**7.4**
Additions	-	0.3	0.3
Depreciation charge	(2.1)	(0.4)	(2.5)
Carrying amount at 31 December 2023	**4.8**	**0.4**	**5.2**
Additions	-	0.2	0.2
Depreciation charge	(0.7)	(0.2)	(0.9)
Carrying amount at 30 June 2024	**4.1**	**0.4**	**4.5**

The Group recognised lease liabilities as follows:

In millions of EUR	**30 June 2024**	**31 December 2023**
Lease liabilities:		
Current	3.3	3.5
Non-current	10.7	12.0
Total lease liabilities*	**14.0**	**15.5**

The Group has included EUR 18.1 million right-of-use assets in investment properties as of 30 June 2024 (at 31 December 2023: EUR 19.3 million) – see Note 10.

*Lease liabilities include:

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

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

In millions of EUR	**Note**	**6 months ended 30 June 2024**	**6 months ended 30 June 2023**
Depreciation of right-of-use asset			
Land and buildings		0.7	1.3
Vehicles and other assets		0.2	0.2
Total depreciation of right-of-use asset		**0.9**	**1.5**
Other expense related to Leases			
Revaluation loss on investment property	10	1.2	3.7
Interest expense		0.5	0.9

Expenses relating to short-term leases and to leases of low-value assets that are not shown as short-term leases were nil (31 December 2023: nil).

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

Total cash outflow for leases during the 6 months period ended 30 June 2024 was EUR 2.3 million (6 months period ended 30 June 2023: EUR 5.9 million).

Extension and termination options are included in a number of property and equipment leases across the Group. As at 30 June 2024, potential future cash outflows of EUR 5.1 million (at 31 December 2023: EUR 18.3million) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group. During the current reporting period, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil (at 31 December 2023: nil).

10 Investment Property

	6 months period ended 30 June 2024					**Year ended 31 December 2023**				
	Under development		**In use or vacant**		**Total**	**Under development**		**In use or vacant**		**Total**
In millions of EUR	**Owned**	**Leased**	**Owned**	**Leased**		**Owned**	**Leased**	**Owned**	**Leased**	
Fair value at 1 January	**675.4**	**9.1**	**453.1**	**10.2**	**1,147.8**	**1,102.1**	**9.1**	**454.0**	**27.5**	**1,592.7**
Right-of-use-asset acquired during the year / lease index and concessions	-	-	-	-	**-**	-	-	-	0.8	**0.8**
Subsequent expenditure on investment property	17.6	-	2.5		**20.1**	78.3	-	2.6	-	**80.9**
Disposal of investment property	(0.2)	-	(1.3)	-	**(1.5)**	(31.9)	-	(7.5)	(13.3)	**(52.7)**
Transfers from under development to in use	-	-	-	-	**-**	(165.4)	-	165.4	-	**-**
Transfers to disposal groups classified as held for sale (Note 15)	(14.1)	-	-	-	**(14.1)**	(14.3)	-	-	-	**(14.3)**
Disposal of subsidiary	-	-	-	-	**-**	(49.0)	-	(159.5)	-	**(208.5)**
Fair value gains/(losses) – properties completed during the year*	-	-	-	-	**-**	(1.6)	-	(5.9)	-	**(7.5)**
Fair value gains/(losses)*	56.7	-	(10.7)	(1.2)	**44.8**	(255.7)	-	3.5	(5.1)	**(257.3)**
Effect of translation to presentation currency*	13.0		0.1	-	**13.1**	12.9	-	0.5	0.3	**13.7**
Fair value at the end of the period	**748.4**	**9.1**	**443.7**	**9.0**	**1,210.2**	**675.4**	**9.1**	**453.1**	**10.2**	**1,147.8**

** As of 30 June 2024, the investment property portfolio of the Group with fair value of EUR 653.5 million or 46.0% of total investment property of the Group as of that date (2023: EUR 484.0 or 42.2% of total investment property of the Group) – see also Note 6 Segmental Analysis – Geographical Information, was based in the United Kingdom and Poland. The functional currency of the Group's subsidiaries which own such investment properties is GBP and PLN, respectively. The appreciation in fair value of these properties expressed in the local functional currencies is presented above as a fair value gain. With the exception of the United Kingdom, this appreciation in value is partly attributable to the fact that most rental contracts are concluded in EUR and based on experience from other emerging markets, only a more severe local currency depreciation would necessitate the lessor to provide rent concessions in order to reflect the devalued local currency exchange rates.

The effects of 2024 appreciation and 2023 appreciation of the local functional currencies compared to EUR is presented above as effect of translation from functional to presentation currency.

10 Investment Property (Continued)

The Group classified certain leases as investment properties. The carrying value of such investment property as of 30 June 2024 was EUR 18.1 million (2023: EUR 19.3 million).

At 30 June 2024, investment properties carried at EUR 1,191.9 million (at 31 December 2023: EUR 1,088.1 million) have been pledged to third parties as collateral with respect to borrowings.

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

In millions of EUR	Note	30 June 2024	31 December 2023
Valuations obtained		**1,235.1**	**1,188.2**
Add: right-of-use assets classified as investment property		9.0	10.2
Less: lease incentive receivables	12(a)	(18.0)	(15.8)
Less: transfers to disposal groups classified as held for sale	15	(15.9)	(34.8)
Fair value at the end of the period		**1,210.2**	**1,147.8**

11 Investment in Joint Ventures

The Group sold shares in two (2) joint ventures during the year ended 31 December 2023: Port Praski City II sp. z o.o. and Port Praski Medical Center sp. z o.o. with net gain on disposal of EUR 0.7 million.

The following amounts represent 100% of the assets, liabilities as at 30 June 2024 and 31 December 2023, revenue and results of the joint ventures for the 6 months ended 30 June 2024 and 30 June 2023.

In millions of EUR	6 months ended 30 June 2024	6 months ended 30 June 2023
Total comprehensive loss for the period	-	(5.0)

12 Receivables and Loans

In millions of EUR	Note	30 June 2024	31 December 2023
Lease incentives receivables	(a)	18.0	15.8
Loans to related parties – non-current (Note 7)	(b)	-	17.8
Other non-current receivables		2.0	1.8
Loans to third parties		0.2	0.5
Total receivables and loans		**20.2**	**35.9**

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

(a) Lease incentive receivables of EUR 18.0 million (31 December 2023: EUR 15.8 million) represent cost of incentives recognised over the lease term, on a straight-line basis. These receivables are rent free periods and cash advanced payments to tenants and the 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 no outstanding loans to its related parties as of 30 June 2024 (31 December 2023: EUR 17.8 million).

13 Other Non-Current Assets

In millions of EUR	Note	30 June 2024	31 December 2023
Interest in unconsolidated entity	(a)	11.2	10.1
Other non-current assets		0.6	1.2
Total other non-current assets		**11.8**	**11.3**

(a) In December 2022, the Group lost control over its subsidiary UBX 2 Objekt Berlin S.à r.l. through sale of 89.9% share to entity under common control. The remaining 10.1% interest was recognized at fair value as of date of sale. Fair value of interest in this unconsolidated entity increased to EUR 8.9 million at 30 June 2024 (31 December 2023: EUR 7.8 million). The remaining balance of EUR 2.3 million represents a non-controlling interest in third party entity recognized at fair value as of date of acquisition in 2023.

In millions of EUR	Note	30 June 2024	31 December 2023
Interest in unconsolidated entity at 1 January		**10.1**	**12.5**
Capital contribution	7	12.0	-
Acquisition of interest in unconsolidated entity		-	2.3
Fair value revaluation loss		(10.9)	(4.7)
Interest in unconsolidated entity at the end of the period		**11.2**	**10.1**

14 Trade and Other Receivables

In millions of EUR	Note	30 June 2024	31 December 2023
Trade and other receivables from related parties	7	48.4	147.5
Accrued income from related parties	7	-	1.0
Loans to related parties	7 (a)	34.0	0.5
Less expected credit loss allowance for trade receivables and loans to related parties	7	(4.1)	(2.7)
Trade and other financial receivables		39.8	27.9
Less expected credit loss allowance for trade receivables		(2.9)	(3.6)
Derivatives	33	9.1	11.5
Accrued rental income		0.9	3.2
Total financial assets / receivables		**125.2**	**185.3**
VAT receivable		3.1	1.3
Prepayments		2.3	2.3
Income tax receivable		2.4	2.7
Total trade and other receivables		**133.0**	**191.6**

(a) As of 30 June 2024, the Group has provided loans to its related parties amounting to EUR 34.0 million (31 December 2023: EUR 0.5 million) with interest of 3M EURIBOR and the fixed margin of 2.90% per annum (31 December 2023: average interest of 1.70%).

14 Trade and Other receivables (Continued)

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

	30 June 2024				31 December 2023			
In millions of EUR	**Loss rate**	**Gross carrying amount**	**ECL**	**Net carrying amount**	**Loss rate**	**Gross carrying amount**	**ECL**	**Net carrying amount**
Trade and other receivables, accrued rental income and loans to related parties								
- current	0.25%	57.8	(0.1)	57.7	0.25%	113.5	(0.3)	113.2
- less than 30 days overdue	2.5%	11.7	(0.3)	11.4	2.5%	24.1	(0.6)	23.5
- 30 to 90 days overdue	5.0%	2.4	(0.1)	2.3	5.0%	4.5	(0.2)	4.3
- 91 to 180 days overdue	10.0%	3.5	(0.4)	3.1	10.0%	3.7	(0.4)	3.3
- 181 to 360 days overdue	15.0%	3.7	(0.6)	3.1	15.0%	2.4	(0.4)	2.0
- over 360 days overdue	70.0%	2.4	(1.7)	0.7	70.0%	0.1	(0.1)	-
- over 360 days overdue individually impaired	100.0%	0.9	(0.9)	-	100.0%	0.7	(0.7)	-
Total		**82.4**	**(4.1)**	**78.3**		**149.0**	**(2.7)**	**146.3**
Trade and other receivables								
- current	0.25%	31.1	(0.1)	31.0	0.25%	19.5	-	19.5
- less than 30 days overdue	2.5%	1.7	-	1.7	2.5%	1.4	-	1.4
- 30 to 90 days overdue	5.0%	1.5	(0.1)	1.4	5.0%	4.1	(0.2)	3.9
- 91 to 180 days overdue	10.0%	0.9	(0.1)	0.8	10.0%	0.7	(0.1)	0.6
- 181 to 360 days overdue	15.0%	2.2	(0.3)	1.9	15.0%	0.9	(0.1)	0.8
- over 360 days overdue	70.0%	3.3	(2.3)	1.0	70.0%	4.5	(3.2)	1.3
Total		**40.7**	**(2.9)**	**37.8**		**31.1**	**(3.6)**	**27.5**
Derivatives				9.1				11.5
Total financial assets				**125.2**				**185.3**

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

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

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

In millions of EUR	**30 June 2024**	**31 December 2023**
Expected credit loss allowance at 1 January	**6.3**	**5.6**
Expected credit loss charge to profit or loss for the period	0.7	1.3
Write-offs	-	(0.6)
Expected credit loss allowance at the end of the period	**7.0**	**6.3**

15 Non-current Assets Held for Sale

Major classes of assets classified as held for sale:

In millions of EUR	30 June 2024	31 December 2023
Investment property	15.9	34.8
Trade and other receivables	0.2	0.3
Cash and cash equivalents	-	1.5
Other non-current asset	-	0.2
Deferred income tax asset	-	0.9
Total assets classified as held for sale	**16.1**	**37.7**

As of 30 June 2024, the Group classified assets and liabilities of the two (2) subsidiaries HB Reavis DE1 S.à r.l. and Property Hetman Spółka z ograniczoną odpowiedzialnością as held for sale.

As of 31 December 2023, the Group classified assets and liabilities of the four (4) subsidiaries Logisticke centrum Trnava s.r.o., Pressburg Urban Projects a. s., HB Reavis DE1 S.à r.l. and HB Reavis Investment Management S.à r.l. as held for sale.

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

In millions of EUR	30 June 2024	31 December 2023
Deferred income tax liability	1.2	3.6
Trade and other payables	0.1	0.8
Total liabilities directly associated with assets classified as held for sale	**1.3**	**4.4**

At 30 June 2024, no investment properties held for sale (at 31 December 2023: EUR nil) and no receivables (at 31 December 2023: EUR nil) have been pledged to third parties as collateral with respect to borrowings.

Three (Logisticke centrum Trnava s.r.o., Pressburg Urban Projects a. s. and HB Reavis Investment Management S.à r.l.) out of four subsidiaries classified held for sale as at 31 December 2023 were sold during the 6 months period ended 30 June 2024 (Note 28). Sale of HB Reavis DE1 S.à r.l. is expected to be completed in the course of 2024.

16 Restricted Cash

Restricted cash is cash and cash equivalents that are held for a specific purpose thus not available for immediate or general use by the Group. At 30 June 2024, restricted cash balance consists of the following:

In millions of EUR	30 June 2024	31 December 2023
Debt service reserve accounts	7.6	4.6
Tenant security deposits	4.3	4.0
Other	0.4	0.3
Total restricted cash	**12.3**	**8.9**

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

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

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

Restricted cash gross outflow is EUR 3.3 million and restricted cash gross inflow amounted to EUR 6.7 million for the 6 months period ended 30 June 2024.

17 Cash and Cash Equivalents

In millions of EUR	30 June 2024	31 December 2023
Cash at bank	44.6	51.8
Cash on transit and in hand	0.1	0.1
Total cash and cash equivalents	**44.7**	**51.9**

The table below discloses the credit quality of cash at bank balances based on credit risk grades at 30 June 2024. Refer to Note 32 for the description of the Group's credit risk grading system.

In millions of EUR	30 June 2024	31 December 2023
- Excellent	35.5	36.4
- Good	9.1	15.4
Total cash at bank	**44.6**	**51.8**

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 2024 and 31 December 2023 are not substantially different from their fair value. The maximum exposure to credit risk relating to cash and cash equivalents is limited to the carrying value of cash and cash equivalents.

18 Other current assets

In millions of EUR	Note	30 June 2024	31 December 2023
Other Current Assets from related parties	7	-	0.6
Deferred expenses		1.9	1.4
Total other current assets		**1.9**	**2.0**

19 Share Capital and Share Premium

	Number of shares	Ordinary shares in EUR	Share premium in EUR	Total in EUR
At 1 January 2023	30,000	30,000	39,985,000	**40,015,000**
At 31 December 2023	31,000	31,000	26,319,953	**26,350,953**
At 30 June 2024	31,000	31,000	20,564,953	**20,595,953**

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

19 Share Capital and Share Premium (Continued)

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

In millions of EUR, except dividends per share amount	30 June 2024	31 December 2023
Distributions to owners payable at 1 January	**-**	**-**
Distributions declared during the period (from share premium)	5.7	13.7
Dividend distributions declared during the period	4.9	-
Distributions paid during the period	(8.3)	(2.9)
Non-cash settlement of distributions during the period	-	(10.8)
Distribution payable to owners at 30 June / 31 December (Note 21)	**2.3**	**-**
Amount per share declared during the period in EUR	341.5	440.8

20 Borrowings

In millions of EUR	30 June 2024	31 December 2023
Non-current		
Bank borrowings	337.4	183.1
Issued bonds	222.2	291.5
Total non-current borrowings	**559.6**	**474.6**
Current		
Bank borrowings	170.9	293.4
Borrowings from related parties	-	29.1
Issued bonds	81.0	12.6
Total current borrowings	**251.9**	**335.1**
Total borrowings	**811.5**	**809.7**

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

The Group recognized on its borrowings interest expense in amount of EUR 27.1 million out of which EUR 6.4 million was bond related interest expense (for the period ended 30 June 2023: interest expense EUR 30.9 million out of which EUR 11.4 million bond related interest expense).

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.

In millions of EUR	Loans	Bonds	Lease liabilities	Total
Borrowings and lease liabilities as presented in the consolidated statement of financial position as at 1 January 2023	**649.9**	**352.6**	**34.1**	**1,036.6**
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 1 January 2023	-	-	-	-
Total borrowings and lease liabilities as at 1 January 2023	**649.9**	**352.6**	**34.1**	**1,036.6**
Cash flows				
Proceeds from new drawdowns	159.7	-	-	**159.7**
Repayments	(200.3)	(52.2)	(6.6)	**(259.1)**
Non-cash changes				
New leases	-	-	0.4	**0.4**
Foreign exchange adjustments	(0.9)	-	-	**(0.9)**
Non-cash movement due to loss of control in a subsidiary	(108.6)	-	-	**(108.6)**
Non-cash movement due to derecognition of a lease	-	-	(14.2)	**(14.2)**
Effect of modified effective interest rate	-	2.0	-	**2.0**
Effect of fair value adjustment	(4.2)	-	-	**(4.2)**
Change in accrued interest	7.5	0.8	1.5	**9.8**
Change in amortised transaction costs	0.1	1.0	-	**1.1**
Effect of translation to presentation currency	2.4	(0.1)	0.3	**2.6**
Borrowings and lease liabilities as presented in the consolidated statement of financial position as at 31 December 2023	**505.6**	**304.1**	**15.5**	**825.2**
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 31 December 2023 (Note 15)	-	-	-	-
Total borrowings and lease liabilities as at 31 December 2023	**505.6**	**304.1**	**15.5**	**825.2**
Cash flows				
Proceeds from new drawdowns	38.9	-	-	**38.9**
Repayments	(39.3)	(0.6)	(2.3)	**(42.2)**
Non-cash changes				
New leases	-	-	0.3	**0.3**
Non-cash movement due to derecognition of a lease	-	-	(0.2)	**(0.2)**
Change in accrued interest	0.7	(0.1)	0.5	**1.1**
Change in amortised transaction costs	0.2	0.4	-	**0.7**
Effect of translation to presentation currency	2.2	(0.6)	0.2	**1.8**
Total borrowings and lease liabilities as at 30 June 2024	**508.3**	**303.2**	**14.0**	**825.6**

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

	Carrying amounts at		**Fair values at**	
In millions of EUR	**30 June 2024**	**31 December 2023**	**30 June 2024**	**31 December 2023**
Bank borrowings	337.4	183.1	335.7	178.7
Issued bonds	222.2	291.5	172.4	278.0
Non-current borrowings	**559.6**	**474.6**	**508.1**	**456.7**

Assumptions used in determining fair value of borrowings are described in Note 34. 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.

20 Borrowings (Continued)

The Group has the following undrawn borrowing facilities:

In millions of EUR	30 June 2024	31 December 2023
Availability:		
- Expiring within one year	29.6	-
- Expiring beyond one year	-	66.5
Total undrawn facilities	**29.6**	**66.5**

Investment properties (Note 10), property, plant and equipment (Note 8) and receivables (Note 14) are pledged as collateral for borrowings of EUR 542.2 million (2023: EUR 522.2 million).

The loan agreements with third party creditors are governed by terms and conditions which include maximum loan to value ratios ranging from 60% to 70% (2023: 60% to 70%) and minimum debt service coverage ratios ranging from 1.2 to 1.25 (2023: 1.2 to 1.25).

As of 31 December 2023 the loan-to-value covenant requirement related to bank loan with outstanding principal of EUR 21.5 million was not met. During the 6 months ended 30 June 2024 the breach has been cured by way of a partial principal repayment and the loan has been extended for another year with an option for further twelve months extension.

Except for the breach described above, during the 6 months ended 30 June 2024 and up to date of authorization of these consolidated financial statements for issue, the Group was not in breach of any material loan agreement terms that could lead to loan acceleration or event of default, and no terms of the loans were renegotiated due to defaults or breaches.

After 30 June 2024 and up to date of authorization of these condensed consolidated interim financial statements, the Group repaid EUR 87.5 million of borrowings and drawn EUR 124.7 million of new borrowings.

21 Trade and Other Payables

In millions of EUR	Note	30 June 2024	31 December 2023
Non–current			
Other long-term payables		6.4	6.6
Long-term payables to related parties	7	2.5	2.9
Total non-current payables		**8.9**	**9.5**
Current			
Trade and other payables to related parties	7	11.0	57.4
Distribution payable to owners	7, 19	2.3	-
Accrued liabilities		17.4	21.0
Liabilities for construction of investment properties		16.3	19.8
Trade payables		2.3	3.8
Other payables		0.1	0.2
Total current financial payables		**49.4**	**102.2**
Items that are not financial instruments:			
Deferred rental income		4.8	4.7
Contract liability		0.7	0.5
Accrued employee benefit costs		0.5	1.9
Other taxes payable		1.2	0.9
VAT payable		0.5	2.8
Income tax payable		0.5	1.1
Prepayments		0.6	2.7
Total current other payables		**8.8**	**14.6**
Total current trade and other payables		**58.2**	**116.8**

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

In millions of EUR	6 months ended 30 June 2024	6 months ended 30 June 2023
Rental income		
Office	3.5	4.3
Retail	9.6	8.9
HubHub	2.1	5.4
Service charges		
Office	3.0	3.9
Retail	4.3	4.7
HubHub	-	0.1
Management charges		
Office	0.6	1.7
Retail	0.6	0.6
HubHub	0.4	0.3
Total rental and similar income from investment properties	**24.1**	**29.9**

Where the Group is the lessor, the future minimum lease payments receivable under operating leases over the lease term at 30 June 2024 and 31 December 2023 are as follows:

In millions of EUR	30 June 2024	31 December 2023
Not later than 1 year	24.5	24.1
Later than 1 year and not later than 2 years	24.3	24.0
Later than 2 years and not later than 3 years	28.1	24.3
Later than 3 years and not later than 4 years	27.8	19.2
Later than 4 years and not later than 5 years	24.1	18.2
Later than 5 years	133.0	53.5
Total operating lease payments receivable	**261.8**	**163.3**

The Group's rental income includes performance income depending on sales revenue of retail units leased by its tenants. These amounts are not included in the above payments receivable as the Group is unable to estimate them with sufficient certainty. Total variable lease payments receivable recognised as income in 2024 under the Group's operating leases were EUR 0.2 million (2023: EUR 0.2 million).

23 Direct Operating Expenses arising from Investment Property

In millions of EUR	6 months ended 30 June 2024	6 months ended 30 June 2023
Direct operating expenses arising from investment property that generate rental income:		
Services relating to investment property	7.3	8.9
Utilities costs	3.2	5.3
Repairs and maintenance services	0.8	0.9
Real estate tax	0.3	0.4
Materials consumed	0.2	0.2
Other costs	0.2	0.2
Total	**12.0**	**15.9**

24 Employee Benefits

In millions of EUR	6 months ended 30 June 2024	6 months ended 30 June 2023
Wages and salaries (including social and health insurance)	3.1	12.8
Pension costs – defined contribution plans	0.2	0.7
Total employee benefits	**3.3**	**13.5**

The Group had 58 employees in the core real estate operations of the Group (on full time equivalent basis) as at 30 June 2024 (30 June 2023: 353 employees). The average number of employees for 6 months period ended 30 June 2024 was 206 (6 months period ended 30 June 2023: 395).

25 Other Operating Expenses

Other operating expenses comprised the following:

In millions of EUR	6 months ended 30 June 2024	6 months ended 30 June 2023
Services	5.6	10.3
Net impairment losses on financial and contract assets	1.0	1.6
Rental expense	0.4	-
Other taxes	0.3	2.3
Audit fees	0.3	0.4
Other	1.9	1.8
Total other operating expenses	**9.5**	**16.4**

26 Revenues from construction and other services

Revenues from construction contracts and other services comprised the following:

In millions of EUR	6 months ended 30 June 2024	6 months ended 30 June 2023
Revenues from construction contracts with related parties	3.3	12.0
Revenues from fit–out – related parties	7.9	19.5
Revenues from fit–out - tenants	1.0	7.2
Sales of services	1.7	6.8
Sales of inventories	0.4	0.2
Other	1.7	0.7
Total revenues from construction and other services	**16.0**	**46.4**

27 Construction services

Expenses arising from construction services relate to the following:

In millions of EUR	6 months ended 30 June 2024	6 months ended 30 June 2023
Construction contracts with related parties	1.1	8.1
Fit – out	9.5	17.5
Total construction services	**10.6**	**25.6**

28 Disposals of Subsidiaries

The Group sold shares in three (3) subsidiaries during 6 months period ended 30 June 2024: Pressburg Urban Projects a. s., Logistické centrum Trnava s.r.o., HB Reavis Investment Management S.à r.l., out of which all three subsidiaries were classified as Non-current assets held for sale as of 31 December 2023. In addition, the Group liquidated 8 subsidiaries during the 6 months period ended 30 June 2024 (Note 2.2). The result from those liquidations is presented under Gain on disposal of subsidiaries and amounted to loss of EUR 2.3 million.

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

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

In millions of EUR	**6 months ended 30 June 2024**	**6 months ended 30 June 2023**
Investment property in use	-	24.0
Investment property under development	33.1	-
Property, Plant and Equipment and Intangible assets	0.1	-
Inventories	-	47.3
Non-current assets	0.2	0.2
Trade and other receivables	2.2	-
Deferred tax liability	(3.2)	(4.2)
Trade and other payables – long term	(0.4)	(0.7)
Trade and other payables – short term	(2.8)	-
Cash and cash equivalents	0.4	0.4
Other working capital	-	0.8
Net assets value	**29.6**	**67.8**
Gain/(loss) on disposal of subsidiaries	5.9	(10.2)
Foreign currency translation differences transferred from other comprehensive income upon loss of control	2.3	13.9
Proceeds from sale of subsidiaries	**37.8**	**71.5**
Less cash in subsidiaries at the date of transaction	(0.4)	(0.4)
Less receivable from sale of subsidiary	(13.2)	-
Collection of prior period receivables from sale of subsidiary	85.0	-
Cash sale proceeds	**109.2**	**71.1**

29 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 2024 was 19.2% (six months ended 30 June 2022: 18.6%).

30 Foreign exchange gains/(losses)

In millions of EUR	6 months ended 30 June 2024	6 months ended 30 June 2023
Foreign exchange gains/(losses) unrealised		
Inter-company loans to foreign operations that do not form part of net investment	(2.2)	(0.3)
Trade and other receivables and payable	1.5	(0.7)
Bank borrowings	-	1.0
Lease liabilities	-	(0.1)
	(0.7)	**(0.1)**
Foreign exchange gains/(losses) realised		
Inter-company loans to foreign operations that do not form part of net investment	6.4	-
Trade and other receivables and payables	(0.9)	(0.5)
	5.5	**(0.5)**
Foreign exchange gains/(losses)	**4.8**	**(0.6)**

31 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 10.3 million as at 30 June 2024 (31 December 2023: EUR 24.8 million); this exposure will be financed by external loans (committed lines: EUR 29.6 million). The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments.

32 Financial Risk Management

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

(i) Credit risk

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

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

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

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

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

32 Financial Risk Management (Continued)

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 24 banks (2023: 26 banks) but 94.29% (2023: 92.01%) of cash balances as of 30 June 2024 are held with 10 (2023: 10) major banks. The Group's management considers the concentration of credit risk with respect to cash balances with banks as acceptable. The analysis by credit quality (bank rating) is provided in Note 17.

Expected credit loss (ECL) measurement

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

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

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

Significant increase in credit risk (SICR)

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

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

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

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

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

Forward-looking information incorporated in the ECL models

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

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

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

32 Financial Risk Management (Continued)

(ii) Market risk

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

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

Had the foreign exchange rates been by 5% lower than they have been throughout the period of 6 months ended 30 June 2023 with all other variables constant, profit for the period would have been approximately EUR 5.8 million lower (30. June 2023: EUR 10.4 million lower). Equity, after allowing for the tax effects, would have been EUR 5.1 million lower (30. June 2023: EUR 8.5 million lower). For sensitivity analysis borrowings held in other then functional currencies were used as an exposure. The table presents sensitivity analysis by currencies.

In millions of EUR	**PLN**	**GBP**	**Total**
Foreign exchange sensitivity at 30 June 2024			
Profit for the period	-	5.8	**5.8**
Equity after allowing for the tax effects	-	5.1	**5.1**
Foreign exchange sensitivity at 30 June 2023			
Profit for the period	0.7	9.7	**10.4**
Equity after allowing for the tax effects	-	8.5	**8.5**

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

In millions of EUR	**Up to 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Interest rate bearing financial assets						
Cash and cash equivalents	44.7	-	-	-	-	**44.7**
Derivatives and other financial assets	-	0.1	4.7	4.3	-	**9.1**
Trade and Other Receivables	-	34.0	-	-	-	**34.0**
Interest rate bearing financial liabilities						
Borrowings	(128.5)	(382.3)	(72.9)	(227.8)	-	**(811.5)**
Lease liabilities	-	(0.8)	(2.5)	(10.7)	-	**(14.0)**
Net interest sensitivity gap at 30 June 2024	**(83.8)**	**(349.0)**	**(70.7)**	**(234.2)**	**-**	**(737.7)**

32 Financial Risk Management (Continued)

In millions of EUR	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Interest rate bearing financial assets						
Cash and cash equivalents	51.9	-	-	-	-	**51.9**
Derivatives and other financial assets	(0.2)	1.0	(0.2)	10.9	-	**11.5**
Loans to related parties	0.5	-	-	-	17.8	**18.3**
Interest rate bearing financial liabilities						
Borrowings	(113.6)	(387.8)	(71.3)	(237.0)	-	**(809.7)**
Lease liabilities	(0.1)	(0.9)	(2.5)	(12.0)	-	**(15.5)**
Net interest sensitivity gap at 31 December 2023	**(61.5)**	**(387.7)**	**(74.0)**	**(238.1)**	**17.8**	**(743.5)**

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

In millions of Currencies	**Currency**	**30 June 2024**			**31 December 2023**		
Derivatives - Assets		**Notional values**	**Fair values**	**Gain/(loss) on financial derivatives**	**Notional values**	**Fair values**	**Gain/(loss) on financial derivatives**
Interest rate cap	EUR	250.3	6.9	2.5	250.3	8.0	(0.5)
Cross currency interest	EUR	101.3	2.0	(0.1)	101.3	2.5	0.7
rate swap	CZK	2,655.1	-	-	2,655.1	-	-
FX forward currency pair of EUR/PLN	EUR	25.0	-	0.2	40.0	1.0	2.4
FX forward currency pair of EUR/GBP	EUR	6.0	0.2	0.3	15.0	-	0.8
Total			**9.1**	**2.9**		**11.5**	**5.0**

Gain on financial derivatives for the period of 6 months ended 30 June 2023 was EUR 9.7 million.

Had the interest rates on the Group's variable interest rate loans (generally the third-party borrowings) been higher by 200 basis points than they have been throughout the period of 6 months ended 30 June 2024 with all other variables constant, profit before tax for the 6 months ended 30 June 2024 would have been lower by approximately EUR 5.4 million (30 June 2023: EUR 6.4 million lower). Equity, after allowing for the tax effects, would have been lower by approximately EUR 4.3 million (30 June 2023: lower by EUR 5.1 million).

In addition to certain borrowings with fixed interest rate, the Group's policy is to actively manage the interest rate on its variable interest borrowings in selected cases. To manage this, the Group enters into various derivative instruments such as interest rate swaps or interest rate caps in relation to the relevant borrowings.

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

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

32 Financial Risk Management (Continued)

(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 2024 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the consolidated statement of financial position because the carrying amount is based on discounted cash flows.

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

The remaining maturities of financial liabilities based on contractual undiscounted cash-flows as at 30 June 2024 is as follows:

In millions of EUR	**Demand and less than 12 months**	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**	**Total**
Liabilities					
Borrowings (principal repayments)	238.9	142.8	271.2	147.4	**800.3**
Borrowings (future interest payments)	35.6	23.4	31.5	2.6	**93.1**
Financial payables - current (Note 21)	49.4	-	-	-	**49.4**
Future lease payments (Note 9)	4.1	4.0	7.7	-	**15.8**
Total future payments, including future principal and interest payments	**328.0**	**170.2**	**310.4**	**150.0**	**958.6**

The remaining maturities of financial liabilities based on contractual undiscounted cash- flows as at 31 December 2023 is as follows:

In millions of EUR	**Demand and less than 12 months**	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**	**Total**
Liabilities					
Borrowings (principal repayments)	328.1	82.9	238.9	149.5	**799.4**
Borrowings (future interest payments)	33.6	18.2	30.4	5.5	**87.7**
Financial payables - current (Note 21)	102.2	-	-	-	**102.2**
Future lease payments (Note 9)	4.4	4.8	9.4	0.5	**19.1**
Total future payments, including future principal and interest payments	**468.3**	**105.9**	**278.7**	**155.5**	**1,008.4**

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

33 Management of Capital

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

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

In millions of EUR	**Note**	**30 June 2024**	**31 December 2023**
Equity attributable to the owners of HB Reavis Holding S.A.		552.4	529.9
Adjusted for Add: Deferred income tax net (including non-current assets held for sale)	15, 29	10.5	10.4
Net Asset Value (adjusted) as monitored by management		**562.9**	**540.3**

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

In millions of EUR	**30 June 2024**	**31 December 2023**
Bank borrowings and finance leases less cash including those classified as held for sale	754.5	718.3
Total assets	1,491.1	1,522.5
Net debt leverage ratio	**50.60%**	**47.18%**

The net debt leverage ratio stood at 50.60% (2023: 47.18%). The Group undertakes efforts to reduce its leverage through divestments of core and non-core assets.

34 Fair Value Estimation

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

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

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

i) Investment properties

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

In millions of EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property – valuations obtained at 30 June 2024 (Note 10)	-	-	1,235.1	**1,235.1**
Investment property – valuations obtained at 31 December 2023 (Note 10)	-	-	1,188.2	**1,188.2**

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

34 Fair Value Estimation (Continued)

Quantitative information about fair value measurements using unobservable inputs:

Asset Management and Investment Management

Segment	Valuation technique	Fair value 30 June 2024 (in millions of EUR)	Fair value 31 Dec 2023 (in millions of EUR)	Input	Range 30 June 2024	Range 31 Dec 2023
Slovakia						
Office	Hard-core layer method	107.3	113.8	Average annual rent / sq m	182-192	188-203
				capitalisation rate for terminal value	7.10% - 7.16%	7.10% - 7.16%
				Average annual rent / sq m	223	223
Retail	Direct capitalisation method	349.2	348.9	Capitalisation rate for terminal value	6.50%	6.50%
Total		**456.5**	**462.7**			

Development in realisation and in preparation

Segment	Valuation technique	Fair value 30 June 2024 (in millions of EUR)	Fair value 31 Dec 2023 (in millions of EUR)	Input	Range 30 June 2024	Range 31 Dec 2023
Slovakia						
Office, Office/Retail	Residual Method	-	6.3	Capitalised net revenues less cost to completion	-	9.3
				Capitalisation rate	-	5.80% - 5.80%
Residential	Residual Method	28.5	28.5	Price in EUR per sqm	4,840 – 4,840	4,840 – 4,840
Total		**28.5**	**34.8**			

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.

34 Fair Value Estimation (Continued)

Segment	Valuation Technique	Fair value 30 June 2024 (in millions of EUR)	Fair value 31 Dec 2023 (in millions of EUR)	Input	Range 30 June 2024	Range 31 Dec 2023
Development in realisation and in preparation (Continued)						
Poland						
Office	Comparative method	8.0	3.3	Price in EUR per sqm of land	2,369.0	984.0
Office	At cost	1.0	1.0	-		
Total		**9.0**	**4.3**			
United Kingdom						
Office	Residual method	339.3	465.8	Capitalised net revenues less cost to completion Capitalisation rate	971.7 4.75% - 5.35%	1,001.4 5.15% - 5.35%
Office	Direct capitalisation method	206.8	-	Average annual rent / sq m Capitalisation rate for terminal value	964.6 5.15%	- -
Total		**546.1**	**465.8**			
Germany						
Office	Residual method	168.7	170.7	Capitalised net revenues less cost to completion Capitalisation rate	289.4 4.00% - 4.30%	207.7 4.20% - 5.00%
Total		**168.7**	**170.7**			
Total for segment		**752.3**	**675.6**			

34 Fair Value Estimation (Continued)

Segment	Valuation Technique	Fair value 30 June 2024 (in millions of EUR)	Fair value 31 Dec 2023 (in millions of EUR	Input	Range 30 June 2024	Range 31 Dec 2023
None - core						
Logistics	Comparative method	19.4	41.0	Price in EUR per sqm	-	774.7
Retail	At cost	3.7	3.7	-		
HubHub	At cost	3.2	5.2	-		
Total for segment		**26.3**	**49.9**			

34 Fair Value Estimation (Continued)

Valuation process

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

These reports are based on both:

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

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

Sensitivity of measurement to variance of significant unobservable inputs

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

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

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

Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10% the carrying value of investment property would be higher or lower by EUR 357.3 million (2023: 345.7 million).

- The income capitalisation rate (yield) across the portfolio was assumed to be 4.00% to 5.35%, or 4.98% on average (2023: from 4.20% to 5.35%, or 5.00% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 34.3 million lower or EUR 38.0 million higher (2023: EUR 30.4 million lower or EUR 33.6 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 71.7 million (2023: EUR 77.5 million).

- The income capitalisation rate (yield) across the portfolio was assumed to be from 5.75% to 7.16%, or 6.23% on average (2023: from 5.75% to 7.16%, or 5.99% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 19.7 million lower or EUR 21.4 million higher (2023: EUR 22.0 million lower or EUR 23.9 million higher).

ii) Financial Instruments

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

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

Liabilities carried at amortised cost. Considering that most borrowings have variable rate of interest and that own credit risk of the Group did not materially change, the amortised cost carrying value approximates fair value. The fair value of liabilities repayable on demand or after a notice period (“demandable liabilities”) is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid. The discount rate was 5.05% p.a. (2023: 4.56% p.a.). Refer to Note 20 for the estimated fair values of borrowings (for non-current borrowings Level 3 inputs are used). Carrying amounts of current borrowings, trade and other payables approximate fair values.

34 Fair Value Estimation (Continued)

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

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

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

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

35 Reconciliation of Classes of Financial Instruments with Measurement Categories

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

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

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

All of the Group’s financial liabilities are carried at amortised cost except for financial derivatives that are classified as financial liabilities at FVTPL (Note 21).

36 Consolidated Structured Entities

The Group issued

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

These entities were consolidated as they are wholly owned by the Group, they were specifically set up for the purposes of the Group, and the Group has exposure to substantially all risks and rewards through ownership and outstanding guarantees of the entities’ obligations. The Group guarantees all obligations of these entities represented by the bonds issued amounting to EUR 241.7 million and CZK 1.369 billion (Note 20). Bonds issued by entities incorporated in Slovakia are listed on Bratislava stock exchange and in Czech Republic on Prague stock exchange.

37 Events after the End of the Reporting Period

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