**BASE PROSPECTUS**

# CPI PROPERTY GROUP

a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B102254

## Euro Medium Term Note Programme

Under this Euro Medium Term Note Programme (the **Programme**), CPI Property Group (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes to be issued under the Programme may comprise (i) unsubordinated Notes (**Senior Notes**) or (ii) dated or undated subordinated Notes (respectively **Dated Subordinated Notes** and **Undated Subordinated Notes** and, together, **Subordinated Notes**). The terms and conditions of the Senior Notes and the Subordinated Notes are set out herein under "*Terms and Conditions of the Senior Notes*" and "*Terms and Conditions of the Subordinated Notes*" respectively.

The Notes may be issued in bearer or registered form (respectively, **Bearer Notes** and **Registered Notes**).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and, together, the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of the Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in the Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".**

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes that are to be admitted to trading on the regulated market (the **Euronext Dublin Regulated Market**) of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**), the regulated market (*in Czech: regulovaný trh*) of Burza cenných papírů Praha, a.s. (the **Prague Stock Exchange** or the **PSE**) or on another regulated market for the purposes of Directive 2014/65/EU and/or that are to be offered to the public in any member state of the European Economic Area (the **EEA**) in circumstances that require publication of a prospectus.

Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the **Official List**) and trading on the Euronext Dublin Regulated Market. The Issuer has requested the Central Bank of Ireland to provide the Czech National Bank, as competent authority of the Czech Republic, with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation (**Notification**). Pursuant to the Notification, the Issuer may apply for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the regulated market of the PSE. References in this Base Prospectus to the Notes being **listed** (and all related references) shall mean that the Notes have been admitted to the Official List and trading on the Euronext Dublin Regulated Market and/or admitted to trading on the regulated market of the PSE.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and certain other information which is applicable to each Tranche (as defined under the relevant Terms and Conditions of the Notes) will be set out in a final terms document (the **Final Terms**) which will, where listed, be delivered to the Central Bank of Ireland and/or the Czech National Bank and Euronext Dublin and/or the PSE (as appropriate).

Copies of Final Terms in relation to the Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin, and copies of Final Terms in relation to the Notes to be admitted to trading on the PSE will also be published on the website of the Czech National Bank.

The Programme provides that the Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been rated Baa3 by Moody's Deutschland GmbH (**Moody's**), BBB- by S&P Global Ratings Europe Limited (**S&P**) and A- by Japan Credit Rating Agency, Ltd (**JCR**). The Programme has been rated Baa3 in respect of the Senior Notes and Ba2 in respect of the Subordinated Notes by Moody's and the Programme has been rated BBB- in respect of the Senior Notes and BB in respect of the Subordinated Notes by S&P. Moody's and S&P are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**). As such Moody's and S&P are included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation#list-of-registered-or-certified-cras) in accordance with the EU CRA Regulation. JCR is not established in the European Union and has not applied for registration under the EU CRA Regulation, but it is certified in accordance with the EU CRA Regulation and it is included in the list of credit rating agencies published by ESMA on its website in accordance with the EU CRA Regulation. The Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Moody's and S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Senior Notes or Subordinated Notes (for which Mid Swaps is specified in the Final Terms as the Subsequent Reset Reference Rate), in each case where denominated in euros, will be calculated by reference to EURIBOR. As at the date of this Base Prospectus, the administrator of EURIBOR is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**).

**Joint Arrangers**

| | | | |
|---|---|---|---|
| **HSBC** | **J.P. Morgan** | **Société Générale Corporate & Investment Banking** | **UniCredit** |

**Dealers**

| | | | |
|---|---|---|---|
| **Bank of China** | **Barclays** | **Credit Suisse** | **Erste Group** |
| **Goldman Sachs International** | **HSBC** | **J.P. Morgan** | **MUFG** |
| **Raiffeisen Bank International** | **Santander Corporate & Investment Banking** | **SMBC** | **Société Générale Corporate & Investment Banking** |

**UniCredit**

The date of this Base Prospectus is 26 May 2023.

## IMPORTANT INFORMATION

**This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, the Prospectus Regulation means Regulation (EU) 2017/1129.**

**The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect the import of such information.**

**Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.**

**This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference. See "*Documents Incorporated by Referen*". This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.**

**Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Referen*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.**

**Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or for any acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes under the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.**

**No person is or has been authorised by the Issuer, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Trustee.**

**Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.**

**Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes issued under the Programme of any information coming to their attention.**

**IMPORTANT – EEA RETAIL INVESTORS –** If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS –** If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**). Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes to be issued under the Programme are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Canada**: The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser. If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including Belgium), the UK, Hong Kong, Singapore, Japan and Switzerland. See "*Subscription and Sale*".

**Certain Defined Terms and Conventions**

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in the relevant Terms and Conditions of the Notes or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

**In this Base Prospectus, all references to:**

- *CHF* refer to Swiss francs;
- *CZK* and *Koruna* refer to Czech Koruna;
- *Euro, EUR* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- *HKD* refer to Hong Kong dollars;
- *JPY* refer to Japanese yen;
- *SGD* refer to Singapore dollars;
- *Sterling* and *£* refer to pounds sterling; and
- *USD*, *U.S. dollars*, *U.S.$* and *$* refer to United States dollars.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

**Non-IFRS Measures**

***General***

This Base Prospectus includes certain non-IFRS measures that are unaudited supplementary measures of the performance of the Issuer and its subsidiaries (together, the **Group**) that are not required by, or presented in accordance with, the International Financial Reporting Standards as issued by the European Union (**IFRS**). The non-IFRS measures described below are alternative performance measures (**APMs**) as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015 (the **ESMA Guidelines**). Where used, the relevant metrics are identified as APMs and accompanied by an explanation of each such metric's components and calculation method.

Although the APMs disclosed in this Base Prospectus are not measures of operating income, operating performance or liquidity derived in accordance with IFRS, the Issuer has presented these measures in this Base Prospectus because it understands that similarly titled measures may be used by some investors and analysts. In particular, the APMs used by the Group are commonly referred to and analysed by professionals participating in the real estate sector to reflect the underlying business performance and to enhance comparability both between different companies in the sector and between different financial periods. The use of APMs in the real estate sector is considered advantageous by various participants, including banks, analysts, bondholders and other users of financial information: APMs provide additional helpful and useful information in a concise and practical manner; APMs are commonly used by senior management and the Board of Directors for their decision making and setting the mid- and long-term strategy of the Group and assist in discussion with outside parties; and APMs in some cases might better reflect key trends in the Group's performance which are specific to that sector, that is, APMs are a way for management to highlight the key value drivers within the business that may not be obvious in the consolidated financial statements.

The APMs disclosed in this Base Prospectus should not, however, be considered as an alternative to, in isolation from or as substitutes for financial information reported under IFRS. The APMs disclosed in this Base Prospectus are not measures specifically defined by IFRS and the Group's use of these measures may vary from other companies in its industry due to differences in accounting policies or differences in the calculation methodology of similar measures by other companies in its industry.

The Group calculates the APMs it uses as follows:

- "*Average cost of debt*" is calculated as a weighted average interest rate of Total Debt, reflecting also the impact of contracted interest rate swaps and cross-currency swaps by the Group.

- "*Consolidated Adjusted EBITDA*" as the consolidated profit/(loss) of the Issuer before taxes, depreciation, amortisation, impairments and change in provisions and excluding any revaluation changes, financial income and financial expenses, net result on acquisitions and disposals and any other exceptional non-recurring and non-cash items, as determined by reference to the most recent audited annual or unaudited semi-annual, as the case may be, consolidated statement of comprehensive income of the Issuer, and including the Issuer's proportionate share of EBITDA of equity accounted investees and other financial assets, as determined by the most recent audited or unaudited semi-annual, as the case may be, consolidated income statement of such equity accounted investees and other financial assets.[1]

- "*Consolidated Total Indebtedness*" or "*Total Debt*" as the total indebtedness of the Group (excluding deferred tax liabilities) as determined by reference to the most recent consolidated statement of financial position of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared in accordance with IFRS or IAS 34, as applicable.

- "*EPRA Net Reinstatement Value*" is a measure of the fair value of net assets assuming a normal investment property company business model. This measure assumes that entities never sell assets and aims to represent the value required to rebuild the entity. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialise. In addition, the fair value of financial instruments which the company intends to hold to maturity is excluded as these will cancel out on settlement. All other assets including trading property, finance leases, and investments reported at cost are adjusted to fair value. This performance indicator has been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide, available on EPRA's website (www.epra.com).

- "*FFO*", or funds from operation, provide an indication of core recurring earnings from the Group's operations. It is calculated as net profit for the period adjusted by non-cash

[1] Beginning from 31 March 2020, calculation of the Group's Consolidated Adjusted EBITDA in the three month period ended 31 March 2020 and in all subsequent financial reporting periods, including, for the avoidance of doubt, the 12 month period ended 31 December 2020, the 12 month period ended 31 December 2021 and the 12 month period ended 31 December 2022, has been adjusted to account for the Group's shareholding in Globalworth Real Estate Investments Limited (see "*Description of the Issuer – Globalworth*") on a proportionate basis.
Beginning from 31 December 2021, calculation of the Group's Consolidated Adjusted EBITDA in the 12 month period ended 31 December 2021 and in the 12 month period ended 31 December 2022 (prior to the full consolidation of IMMOFINANZ AG and S IMMO AG) was adjusted to account for the Group's weighted average shareholding in IMMOFINANZ AG (see *"Description of the Issuer – IMMOFINANZ"*) and S IMMO AG (see *"Description of the Issuer – S IMMO"*) on a proportionate basis.

revenues/expenses (such as deferred tax, net valuation gain/loss, impairment, amortisation/ depreciation and goodwill) and non-recurring (both cash and non-cash) items. The calculation of FFO also excludes accounting adjustments for unconsolidated partnerships and joint ventures.

- "*gross leasable area*" as the amount of floor space available to be rented. Gross leasable area is the area for which tenants pay rent, and thus the area that produces income for the property owner.

- "*Net interest Coverage Ratio*" as Consolidated Adjusted EBITDA divided by a sum of interest expense and interest income, each as shown in the most recent consolidated statement of comprehensive income of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group.

- "*Net loan to value*" or "*Net LTV*" as net debt divided by fair value of the property portfolio. Net debt is calculated as Consolidated Total Indebtedness less cash and cash equivalents. Net loan to value provides a general assessment of financing risk undertaken.

- "*occupancy rate*" represents a ratio of estimated rental value of rented or used space compared to estimated rental value of the total amount of gross leasable area.

- "*property portfolio*" includes all properties, investees and other financial assets held by the Group, independent of their balance sheet classification, from which the Group incurs rental or other operating income.

- "*Secured Debt to Total Debt*" is calculated as a sum of secured bonds and secured financial debts as reported divided by a sum of bonds issued and financial debts as reported. This measure is an important indicator of a firm's financial flexibility and liquidity. Lower levels of secured debt typically also means lower levels of mortgage debt - properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales.

- "*Unencumbered assets ratio*" is calculated as total assets less a sum of pledged assets divided by total assets, each as shown in the most recent consolidated statement of financial position of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group.

- "*vacancy rate*" as the ratio of vacant or unoccupied space compared to the total amount of gross leasable area.

## SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## NOTES ISSUED AS GREEN BONDS

None of the Issuer, any other member of the Group, the Joint Arrangers, the Dealers or any of their respective affiliates, accept any responsibility for any social, environmental and sustainability assessment of the Notes issued as Green Bonds (as defined below) or make any representation or warranty or assurance as to whether such Notes will meet any investor expectations or requirements regarding such "ESG", "green", "sustainable", "social" or similar labels. None of the Joint Arrangers, the Dealers, nor any of their respective affiliates are responsible for the use of proceeds for the Notes issued as Green Bonds, the impact or monitoring of such use of proceeds nor the suitability or content of the Green Bond Framework (as defined below). None of the Issuer, any other member of the Group, the Joint Arrangers, the Dealers, or any of their respective affiliates, make any representation as to the suitability of any second party opinion. Any second party opinion is not a recommendation to buy, sell or hold securities and is only current as of the date it was initially issued. Furthermore, any second party opinion is for information purposes only and neither the Issuer nor the second party opinion provider accept any form of liability for its content and/or any liability for loss arising from the use of any such second party opinion and/or the information contained therein. See also the risk factor in this Base Prospectus headed "*Risk Factors–In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.*". In the event that the Notes are listed, included on or admitted to a dedicated "ESG", "green", "sustainable", "social" or other equivalently-labelled segment of the Official List, Euronext Dublin or any other stock exchange or securities market, no representation or assurance is given by the Issuer, any other member of the Group, the Joint Arrangers, the Dealers or any of their respective affiliates, that such listing, inclusion or admission will be obtained or maintained for the lifetime of the Notes.

For the avoidance of doubt, neither the Green Bond Framework nor any second party opinion are, nor shall they be deemed to be, incorporated in and/or form part of, this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Notes to be issued under the Programme.

## INFORMATION RELATING TO SUSTAINABILITY-LINKED SENIOR NOTES ISSUED UNDER THE PROGRAMME

In connection with the issue of Sustainability-Linked Senior Notes (as defined herein) under the Programme, the Issuer may request a provider of second-party opinions to issue a SPO (as defined in "*Risk Factors – Notes issued as Sustainability-Linked Senior Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics*" below). In addition, in connection with the issue of Sustainability-Linked Senior Notes under the Programme, the Issuer will engage an External Verifier (as defined in Condition 5.5 *(Sustainability-Linked Step Up Event*) of the Senior Notes) to carry out the relevant assessments required for the purposes of providing a Limited Assurance Report (as defined in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes) in relation to the Sustainability-Linked Senior Notes. Each such SPO or Limited Assurance Report will be accessible through the Issuer's website at: https://cpipg.com/en/sustainability. However, any information on, or accessible through, the Issuer's website and the information in such opinions or report or any past or future Limited Assurance Report is not part of this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Senior Notes to be issued under the Programme. In addition, no assurance or representation is given by the Issuer, any other member of the Group, the Joint Arrangers, the Dealers or any of their respective affiliates, second party opinion providers or the External Verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of any Sustainability-Linked Senior Notes under the Programme. Any such opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

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## OVERVIEW OF THE PROGRAMME

***The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions of the Notes, in which event, and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus will be published.***

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" and the relevant Terms and Conditions of the Notes shall have the same meanings in this Overview.

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| Issuer: | CPI Property Group |
| Issuer Legal Entity Identifier (LEI): | 222100CO2ZOTEPGJO223 |
| Risk Factors: | There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*". |
| Description: | Euro Medium Term Note Programme |
| Joint Arrangers: | HSBC Bank plc<br>J.P. Morgan SE<br>Société Générale<br>UniCredit Bank AG |
| Dealers: | Banco Santander, S.A.<br>Bank of China (Europe) S.A.<br>Barclays Bank Ireland PLC<br>Credit Suisse International<br>Erste Group Bank AG<br>Goldman Sachs International<br>HSBC Bank plc<br>HSBC Continental Europe<br>J.P. Morgan SE<br>MUFG Securities (Europe) N.V.<br>Raiffeisen Bank International AG<br>SMBC Bank EU AG<br>Société Générale<br>UniCredit Bank AG<br><br>and any other Dealers appointed in accordance with the Programme Agreement. |
| Certain Restrictions: | Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or |

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| | reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"), including the following restrictions applicable at the date of this Base Prospectus. |
| | **Notes having a maturity of less than one year** |
| | Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale*". |
| Issuing and Principal Paying Agent: | HSBC Bank plc |
| Agent Bank (applicable to Subordinated Notes only): | HSBC Bank plc |
| Trustee: | HSBC Corporate Trustee Company (UK) Limited |
| Transfer Agent: | HSBC Bank plc |
| Registrar: | HSBC Bank plc |
| Distribution: | Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. |
| Currencies: | Subject to any applicable legal or regulatory restrictions, Notes may be denominated in Euro, Czech Koruna, Sterling, U.S. dollars, Japanese Yen and any other currency agreed between the Issuer and the relevant Dealer. |
| Maturities: | Each of the Senior Notes and Dated Subordinated Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. |
| | Undated Subordinated Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem, substitute or vary the Undated Subordinated Notes pursuant to Condition 6 (*Redemption*) or 7 (*Substitution or Variation*) of the Subordinated Notes, respectively. |
| Issue Price: | Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par. |
| Form of Notes: | The Notes will be issued in either bearer or registered form in series (each a **Series**) consisting of one or more Tranches as |

described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

Fixed Rate Senior Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Senior Notes: Floating Rate Senior Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of the Issue Date of the first Tranche of Notes of the relevant Series); or

(b) on the basis of the reference rate set out in the applicable Final Terms.

Interest on Floating Rate Senior Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Senior Notes.

Floating Rate Senior Notes may also have a maximum interest rate, a minimum interest rate or both.

Benchmark Event: If a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark specified in the relevant Final Terms, then such rate of interest may be substituted (subject to certain conditions) with a successor or alternative rate with the application of an adjustment spread (which could be positive, negative or zero) and with consequent amendment to the terms of such Series of Notes as described in the relevant Terms and Conditions.

Zero Coupon Senior Notes: Zero Coupon Senior Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Sustainability-Linked Step Up Event: The applicable Final Terms will state whether a Sustainability-Linked Step Up Event will apply to the Senior Notes, in which case the Rate of Interest in respect of the Senior Notes may be subject to upward adjustment as specified in the applicable Final Terms. For the avoidance of doubt, an increase in the Rate of Interest may occur no more than once in respect of any Series of Sustainability-Linked Senior Notes, and will not subsequently decrease thereafter.

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| Fixed Rate Resettable Subordinated Notes: | Fixed Rate Resettable Subordinated Notes will bear interest on their principal amount from and including the Issue Date to but excluding the First Reset Date at the First Fixed Rate of Interest specified in the applicable Final Terms. Thereafter, this fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to a mid-market swap rate for the relevant Specified Currency or to a reference bond yield to maturity, and for a period equal to the reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Terms and Conditions of the Subordinated Notes. |
| Redemption: | Subject to any purchase and cancellation and early redemption or, in the case of the Subordinated Notes only, unless the applicable Final Terms provides that such Subordinated Notes are perpetual securities that have no fixed date for redemption, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date.<br><br>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution. See "*Certain Restrictions—Notes having a maturity of less than one year*" above. |
| Denomination of Notes: | The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions—Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be EUR 100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency). |
| Taxation: | All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Tax Jurisdiction as provided in Condition 8 (*Taxation*) of the Senior Notes or, as the case may be, Condition 12 (*Taxation*) of the Subordinated Notes. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 (Taxation) of the Senior Notes or, as the case may be, Condition 12 (*Taxation*) of the Subordinated Notes, be required to pay additional amounts to cover the amounts so deducted. |

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| Negative Pledge: | The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 3 (*Negative Pledge*) of the Senior Notes. |
| Cross Default: | The terms of the Senior Notes will contain a cross default provision as further described in Condition 10.1 (*Events of Default*) of the Senior Notes.<br><br>Subordinated Notes will not contain any events of default or cross default allowing acceleration of the Subordinated Notes. |
| Status of the Notes: | Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*) of the Senior Notes) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.<br><br>Subordinated Notes are direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders in respect of the Subordinated Notes, in each case against the Issuer, are subordinated as described in the provisions of Condition 3 (*Status and Subordination*) of the Subordinated Notes. |
| Rating: | The Issuer has been rated Baa3 by Moody's, BBB- by S&P and A- by JCR. The Programme has been rated Baa3 in respect of the Senior Notes and Ba2 in respect of the Subordinated Notes by Moody's and the Programme has been rated BBB- in respect of the Senior Notes and BB in respect of the Subordinated Notes by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme by Moody's or S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. |
| Listing: | Application has been made to Euronext Dublin for the Notes issued under the Programme to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market. The Issuer has requested the Central Bank of Ireland to provide the Czech National Bank, as competent authority of the Czech Republic, with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation, pursuant to which the Issuer may apply for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the regulated market of the PSE. |

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| | The Notes may also be listed on such other stock exchange and traded on such other market as shall be specified in the relevant Final Terms.<br><br>Notes which are neither listed nor admitted to trading on any market may also be issued.<br><br>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets. |
| Governing Law: | The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law, except Condition 3.2 (*Status and Subordination*) of the Subordinated Notes which will be governed by, and construed in accordance with, Luxembourg law. For the avoidance of doubt, the provisions of articles 470-1 to 470-19 of the Luxembourg Companies' Act 1915 are excluded in respect of the Notes. |
| Selling Restrictions: | There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including, for these purposes, Belgium), the UK, Hong Kong, Singapore, Japan, Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*". |
| United States Selling Restrictions: | Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms. |

# RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*For the avoidance of any doubt, references to Group means the Issuer and its subsidiaries, including IMMOFINANZ AG (**IMMOFINANZ**) and S IMMO AG (**S IMMO**).*

## FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

### Risks related to the markets in which the Group operates

***The Group faces business risks stemming from rising inflation and central banks' monetary policy decisions. Any rise in interest rates could have material adverse effects on real estate markets and on the Group***

The coronavirus (**Covid-19**) pandemic, the high amount of cash injected into the market as a monetary response to Covid-19, the geopolitical situation around the Russia-Ukraine conflict, and the subsequent disruption of the global economy have resulted in significant supply and demand shocks, which have further resulted in higher inflationary pressures and supply shortages in much of 2022 and into 2023. Inflationary pressure has been particularly strong in energy prices, in particular for oil and gas, caused by the Russia-Ukraine conflict, as well as for material prices, and there is much uncertainty as to the development of prices in the near future. The high inflation levels may result in tenants being unable to afford increasing rents, consequently leading to losses of rent. It cannot be ruled out that further losses of rent will occur in the future or that the Group will be unable to collect operating costs from tenants and that the Group could lose considerable rental income.

Higher levels of inflation particularly for energy and materials may have an impact on the Group's ability to acquire materials for capital expenditure measures at a reasonable price and increase utility costs or result in delays across the Group's operations. Furthermore, higher levels of inflation across the economy may result in higher personnel expenses and expenses related to external services, which could have a negative impact on the Group's profitability. In addition, higher levels of inflation have already resulted in increases in yields and volatility in capital markets, which has a negative impact on the cost of new financing and the refinancing existing of liabilities for the Group on one hand and may put upward pressure on discount rates and capitalisation rates if prolonged, which could consequently have an adverse impact on the fair value of the Group's assets and share price performance.

In addition, central banks, including the European Central Bank and the Czech National Bank, have raised interest rates in an effort to control the rising levels of inflation which has created an environment that has affected real estate companies in a variety of ways. As central banks continue to tighten monetary policy and raise interest rates, asset prices may decline from their current levels, which could lead to a reduction in the value of the Group's property portfolio. Moreover, because of the dampening effect that a tighter monetary policy typically has on the general economy, private households on average are likely to have less disposable income, which may further impact the performance of the Group's tenants. Therefore, if central banks continue to tighten monetary policy, this could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***The Group has significant investments and operations in emerging markets***

Investors in emerging and developing markets such as the regions of Central and Eastern Europe (**CEE**), in which the Group operates, should be aware that these markets are subject to greater legal, economic, fiscal and political risks than mature markets and are subject to rapid and sometimes unpredictable change. As a result, investing in the securities of issuers with substantial operations in emerging or developing markets generally involves a higher degree of risk.

The Group's operations in the CEE region are exposed to risks which are common to all regions that have recently undergone, or are undergoing, political, economic or social change, including currency fluctuations, an evolving regulatory environment, inflation, economic downturns, local market disruptions, labour unrest, changes in disposable income or gross national product, variations in interest rates and taxation policies and other similar factors. Political or economic instability resulting from the occurrence of any of these risks may adversely affect the real estate market in the CEE region. As a result, the Group's performance could be significantly affected by events in the CEE region which are beyond its control, such as a general downturn in the economy, political instability, changes in regulatory requirements and applicable laws (including in relation to taxation), the condition of financial markets and interest and inflation rate fluctuations. Such events could reduce the Group's rental income and/or the market value of its properties, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Investors should note that since emerging economies can be subject to rapid change, the information set out herein may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and investors are urged to consult with their own legal and financial advisers before making an investment in the Notes.

***The Group's properties are generally subject to state bodies exercising their right of expropriation or directing a compulsory purchase***

Under certain circumstances, properties of the Group (each a **property** and together, the **properties**) may be subject to expropriation, for example to complete public works, redevelopment or infrastructure projects. Typically, compensation must be paid to the owner of the property, however there can be no assurance that compensation in respect of any expropriation will be adequate in all circumstances. Such events could reduce the Group's rental income and/or the value of its property portfolio, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

**Risks related to the Group's business and industry**

***Risks connected with the Russia-Ukraine conflict***

As a result of the ongoing Russia-Ukraine conflict, the EU, the United States and governments in several other countries have imposed severe economic sanctions against Russia and Russian interests, as well as enhanced export controls on certain products and industries. Such measures and any further measures or actions taken by any governments, as well as any measures taken by the governments of Russia or other countries in response (such as restrictions in the supply of crude oil and gas to countries in the region and the EU), could indirectly adversely impact macroeconomic conditions, give rise to regional instability, which could have an adverse effect on the overall demand for commercial, residential, retail and office property, rental values and the ability of tenants to pay rent more broadly in the regions the Group operates. Such measures and any future measures may also directly adversely impact the Group through increasing the Group's and its customers' costs, and disrupting the Group's supplies, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations. It should be noted that the Group has one hotel property in Moscow, Russia. As at 31 December 2022, the Group accounted for the full impairment of this hotel of approximately EUR 16.4 million, representing less than 0.1 per cent. of the Group's total property portfolio. As at 31 December 2022, approximately 97.3 per cent. of the Group's total property portfolio was in the European Union/EEA.

***The Group is exposed to general commercial property risks including economic, demographic and market developments***

The Group is exposed to all of the risks inherent in the business of owning, managing and using commercial and residential real estate. Its performance may be adversely affected by an oversupply or a downturn in the commercial real estate market in general, or in the commercial real estate market in those cities in which the properties are located. For example, rental income and the market value for properties are generally affected by overall conditions in the EU and national and local economies, such as growth in gross domestic product (**GDP**), inflation and changes in interest rates. Changes in GDP may also impact employment levels, which in turn may affect tenants' ability to meet their rental obligations to the Group and impact the demand for premises generally. There can be no assurance that the Group will be able to maintain the current high occupancy rates, rental levels and lease terms of its properties in the future.

Other factors which could have an impact on the value of a property are more general in nature, such as national, regional or local economic conditions (including key business closures, industry slowdowns and unemployment rates, and any cyclical patterns relating to these trends); local property conditions from time to time (such as the balance between supply and demand); demographic factors; consumer confidence; consumer tastes and preferences; changes in governmental regulations including retrospective changes in building codes; planning/zoning or tax laws; potential environmental legislation or liabilities; the availability of refinancing; and changes in interest rate levels or yields required by investors in income producing commercial properties.

The demand for commercial properties and the ability of such properties to generate income and sustain market value is based on a number of factors, including:

- the economic and demographic environment;
- renovation work required on vacant units before they are re-let;
- tenant credit risk;
- workplace trends including growth rate, telecommuting and tenants' use of space sharing;
- local infrastructure and access to public transportation;
- the competitive environment; and
- tenant expectations of facility quality and upkeep.

Any deterioration in demand may result in increased pressure to offer new and renewing tenants financial and other incentives, which in turn may lead to an overall negative impact on net rental incomes as operating expenses increase. The occurrence of any one or a combination of the factors noted above may have a material adverse effect on the value of the properties, the potential to increase rent following rent reviews and the ability of the Group to sell its properties on favourable terms or at all. Any deterioration on net rental income, the value of the properties, or the Group's ability to sell its properties, could adversely affect the ability of the Issuer to make payments of interest and/or principal on the Notes.

***The performance of the Group's property portfolio is exposed to concentration risks***

The Group's property portfolio is exposed to concentration risk as a significant proportion of its portfolio is located in a limited number of countries and cities, including, in particular, in Berlin and the Czech Republic. As at 31 December 2022, 61 per cent. of the Group's property portfolio was located in the Czech Republic, Germany and Poland. The performance of the Group's property portfolio may be disproportionately impacted by events or market developments occurring in specific countries or cities or by developments that affect certain types of commercial or residential real estate. These developments may result in less favourable lease terms, increased vacancy rates and decreased rent levels for the Group's property portfolio, which could have a material adverse effect on the Group's business activities, results of operations and financial condition.

***The global Covid-19 pandemic has led to significant volatility in financial and other markets and may continue to negatively affect the Group's business and results of operations***

The outbreak of the Covid-19 pandemic, together with measures aimed at mitigating the further spread of Covid-19, such as restrictions on international and domestic travel, the imposition of quarantines, prolonged closures of workplaces and the retail and hospitality industries, curfews or other social distancing measures, has had a significant adverse effect on the global economy and international financial markets and may negatively impact the Group's business significantly. Whilst the majority of the aforementioned measures have now eased, mainly due to the widespread development and roll-out of vaccines, there can be no assurance any further outbreaks of Covid-19 or any future pandemics will not occur and such measures may not be reintroduced.

A number of factors that are important for the Group to successfully conduct its business could be materially affected by further outbreaks of Covid-19 or any future pandemics. For instance, the various measures and restrictions implemented by countries around the world to attempt to slow the spread of Covid-19 had a significant negative impact on the global economy and if such measures and restrictions were reintroduced, to the extent that such measures have been removed, or should additional measures and restrictions be introduced, this may result in a severe global recession and financial crisis. Many businesses have been and could be forced to close, leading to further increases in unemployment and to a decrease in consumer spending. Such developments could have a number of significant negative effects on the Group's business, including the following:

- some tenants in the Group's properties could find it increasingly difficult to pay rent, thereby leading to an increase in late payments and a consequential reduction of the Group's cash flow;
- other tenants in the Group's properties may go bankrupt and/or may no longer be able to afford to pay rent at all and be forced to move out, thereby further reducing the Group's revenue streams. As a result, the Group may be confronted with having lower occupancy levels or having to lower rental prices at its properties;
- governments in jurisdictions in which the Group operates might introduce changes in laws limiting the ability of landlords to terminate rental agreements, which may affect the Group's income and the market value of the Group's portfolio;
- any further outbreaks of Covid-19 or any future pandemics may have a negative impact on rental and sale prices and overall demand, which may also affect the Group's income, cash flow and profitability and the value of the properties it holds. Subdued economic activity could make it more difficult for the Group to sell properties at the prices expected by the Group, if at all; and

- as at 31 December 2022, hotels account for approximately 5 per cent. of the Group's property portfolio and the Group's hotel operations depend on corporate spending and tourism, which could be materially impacted by a significant drop in demand, directly impacting the occupancy and therefore profitability of the Group's hotel portfolio.

The extent of the impact of any further outbreaks of Covid-19 or any future pandemics on the Group is highly uncertain and depends on a number of factors, such as the duration and scope of the pandemic, and the suitability and effectiveness of measures adopted by authorities in response to the pandemic. Notwithstanding the downgrade of the Covid-19 pandemic by the World Health Organisation on 5 May 2023, any resurgence of Covid-19 or the occurrence or escalation of one or more of the above developments may further significantly negatively impact the Group's business, financial condition, prospects and results of operations. In addition, the impact of the Covid-19 pandemic, including measures taken by governments and authorities in jurisdictions where the Group operates to contain the spread of the virus, may heighten the other corresponding risks described under this "*Risk Factors*" section, including by increasing both the probability of negative impacts as well as the severity of such impacts.

***Any decline in occupancy levels may have a direct impact on the Group's cash flows***

The Group invests in real estate and derives a significant proportion of its cash flows from rental payments received from the tenants occupying its properties. Any significant decline in occupancy levels in respect of the properties could have a material adverse effect on the ability of the Issuer to make payments of interest on the Notes. Factors affecting occupancy may include, but are not limited to:

- the age, quality and design of a property relative to comparable properties in the local market;
- the property's location relative to public transportation;
- the standard of maintenance and upkeep of a property, including any work done by third-party service providers; and
- the perceptions regarding the safety, convenience and attractiveness of the property.

The Group's occupancy rate has remained robust across its portfolio (including in the retail segment, which faced significant challenges due to the Covid-19 pandemic). As at 31 December 2022, the Group's occupancy rate was 92.8 per cent. compared to 93.8 per cent. as at 31 December 2021. There can be no assurance, however, that tenants will renew their leases on terms favourable to the Group at the end of their current tenancies or, if they do not, that new tenants of equivalent standing (or any new tenants) will be found to take-up replacement leases.

Any failure of the Group to sustain an adequate occupancy level could have a material adverse effect on any Group member's ability to collect rent payments. Further, the relevant Group member would continue to face fixed costs (subject to certain exceptions) to cover service charge contributions in respect of any vacant units, which would reduce amounts available to make payments of interest on the Notes.

***The Group's financial performance relies on its ability to attract and retain tenants, which may suffer as a result of increased competition from other owners, operators and developers***

The Group faces competition from other owners, operators and developers of real estate. The Group competes with local real estate developers, private investors, property funds and other retail property owners for tenants. Other than the requirement for capital, there are few other barriers to entry to the property market. Some of the Group's competitors may have properties that are newer, better located, or in superior condition compared to its properties.

The competition for tenants may also negatively affect the Group's ability to optimise the tenant mix, attract new tenants and retain existing tenants and may negatively influence the terms of the Group's lease agreements, including the amount of rent that the Group charges and the incentives that the Group provides to tenants, thereby adversely affecting the Group's business, financial condition, prospects and results of operations.

***The Group's strategy envisions potential additional selective property acquisitions, but the Group may be unable to acquire them on acceptable terms, identify all potential liabilities associated with them or complete the acquisitions***

The Group has created and increased its property portfolio through selective property acquisitions. In the future, the Group plans to continue to expand its property portfolio through selective acquisitions. Its acquisition strategy includes identifying properties that meet the Group's investment criteria and acquiring such properties on terms acceptable to the Group. See "*Description of the Issuer—Strategy*".

The acquisition of real estate requires, among other things, an analysis of the factors that create value, and such analysis is subject to a wide variety of factors and subjective assessments and is based on various assumptions. It is possible that the Group may overestimate the potential of target properties when making acquisition decisions, and cost savings and synergies may not develop, or that it may base its decision on inaccurate information or assumptions that turn out to be incorrect. The Group may also overestimate the likelihood of obtaining the required government permits and approvals for development properties. Such errors may only become apparent at a later stage and force the Group to recognise fair value losses in its statement of income. Furthermore, the Group cannot guarantee that its due diligence when purchasing a property will identify all of the potential liabilities and risks related to the property or that it will have recourse to the seller of the property for the non-disclosure of such risks. Such risks could impact the fair value of the properties, cause a loss of the Group's rights to a property or incur significant additional costs. Any inability or failure to identify and acquire attractive properties at commercially acceptable terms or to identify potential liabilities associated with the properties, or complete the property acquisitions at all will negatively impact the Group's business strategy to focus on targeting properties with value-add potential which may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***The Group may not be able to manage its growth successfully***

The Group expects its future growth to place significant demands on its management, operations and other resources. Challenges it may face in future growth include continuing to improve its managerial, technical and operational knowledge, implementing an effective management information system, continuing to recruit and train managerial and other professional staff to satisfy its business requirements, obtaining sufficient financial resources to fund its on-going operations and its future growth, managing relationships with a greater number of tenants, suppliers, contractors, lenders and other third parties, and strengthening its internal control and compliance functions to ensure that the Group is able to comply with its regulatory and contractual obligations.

The Group has made a number of significant acquisitions during the last five years across various asset classes. For example, in 2018, the Group acquired (i) Zgorzelec Property Development sp. z o.o., the owner of a retail park in Zgorzelec, Poland; (ii) Futurum Hradec Králové Shopping Centre with a total floor area of 39,000 square metres (**sqm**) and 1,350 parking spaces; (iii) four existing retail parks in Poland – Retail park HopStop Zamość 1, Retail park HopStop Zamość 2, Retail park HopStop Rembertów and Retail park Hop Stop Radom; (iv) 11 luxury apartments at Buxmead in North London; (v) the hotel operator of the Holiday Inn hotel in Rome; and (vi) two office properties in Warsaw. In

2019, the Group acquired (i) Hotel Park Inn in Ostrava, Czech Republic; (ii) a four star Holiday Inn hotel in Brno; (iii) 7 St James's Square in London, offering up to 33,000 square feet of gross leasable area (**GLA**) for offices; (iv) seven fully let homes at West Village, a development of contemporary homes in Notting Hill, London, and (v) three offices in central Warsaw for over EUR 560 million (Warsaw Financial Center, Eurocentrum and Equator IV). During 2020, the Group continued the Warsaw office acquisition strategy that began in the final quarter of 2019 and acquired six offices for more than EUR 260 million (Green Corner A, Equator II, Equator I, Moniuszki 1A, Chałubinskiego 8 and Concept Tower), bringing the total value of the Group's Warsaw office portfolio to nearly EUR 1,000 billion, representing over 315,000 sqm of leasable area. In January and February 2020, through a series of transactions, the Group acquired 65,250,000 shares (equating to a 29.55 per cent. shareholding) of Globalworth Real Estate Investments Limited (**Globalworth**), a leading owner of income-generating office properties in Poland and Romania, with approximately EUR 3,500 million of assets generating more than EUR 150 million of gross rental income each year. In April 2021, the Group formed a joint venture with Aroundtown SA (**Aroundtown**), and announced a cash offer for Globalworth's entire issued share capital that the companies did not already own. In light of this announcement, on 15 April 2021 S&P placed the Group's BBB rating on CreditWatch with negative implications. Moody's published an issuer comment on 14 April, but kept the Baa2 rating with negative outlook on the Group unchanged. For more information, see "*Description of the Issuer – Globalworth*" below. In November 2020, the Group acquired more than 50 per cent. of Next RE SIIQ S.p.A. (formerly known as Nova RE SIIQ S.p.A.) (**Next RE (formerly Nova RE)**), an Italian real estate company with a property portfolio valued at EUR 123 million at 31 December 2020, by participating in a capital increase for a total consideration of about EUR 26 million. A mandatory tender offer for the remaining shares was launched in December 2020 and concluded in January 2021, following which the Group held approximately 92.44 per cent. of Next RE (formerly Nova RE)'s share capital. For more information, see "*Description of the Issuer – Next RE (formerly Nova RE)*" below. In the third quarter of 2020, the Group acquired St. Mark's Court, located in St. John's Wood in North London. St. Mark's Court is a rare unbroken freehold terrace and lot consisting of 24 apartments with the potential for future expansion. The acquisition of St. Mark's Court was in line with the Group's strategy of investing selectively in the residential sector in the UK.

In the first quarter of 2021, the Group acquired 100 per cent. shares in three Italian companies, Millennium S.r.l., Freccia Alata S.r.l. and Peabody Lamaro Roma S.r.l. forming Collina Muratella Complex, a landbank for a planned residential complex in Rome, Italy. As part of the transaction, the Group purchased bank loans below their nominal values through its newly-founded investment vehicle CPI Italy 130 SPV. In April 2021, the Group acquired 89.67 per cent. shares in two German companies owning land plots in Berlin, Germany: GSG BER Waßmannsdorf Eins GmbH and GSG BER Waßmannsdorf Zwei GmbH. The total consideration paid was EUR 12.9 million. In June 2021, the Group acquired ALIZÉ PROPERTY a.s, an owner of a land plot in Slovakia. The total consideration paid was EUR 13.9 million. In June 2021, the Group acquired Polma 1 SA (**Polma**) from the Group's majority shareholder. Polma was a Luxembourg based direct or indirect parent company of several Italian based subsidiaries - Eurocraft Cantieri Navali S.rl. (owner of one building in Italy), Capital Dev S.p.A., Parsec 6 S.p.A. (owner of the shopping centre Maximo in Rome, Italy), Parco delle Acacie Due S.p.A. (owner the land plot in Rome, Italy), Vicovaro R.E. S.r.l. (owner of a landbank in Vicovaro, Italy), Samar - S.p.A. (owner of the land plot in Rome, Italy), Istituto Immobiliare Di Catania S.P.A. (owner of a landbank in Rome, Italy), C.E.Co.S. Completamento Edilizio Corso Sicilia (owner of the land plot in Rome, Italy), Istituto Per L'Edilizia San Berillo S.r.l., S. Maria Della Guardia S.r.l., CPI Real Estate Italy S.r.l., and CPI Tor di Valle S.r.l. Polma is also an indirect parent company of a Switzerland based subsidiary, Ranchmatti SA (owner of a one building plot in Switzerland). Total consideration of the acquisition was EUR 368.3 million (including EUR 227.2 million paid by the Group to settle the Polma group's pre-acquisition loans against entities controlled by the Group's majority shareholder and EUR 24.5 million paid by the Group to settle the Polma group's pre-acquisition bank loans).

During 2021 and 2022, the Group acquired shares in IMMOFINANZ, a large and well-regarded owner of Central European commercial real estate, in the public market and through block purchases (the **IMMOFINANZ Takeover**). On 3 December 2021, the Group announced its intention to launch a mandatory takeover offer of IMMOFINANZ. On 3 March 2022, the Group gained control of IMMOFINANZ, acquiring a 54.88 per cent. stake. For more information, see " *– Risks related to each of IMMOFINANZ's and S IMMO's performance and unforeseen liabilities following the Takeovers*", " *– Risks related to the integration of each of IMMOFINANZ's and S IMMO's activities and the non-realisation of the expected synergies following the Takeovers*", "*Description of Issuer – IMMOFINANZ*","*Description of Issuer – S IMMO*" and "*Unaudited Pro Forma Financial Information*".

During 2021 and 2022, the Group acquired shares in S IMMO, a Vienna Stock Exchange-listed real estate investment company focusing on Austria, Germany and the CEE region, in the public market and through block purchases (the **S IMMO Takeover** and together with the IMMOFINANZ Takeover, the **Takeovers**). On 12 August 2022, the Group gained control of S IMMO, acquiring an 82.67 per cent. stake. On 4 October 2022 and 19 October 2022, S&P and Moody's downgraded the Group to BBB- and Baa3, respectively, with stable outlooks due to the higher leverage stemming from the IMMOFINANZ and S IMMO takeovers. For more information, see " *– Risks related to each of IMMOFINANZ's and S IMMO's performance and unforeseen liabilities following the Takeovers*", " *– Risks related to the integration of each of IMMOFINANZ's and S IMMO's activities and the non-realisation of the expected synergies following the Takeovers*", "*Description of Issuer – S IMMO*" and "*Unaudited Pro Forma Financial Information*".

There can be no assurance that the Group will not experience issues such as capital constraints, delays relating to regulatory and contractual compliance obligations, operational difficulties at new or existing locations, difficulties in integrating new acquisitions into the Group's existing business and operations and managing the training of an increasing number of personnel to manage and operate the expanded business. If the Group is unable to successfully manage the impact of its growth on its operational and managerial resources and control systems, its reputation could suffer, which may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***Risks related to each of IMMOFINANZ's and S IMMO's performance and unforeseen liabilities following the Takeovers***

On 3 December 2021, the Group announced the IMMOFINANZ Takeover. Upon the conclusion of the offer's initial acceptance period on 23 February 2022, the Group owned 54.8 per cent. of IMMOFINANZ shares. An additional acceptance period remained open until 30 May 2022, on which date the Group acquired an additional 22.1 per cent. of IMMOFINANZ shares. As at the date of this Base Prospectus, the Group holds 106,579,581 shares in IMMOFINANZ representing 76.9 per cent. of its share capital.

On 14 April 2022, the Group also announced that, subject to the successful removal of S IMMO's 15 per cent. voting cap and conditional upon merger control clearance, it would launch a mandatory cash offer for S IMMO shares. Upon the conclusion of the offer's initial acceptance period on 12 August 2022, the Group owned (directly and indirectly via IMMOFINANZ) 82.67 per cent. of S IMMO shares. An additional acceptance period remained open until 18 November 2022, following which the Group owned, in aggregate, 92.2 per cent. of S IMMO's share capital based on voting rights. S IMMO has 73,608,896 total shares outstanding, with 3,084,797 treasury shares. As at the date of this Base Prospectus, the Group owns 88.4 per cent. of S IMMO shares. The Group fully consolidated IMMOFINANZ in its consolidated financial statements as of 31 March 2022 and S IMMO in its consolidated financial statement as of 30 June 2022. For more information, see *"Description of the Issuer – IMMOFINANZ and S IMMO""* *– Risks related to the integration of each IMMOFINANZ's and S IMMO's activities and the non-realisation of the expected synergises following the Takeovers*", "*Risks related to the triggering of change of control clauses following the Takeovers*" and *"Unaudited Pro Forma Financial Information"*.

IMMOFINANZ's and S IMMO's performance and operating indicators could deteriorate from the levels reached in 2022 or in previous years, particularly in the current context of continuing volatility in the macroeconomic environment and political, economic, financial, legal and commercial factors, many of which are outside of the Issuer's, IMMOFINANZ's and S IMMO's control. As a result, unanticipated operational difficulties and/or significant unanticipated liabilities of IMMOFINANZ and S IMMO may arise, which may have an adverse effect on the Group's business, financial condition, prospects, and results of operations. Similarly, operating difficulties or other risks identified in due diligence prior to the takeover could ultimately prove to be insufficiently provisioned or be more significant than initially anticipated, or the Issuer may not be in a position to remedy such difficulties, which could have a material adverse effect on the Group's business, financial condition, prospects, results of operations and reputation.

***Risks related to the integration of each of IMMOFINANZ's and S IMMO's activities and the non-realisation of the expected synergies following the Takeovers***

The Takeovers each involved the integration of two significantly sized complex groups that conduct a wide range of activities and operate independently. The expected benefits of each of the Takeovers will partly depend upon the successful integration of IMMOFINANZ's and S IMMO's respective activities into the Issuer's business. The companies could face significant difficulties when implementing integration plans, some of which may have been unforeseeable or outside of the Issuer's control or the control of IMMOFINANZ or S IMMO (as applicable), notably with respect to differences in norms, controls, procedures and rules, corporate culture, the history of technological investments, and the need to integrate and harmonise the various operating systems and procedures that are specific to each group, such as financial and accounting systems and other IT systems. In that regard, the Issuer could have difficulties retaining some of its key employees or those of IMMOFINANZ and S IMMO. In connection with the integration process, the Issuer will have to resolve problems inherent to the management and integration of a large number of employees with different experience, backgrounds, compensation structures, and cultures, which could disrupt each of IMMOFINANZ's and S IMMO's ability to manage its business as expected.

In addition, the integration process may be long and complex and will require significant time and resources. Integration efforts may also lead to significant costs, which could have a material adverse effect on the Group's business, financial condition, prospects, and results of operations. Any expected failure of the integration could also have an adverse effect on the Group's business, financial condition, prospects and results of operations.

Although the Issuer expects each of the Takeovers to create significant value through the synergies achieved in the medium and long term and significant cost synergies, there can be no assurance of the existence or achievement of the synergies within the expected time frames, as the achievement and extent of any synergies depend on a number of factors and assumptions, many of which are outside of the Issuer's control or the control of IMMOFINANZ or S IMMO (as applicable). In addition, costs incurred to achieve these synergies may be higher than expected or the Issuer may incur additional unexpected costs that may even exceed the value of the expected synergies. The failure to achieve expected synergies and/or an increase in the costs incurred in this regard could decrease the Issuer's return on its investments and diminish the IMMOFINANZ Takeover's and the S IMMO Takeover's value creation and, more generally, have a material adverse impact on the Issuer's activities, operating results, financial position, and prospects.

***The Unaudited Pro Forma Financial Information in this Base Prospectus may not be indicative of the results the Group would have achieved had it controlled each of IMMOFINANZ and S IMMO for the entire year ended 31 December 2022***

The Unaudited Pro Forma Financial Information included in this Base Prospectus was prepared solely for illustrative purposes in accordance with applicable laws and regulations, principally in order to describe each of the Takeovers. The Unaudited Pro Forma Financial Information (as defined in *Pro Forma Financial Information* below) is based on assumptions and its usefulness is, therefore, inherently limited. In preparing the Unaudited Pro Forma Financial Information included in this Base Prospectus, the Group has made adjustments to each of its, IMMOFINANZ's and S IMMO's historical financial information based on currently available information and on assumptions that the Group's management believes are reasonable in order to reflect, on a pro forma basis, the effect of each of the Takeovers. In addition, the Group has made changes to the classification of certain line items in its historical financial information in order to align with the presentation used in the next annual consolidated financial statements prepared in accordance with IFRS that it publishes, and to each of IMMOFINANZ's and S IMMO's historical financial statements in order to conform to the Group's expected future financial statement presentation and alignment of IMMOFINANZ's and S IMMO's accounting policies to those of the Group. The estimates and assumptions used in the calculation of the Unaudited Pro Forma Financial Information included in this Base Prospectus may be materially different from each of IMMOFINANZ's, S IMMO's and the Group's actual results of operations. Accordingly, the Unaudited Pro Forma Financial Statements presented herein should not be considered representative of the results that would have been obtained had each of the Takeovers actually taken place on the assumed dates for the periods presented. The Unaudited Pro Forma Financial Information presents a hypothetical situation and does not, therefore, show any of the Group's, IMMOFINANZ's or S IMMO's actual or prospective financial performance. The Unaudited Pro Forma Financial Information does not represent a forecast of future results and investors should not use it as such. Furthermore, the Unaudited Pro Forma Financial Information does not give effect to any other events than those described in the Unaudited Pro Forma Financial Information and the Notes thereto, nor does it reflect forward-looking data, as it was prepared to represent only the isolatable and objectively measurable effects of each of the Takeovers, without taking account of the potential effects of resulting changes in management policy and operating decisions. Considering that the purposes of the Unaudited Pro Forma Financial Information are different from those of audited consolidated financial data, the two sets of data should be read and interpreted separately, without trying to connect them from an accounting perspective. For more information, see " *Unaudited Pro Forma Financial Information*".

***The valuations performed on the Group's real estate portfolio represent the analysis and opinion of independent experts and may not be an accurate reflection of their present or future value***

The financial statements of the Group reflect property valuations performed by external valuation agents and are not guarantees of present or future value. One external valuation agent may reach a different conclusion to the conclusion that would be reached if a different external valuation agent were appraising the same property, and similarly the same external valuation agent may come to a different conclusion at different periods of time. This variation may be due to the use of different methodologies and assumptions.

Any change to valuation methodology may result in gains or losses in the Group's consolidated income statement, based on the change to each property's valuation compared with prior valuations. There can be no assurance that any revaluation could be realised in a third-party sale.

The valuations given to properties by any external appraiser and reflected in the Group's financial statements may exceed or be below the actual amount of net proceeds which would be realised on the relevant property at the time of any sale, and are subject to fluctuation over time. Such variations may be driven by factors outside the control of the Group. The net proceeds realised from any future disposal may vary from the related valuation and such variations may be material and the relevant Group member may not be able to realise the full property value reflected in any valuation report. This could have a material adverse effect on the ability of the Issuer to repay the full principal of the Notes.

***The Group's consolidated income statement has been and may be significantly affected by changes in the fair market value of the properties***

The Group's investment properties are generally revalued annually in accordance with IAS 40 at their respective market value on the reporting dates. Since changes in the fair value of investment property are recognised in the Group's consolidated income statement for the period in which they arise, such non-cash valuation gains or losses can materially affect the Group's consolidated income statement and balance sheet, due to the resulting impact on retained earnings and equity.

If the values of comparable commercial real estate properties decrease, the Group may experience revaluation losses in the future, and the value of its property portfolio could decrease. Such events could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***Certain properties are subject to legacy restrictions incurred through historical receipt of public subsidies***

GSG Berlin (as defined below) is a part of the Group and owns and operates properties of the Group in Berlin. GSG Berlin was the beneficiary of subsidies granted pursuant to the German Act on the Joint Scheme for Improving Regional Economic Structures (*Gesetz über die Gemeinschaftsaufgabe "Verbesserung der regionalen Wirtschaftsstruktur"*), which are specified by Regional Development Strategic Frameworks (*Rahmenplan*) that apply for set periods of time. The properties to which these subsidies have been applied remain subject to certain conditions and restrictions, including on rent levels and tenant requirements.

Compliance with these restrictions may limit the Group's ability to fully exploit those properties until the relevant expiration dates of such restrictions. Furthermore, there is some uncertainty as to the interpretation and period of application of these restrictions, and any breach by GSG Berlin of these obligations may lead to a full or partial revocation of the subsidies for the affected properties, which may lead to GSG Berlin being required to reimburse the relevant public authorities. There can be no assurance that any interpretations made now may not be subsequently challenged as a result of a change of interpretations or a change in the relevant agency.

***The Group may not be able to successfully recover operating, maintenance and capital expenditure costs from its tenants***

To maintain the properties and comply with applicable law, it is necessary to perform maintenance and/or repairs. Such measures can be time consuming and expensive, and risks can arise in the form of higher than anticipated costs or unforeseen additional expenses for maintenance, repair or modernisation that cannot be passed on to tenants. Moreover, work can be delayed, for example, because of bad weather, poor performance or insolvency of contractors or the discovery of unforeseen structural defects. In the ordinary course of events, the Group may fund such capital expenditure out of cash flow generated by the properties. If the necessary capital expenditure is not undertaken, this could lead to a decline in the value of the relevant properties, impacting their liquidation or refinancing value and hence the ability to generate sufficient disposal refinancing proceeds. Changes in government regulations may result in additional capital expenditure requirements to modernise or maintain the properties, such as refurbishment to comply with energy efficiency standards or health and safety requirements, which may not always be possible to charge to tenants.

***The Group is exposed to risks relating to hotel properties***

As of 31 December 2022, 5 per cent. by value of the Group's properties are operated as hotels by the Group or by third parties. See "*Description of Issuer—Sectors—Hotels and Resorts*". A number of factors may adversely affect the value and successful operation of a hotel property. Some of these factors include general economic conditions, the level of business and leisure travel in the local economy, the franchise affiliation of the hotel, the competition faced by the hotel and the desirability of the hotel's location.

Adverse economic and social conditions, either local or national, may limit the amount that can be charged for a room and may result in a reduction of occupancy levels. The construction or development of competing hotels can have similar effects. To meet competition in the industry and to maintain economic values, continuing expenditure is required to modernise, refurbish and maintain existing facilities throughout their anticipated useful lives. As hotel rooms are generally rented for short periods of time, hotels tend to respond more quickly to adverse economic conditions and an operator of a hotel may have an impact on the hotel's quality of service and economic performance. The hotel industry is generally seasonal in nature and this seasonality can cause periodic fluctuations in a hotel property's room and other revenues, occupancy levels, room rates and operating expenses. The demand for particular accommodations may also be affected by changes in travel patterns and other factors. In addition, as seen in recent years, acts of terrorism, outbreaks of disease and other difficulties not directly related to an economic downturn can have an adverse impact on both leisure and business travel and, therefore, should be considered as a potential factor in evaluating the performance of a hotel property.

Revenues generated by the Group's Hotels for the year ended 31 December 2022 totalled EUR 165 million, an increase of 148.5 per cent. from EUR 66.4 million for the year ended 31 December 2021. In 2022, average occupancy across the Group's hotel portfolio was around 51 per cent. (which excludes S IMMO's hotel properties that are leased or externally managed, as well as the Hvar resort hotels that are seasonally operated) compared to 24 per cent. in 2021. For the full year of 2022, net hotel income was EUR 46 million (versus EUR 14 million in 2021). See "*— The global Covid-19 pandemic has led to significant volatility in financial and other markets and may continue to negatively affect the Group's business and results of operations*".

Adverse changes in any of the factors described above could adversely affect income derived from the Group's hotel properties, which could in turn affect the ability of the Issuer to meet its obligations in respect of the Notes.

**Risks related to the financial condition of the Group**

***The Group has a substantial amount of outstanding indebtedness and may not be able to successfully renew or refinance any such indebtedness as it matures, or may only be able to renew or refinance its indebtedness on less favourable terms***

The Group has a substantial amount of indebtedness and debt service obligations. As at 31 December 2022, the Group's Total Debt was EUR 11,690 million (which includes bonds issued in the amount of EUR 5,086 million and financial debts of EUR 6,604 million (including financial debts linked to assets held for sale of EUR 79.0 million)). The Group's business is subject to significant risks in relation to its ability to renew, extend or refinance loans and other obligations as they mature.

The ability of the Issuer to repay its indebtedness, including its indebtedness under the Notes, will depend, among other things, upon it having sufficient available cash and/or upon its ability to find a lender willing to lend to it sufficient funds to enable repayment of its indebtedness. The availability of funds in the credit market fluctuates and it is possible that at the relevant time there will be a shortage of credit to redeem the Notes or other indebtedness.

In the first quarter of 2023, financial markets experienced a considerable increase in volatility. Fears of contagion following the collapse of Silicon Valley Bank and Signature Bank and the rescue plan for First Republic Bank in the United States, which were compounded by the forced merger between Swiss banks Credit Suisse and UBS. Concerns remain that this volatility may spread to the rest of the financial sector and could affect the ability and willingness of banks to provide access to credit. Such effects could have an adverse impact on the ability of the Issuer to access capital and liquidity on financial terms acceptable to the Issuer, which could materially adversely affect the Group's business, financial condition and results of operations.

If the Issuer is unable to refinance its indebtedness, including the Notes, it may be forced, in unfavourable market conditions, into selling some or all of the properties in order to repay such indebtedness, and there can be no assurance that the assessed fair value of the properties would be realised under such circumstances. Failure by the Issuer to repay or refinance its indebtedness or by the Group to sell the properties (or any sale occurring at an unfavourable price) may result in the Issuer defaulting on the Notes and in its insolvency.

***Changes in foreign exchange rates could have a material adverse effect on the Group's results***

The Group operates in a number of different countries and is therefore exposed to financial risks that arise from changes in exchange rates, primarily the Czech Koruna against the Euro. Exchange rate fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time liabilities denominated in currencies with a rising exchange rate appreciate.

The impact of foreign exchange is mostly non-cash related and arises whenever there is a mismatch between the currency in which a property is valued and the functional currency of the entity into which the property is consolidated. Appreciation of the Czech Koruna relative to the Euro could result in an unrealised foreign exchange loss on Euro-denominated assets, which would have an impact on the Group's profit and loss and balance sheet in terms of property carrying values. In addition to the non-cash effects, the Group is exposed to foreign currencies (primarily Czech Koruna) through rental income and expenses.

In 2022, 10 per cent. of the Group's gross rental income was received in Czech Koruna, 13 per cent. of the Group's property operating expenses and 18 per cent. of administrative expenses were also denominated in Czech Koruna. While the net remaining exposure to the Czech Koruna is limited due to a natural hedge, the Group is nevertheless exposed to fluctuation in rental income, property operating expenses and administrative expenses (in the functional reporting currency of Euro), should the Czech Koruna fluctuate versus the Euro.

Furthermore, any change in exchange rates between foreign currencies and the Euro affects the Group's reported results of operations and assets and liabilities when the results are translated into Euro for reporting purposes. Unfavourable fluctuations in the values of the currencies in which financial statements of subsidiaries of the Issuer are prepared against the Euro could have a material negative impact on the Group's future consolidated financial statements. The exposure to exchange rate volatility could materially adversely affect the Group's business, financial condition, results of operations and prospects in respect of the Notes.

*The Group must observe financial ratios and covenants under the terms of its indebtedness*

All of the Group's major credit facilities and its outstanding CZK and EUR denominated notes contain restrictive covenants that require compliance with certain financial ratios and covenants. While the Group believes that the financial ratios and covenants contained in the Group's credit facilities allow sufficient flexibility for the Group to continue to conduct its business in the normal course and to meet its debt servicing obligations, the need to observe these financial ratios and covenants could nevertheless hinder the Group's ability to incur additional debt and grow its business.

Any deterioration in the Group's operating performance, including as a result of any worsening of prevailing economic conditions, or any financial, business or other factors, many of which are beyond its control, may materially adversely affect its cash flow and hinder its ability to service its indebtedness and result in covenant breaches under the Group's credit facilities. While the Group is currently in compliance with all of its credit facilities, if, in the future, the Group does not generate sufficient cash flow from operations in order to meet its debt service obligations or if it breaches covenants which are not waived by its lenders, the Group may have to refinance or restructure its debt, reduce or delay its planned development activities or sell some of its properties in order to avoid default and acceleration of its debt by lenders. Waivers by the Group's lenders may trigger higher interest rates or waiver fees. Some of the ratios and financial covenants in the Group's borrowings are calculated on the basis of the fair value of its properties. Therefore, fluctuations in the fair value of the Group's properties could have an adverse impact on its compliance with relevant financial ratios and covenants. The Group cannot guarantee that any refinancing or additional financing would be available at all or on acceptable terms in such a situation. If the Group defaults under one or more of its credit facilities and its lenders accelerate the debt, the Group may forfeit the property securing the indebtedness and its income may be substantially reduced. Any failure to meet its debt service obligations, to obtain waivers of covenant breaches or to refinance its debt on commercially acceptable terms in such a situation could lead to serious consequences for the Group, including the sale of properties to repay lenders and substantial retrenchment of its business.

*A significant part of the Group's indebtedness is secured*

As of 31 December 2022, 39 per cent. of the Group's indebtedness (including bonds issued and financial debts) was secured by pledges over property in its portfolio. Since the Notes are unsecured, the Notes are structurally and effectively subordinated to the extent of the value of collateral to all the Group's secured creditors. While the Terms and Conditions of the Senior Notes contain a negative pledge restriction, the negative pledge covenant contains certain carve-outs. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding of the Issuer or the Group that has secured obligations, holders of secured indebtedness will have prior claims to the Group's assets that constitute the collateral for such secured indebtedness. In such a scenario, holders of the Notes may receive less, rateably, than the holders of secured indebtedness and they may lose some or all of their investment in the Notes.

**Legal and Regulatory Risks**

***It cannot be excluded that the additional measures may be adopted which could further limit landlord's rights vis-à-vis their tenants, including amendments to insolvency laws. The Group is exposed to risks relating to planning and environmental regulation, and municipal pre-emption rights***

The properties are subject to restrictions under applicable planning, building, monument protection, environment and other laws and regulations, and may be subject to statutory encumbrances, competing claims, pre-emption rights and other limitations, which may impact their value and/or the relevant Group member's ability to use and dispose of them as it would otherwise see fit.

As a result of the above or other restrictions, the Group may incur expenses and be prevented from charging market rents or from upgrading the affected properties in a way that would otherwise make such properties more attractive to tenants and allow the Group to increase its overall occupancy and/or rent levels. Further, non-compliance with such restrictions may have consequences ranging from fines, administrative and penal sanctions to prohibition of use or demolition orders.

Certain of the properties were historically industrial buildings, and the aftermath of their former uses may continue to constrain their current use due to the demands of applicable environmental laws. Further, it is possible that some properties contain ground contamination, hazardous materials, other residual pollution and/or wartime relics (potentially including unexploded ordnance). The discovery of such residual pollution, particularly in connection with the lease or sale of properties, can also trigger claims for rent reductions, termination of leases, damages and other breach of warranty claims, and its remediation and related additional measures could involve considerable additional costs. It may no longer be possible to take recourse against the polluter or the previous owners of the properties. Moreover, the existence or even merely the suspicion of the existence of wartime ordnance, hazardous materials, residual pollution or ground contamination can negatively affect the value of a property and the ability to lease or sell such a property.

In addition, several of the properties may be in technical violation of easement or encroachment requirements, and the Group could as a result be required to pay compensation to the relevant authorities.

***Legal regimes in the CEE region differ from those in Western Europe***

The legal systems of most of the countries in the CEE region have undergone dramatic changes in recent years.

In many cases, the interpretation and procedural safeguards of the new legal and regulatory systems are still being developed, which may result in the promulgation of new laws, changes in existing laws, inconsistent application of existing laws and regulations and uncertainty as to the application and effect of new laws and regulations.

Additionally, in some circumstances, it may not be possible to obtain the legal remedies provided for under relevant laws and regulations in a reasonably timely manner or at all. A lack of legal certainty or the inability to obtain effective legal remedies in a reasonably timely manner may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***The Group's contractual rights under its leases may be limited by law***

The Group may be subject to statutory restrictions on its right to modify or terminate lease agreements (particularly in respect of residential leases). This may restrict the Group's ability to let its properties at market rent levels or to manage its tenant base as it sees fit, thereby adversely affecting the Group's business, financial condition, prospects and results of operations.

***EU Tax Avoidance Directive***

The Organisation for Economic Co-operation and Development (**OECD**), together with the G20 countries, have committed to address abusive global tax avoidance, referred to as Base Erosion and Profit Shifting (**BEPS**) through 15 actions detailed in reports released on 5 October 2015. As part of the BEPS project, new rules dealing *inter alia*, with abuse of double tax treaties, interest deduction limitation rules, the definition of permanent establishments, controlled foreign companies and hybrid mismatch arrangements, are being introduced into respective domestic law of BEPS member states via EU directives and a multilateral instrument.

In effect, the European Council has adopted two Anti-Tax Avoidance Directives (being, Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (**ATAD** I) and Directive 2017/952/EU of 29 May 2017 amending ATAD I as regards hybrid mismatch rules (**ATAD I**I) that address many of the above-mentioned issues. The measures included therein have already been implemented into Luxembourg law on 21 December 2018 (the **ATAD I Law**) and 20 December 2019 (the **ATAD II Law**).

More specifically the ATAD I Law introduced, as of 1 January 2019, an interest deduction limitation rule, according to which in a given fiscal year, the deduction of so-called "exceeding borrowing costs" is limited to the higher of (i) 30 per cent. of EBITDA and/or (ii) EUR 3,000,000. Such interest deduction limitation rule may impact the Issuer’s ability to deduct interest or return on the Notes. Consequently, the Issuer may face increased Luxembourg income tax leakage as from 1 January 2019 as a result of not being allowed to fiscally deduct all interest or return on the Notes issued by it. In addition, the ATAD I Law (as amended and extended by the ATAD II Law) also introduced anti-hybrid mismatch rules, disallowing the deduction of (interest) expenses in case where a hybrid mismatch with respect to the characterisation of a financial instrument or entity arises, notably (1) as part of a structured arrangement or (2) between associated enterprises, and results in a double deduction or a deduction without (taxable) inclusion. Consequently, interest payments under the Subordinated Notes may be non-deductible under the above anti-hybrid mismatch rules.

The ATAD I Law and the ATAD II Law may affect the Issuer, the Noteholders and could result in reduced returns to the Issuer and therefore the Noteholders.

***DAC 6***

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning (**DAC 6**).

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, satisfy one or more "hallmarks" provided for in DAC 6 (the **Reportable Arrangements**).

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any Member States likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with persons that design, market or organise the Reportable Arrangement and professional advisors (intermediaries). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

The information reported will be automatically exchanged between the tax authorities of all Member States.

DAC 6 has been implemented into Luxembourg law on 25 March 2020 (the **DAC 6 Law**). Non-exempt intermediaries or, if there are no such intermediaries, the taxpayer itself shall report cross-border reportable arrangements within 30 days beginning (i) on the day after the reportable cross-border arrangement is made available for implementation, (ii) on the day after the cross-reportable arrangement is ready for implementation or (iii) when the first step in the implementation of the reportable cross-border arrangement has been made; whichever occurs first.

In light of the broad scope of DAC 6, transactions carried out by the Issuer may fall within the scope of DAC 6 and thus be reportable.

**Operational Risks**

***The members of the Group may be exposed to the credit risk of their tenants and the risks of the industries in which they operate***

The Group may be exposed to the credit risk of its tenants. There can be no assurance that a tenant will remain solvent and able to perform its obligations throughout the term of its lease.

Income from, and the market value of, the properties would be adversely affected if material numbers of tenants were unable to meet their lease obligations, were to become insolvent, or if, for any other reason, rental payments could not be collected.

An economic decline in the businesses operated by tenants can affect a building, including the properties, and cause one or more significant tenants to cease operations and/or become insolvent. Further, the Group faces certain fixed costs which it is obligated to pay regardless of whether or not it receives payments from tenants to fund such expenses. Such risk relating to tenants could have a material adverse effect on the Group's business, financial condition and results of operations.

***The risk of litigation is inherent in the Group's operations***

Legal actions, claims against the Group and arbitrations involving the Group may arise in the ordinary course of business. The Group may be involved from time to time in disputes with various parties involved in the development and lease of its properties such as contractors, sub-contractors, suppliers, construction companies, purchasers and tenants. See "*Description of the Issuer – Litigation*".

These disputes may lead to legal or other proceedings, and may cause the Group to incur additional costs and delays in its development schedule, and the diversion of resources and management's attention, regardless of the outcome. The Group is also unable to predict with certainty the cost of prosecution, the cost of defence or the ultimate outcome of litigation and other proceedings filed by or against it, including remedies and damage awards.

The potential publicity associated with, and the outcome of, such claims, arbitrations and legal proceedings could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is exposed to risks related to the safety of consumers and tenants in shopping centres and other properties, including acts of terrorism and violence***

The Group promotes the security and safety of consumers and tenants in its properties. However, due to high visibility and the presence of large numbers of people, the Group's properties may be targets for terrorism and other forms of violence. Any terror or violent attack on a property of the Group or a similar property owned by someone else may harm the condition of its tenants and may, apart from any direct losses, directly or indirectly affect the value of its properties and its development land. Moreover, any of these events could lower consumer confidence and spending in the Group's retail centres or increase volatility and uncertainty in the worldwide financial markets and economy, particularly in the event that there are further terrorist attacks across the globe following the recent attacks in a number of European cities. Adverse economic conditions resulting from these types of events could reduce demand for space in the Group's properties and thereby reduce the value of these properties and rental income and as a result may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***The Group depends on its asset and property managers and other key personnel***

The Group's properties require continual, active management. The Group's ability to generate revenue and profits, and therefore the Issuer's ability to make payments on the Notes, depends on the performance of its asset and property managers and certain key personnel. Were such asset or property managers or key personnel to depart, the Group may not be able to find effective replacements in a timely manner, or at all. The loss of these individuals, or of any senior member of management, or any delay in replacing a departed member of management, may result in the loss of industry and property specific knowledge as well as relationships with lenders, potential tenants and industry personnel.

***The Group is dependent on co-operative relations with its employees***

Any sustained labour dispute affecting the Issuer, or any of its direct or indirect subsidiaries which employ property and asset management teams, could lead to a substantial interruption of the business of the Group and could have a material effect on their operating results or financial condition and the ability of the Issuer to make payments on the Notes. Furthermore, the Group's employees are critical to the successful implementations of its business strategy. If the Group fails to retain and attract necessary and effective employees to fill management and technical roles and at economically reasonable compensation levels, this could have a material effect on its operations which may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***Interruption or failure of the Group's information technology systems could damage its reputation and business***

The Group is dependent on the proper functioning of its information systems and processes. The Group's systems and the systems on which it relies are vulnerable to damage or interruption from various factors, including but not limited to power loss, telecommunication failures, data corruption, network failure, computer viruses, security breaches, natural disasters, theft, vandalism or other acts. A disaster or disruption in the infrastructure that supports the Group's businesses could have a material adverse effect on its ability to continue to operate the Group's business without interruption.

The Group is also reliant on the general and timely functioning of banking systems and associated technology in order to receive and make payments. Any cessation of the ordinary functioning of the banking system or any interruption of payment systems may impact the ability to collect rents from tenants and could prejudice the ability of the Issuer to make payments in respect of the Notes.

***Increasing use of online retail providers may have an adverse effect on shopping centre sales and decrease demand for commercial retail premises***

The retail industry is undergoing a transformation as e-commerce grows and consumers become increasingly comfortable with Internet and mobile shopping. Shopping centres will need to adapt their services and tenant offerings to meet changing consumer behaviour and demand to continue to attract customers in the future. A significant increase in Internet shopping could decrease shopping centre sales, demand for commercial retail premises and the value of properties, which may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***The members of the Group may sustain losses from risks not covered by, or exceeding the coverage limits of, its insurance policies***

The Group maintains insurance policies (including with respect to the properties) which it considers appropriate to the nature of its business.

However, there are certain types of losses (such as losses resulting from war, terrorism, nuclear radiation, radioactive contamination, ground heaving or settlement) which are or may be or become either uninsurable or not insurable at economically viable rates, or which are not covered by the Group's insurance policies for other reasons. The Issuer's ability to make payments on the Notes might be adversely affected if such an uninsured loss were to occur or the relevant insurer became insolvent or otherwise unable to satisfy any claim, and the Group was not able to shift the cost burden to the tenant or another third party.

No assurance can be given that material losses in excess of insurance proceeds will not occur in the future. Any such uninsured loss or a loss in excess of insured limits may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***Unexpected problems and unrecognised risks could arise in the Group's future conversion or development projects***

The Group is engaged in development projects and may undertake further development or conversion projects in the future. The real estate construction and development business is subject to certain risks arising from the complexity of the projects, including higher than expected costs, breaches of labour laws, delays in completion, the application of regulations, health and safety or environmental constraints, the multiplicity of participants and the need to obtain permits. These risks could result in the abandonment of projects after significant feasibility study costs and management attention have been expended.

### *The Group's controlling shareholder's interest may differ from the interests of Noteholders*

The Group is directly or indirectly controlled by Mr Radovan Vítek, who, through his associated entities, controlled 86.69 per cent. of the Issuer's shares and 89.35 per cent. of voting rights as at 31 December 2022. See "*Description of the Issuer—Major Shareholders*". In his position, Mr Vítek has the power to influence the outcome of most material matters that require votes of the majority of board members and, subject to contractual and legal restrictions, the distribution of dividends. Mr Vítek can exercise influence over the Group's legal and capital structure, day-to-day operations and business strategies, and his interests may in some cases differ from those of the Issuer or of Noteholders.

### *The Issuer is a holding company with no revenue generating operations of its own*

Since the Issuer is the holding and service company of its subsidiaries, it is reliant on revenue generation through its subsidiaries. Accordingly, while the other members of the Group depend on the Issuer to perform management and administration services, the ability of the Issuer to fund any payments that it might be required to make in respect of the Notes or its on-going operations is dependent on receipt by it of distributions from its subsidiaries, and it is therefore dependent on the continued operation and solvency of its subsidiaries.

### *The Group's agricultural business is exposed to the risk of adverse weather, commodity prices or disease*

The Group has investments in farmland and agricultural production, which are primarily focussed on high-quality and vertically integrated production of beef, lamb and chicken. The Group’s agricultural business however, is small and only represented 0.7 per cent. of the Group’s portfolio as at 31 December 2022.

The Group's agricultural business operates in a highly competitive environment. In addition to the risk of over-supply and competition from both domestic and imported products, the Group is exposed to volatility in commodity prices, which may affect both the prices it is able to achieve for its products, and the cost of its inputs such as stock feed and fertiliser, as well as the risk of adverse weather, disease and the imposition of quarantine, import or export restrictions. Such factors may adversely affect the Group's return from its agricultural investments and therefore on its business, financial condition, prospects and results of operation.

## FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

### Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes:

### Risks applicable to all Notes

### *If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes or is perceived to be able to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***If the Issuer elects to redeem Notes at the Make-whole Amount, such redemption may be subject to conditions precedent specified in the relevant notice of redemption which may not be satisfied (or waived) and such redemption may be delayed or may not occur, which may affect the market value of the Notes concerned***

If Issuer Call is specified as being applicable in the applicable Final Terms, and the Optional Redemption Amount is the Make-whole Amount, the Issuer has the discretion to specify, in the relevant notice of redemption, that such redemption may be subject to one or more conditions precedent. Such notice of redemption shall also state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed.

During any period following such notice of redemption, there may be uncertainty as to whether any conditions precedent to redemption will be satisfied (or waived) by the Optional Redemption Date, or by the Optional Redemption Date so delayed, which could affect the market value of an investment in the relevant Notes.

***If the Senior Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned***

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

The market values of securities issued at a substantial discount (such as Zero Coupon Senior Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

**Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

***The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised***

***without the consent of the Noteholders and without regard to the individual interests of particular Noteholders***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions and the Trust Deed of the Senior Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 (Reorganisation and Substitution) of the Senior Notes.

The Terms and Conditions and the Trust Deed of the Subordinated Notes also provide that the Trustee may, without the consent of the Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of the Terms and Conditions of the Subordinated Notes or of any other provisions of the Trust Deed or the Agency Agreement which is in each case, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of, any breach or proposed breach by the Issuer of, any of the Terms and Conditions of the Subordinated Notes or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders (which will not include, for the avoidance of doubt, any provision entitling the Noteholders to institute proceedings for the winding-up of the Issuer which is more extensive than those set out in Condition 11 (*Enforcement Event*) of the Subordinated Notes), (iii) the substitution on a subordinated basis equivalent to that referred to in Conditions 3 (Status and Subordination) of the Subordinated Notes of certain other entities in place of the Issuer (or any previous substitute) as a new principal debtor under the Trust Deed and the Subordinated Notes or (iv) substitute all, but not some only, of the Subordinated Notes for Qualifying Subordinated Notes (as defined in Condition 7 (*Substitution or Variation*) of the Subordinated Notes, or vary the terms of the Subordinated Notes with the effect that they remain or become (as the case may be), Qualifying Subordinated Notes at any time following the occurrence of an Accounting Event, a Capital Event, a Tax Deduction Event (subject to any such event being specified as applicable in the applicable Final Terms) or a Withholding Tax Event and subject to the receipt by the Trustee of the certificate of two Authorised Signatories (as defined in Condition 23 (*Definitions*) of the Subordinated Notes) of the Issuer referred to in Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) of the Subordinated Notes. Whilst Qualifying Subordinated Notes are required to have terms which are not materially less favourable to Noteholders (as a class) than the terms of the Subordinated Notes, there can be no assurance that the Qualifying Subordinated Notes will not have a significant adverse impact on the price of, and/or market for, the Subordinated Notes or the circumstances of individual Noteholders.

***The insolvency laws of Luxembourg may not be as favourable to Noteholders as insolvency laws of jurisdictions with which you may be familiar and may preclude holders of the Notes from recovering payments due on the Notes***

The Issuer is incorporated and has its "centre of main interests" for the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the **EU Insolvency Regulation**) in Luxembourg. Accordingly, insolvency proceedings with respect to the Issuer under the EU Insolvency Regulation would proceed under, and be governed by, Luxembourg insolvency laws. The insolvency laws of Luxembourg may not be as favourable to investors' interests as those of other jurisdictions with which investors may be familiar and may limit the ability of Noteholders to enforce the terms of the Notes. Insolvency proceedings may have a material adverse effect on the Issuer's business and assets and its obligations under the Notes as Issuer.

***Enforcement of English court judgments in Luxembourg will be subject to more formalities following the withdrawal of the United Kingdom from the EU***

Following the end of the transition period under the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union on 31 December 2020, Regulation (EU) 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Brussels I Recast) no longer applies to UK or English court judgments, meaning that a final civil or commercial judgment rendered against the Issuer in the English courts can no longer be recognised or enforced in EU courts (including in Luxembourg courts) under Brussels I Recast.

Instead, enforcement in Luxembourg of a final civil or commercial judgment rendered in the English courts would be subject to either (i) the applicable enforcement proceedings provided for in the Hague Convention of 30 June 2005 on Choice of Court Agreements (the Convention), where the Convention applies or (ii) where the Convention does not apply, the applicable Luxembourg ordinary rules on enforcement (exequatur) of foreign judgments as laid down in Article 678 of the Luxembourg *nouveau Code de procedure civile*.

The Convention only applies in circumstances where the relevant contractual agreement provides for an exclusive choice of court agreement, being a "two-way" exclusive jurisdiction clause. As the Trust Deed and the Notes do not provide for such two-way exclusive jurisdiction clauses, the Convention will not apply and a final civil or commercial judgment obtained in the courts of England against the Issuer will be enforceable in Luxembourg subject to the Luxembourg ordinary rules on enforcement (exequatur) referred to above. Those rules will require the completion of potentially more burdensome proceedings compared to the situation prior to the end of the Brexit transition period referred to above; however, the Luxembourg courts will not review the merits of the English judgment, even although there is no statutory prohibition of such review.

***The value of the Notes could be adversely affected by a change in English law, Luxembourg law or administrative practice***

The Terms and Conditions of the Notes are governed by English law and, in respect of Condition 3 (Status and Subordination) of the Subordinated Notes only, Luxembourg law, in effect as of the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law, Luxembourg law or English or Luxembourg administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"***

Interest rates and indices which are deemed to be "benchmarks" including the euro interbank offered rate (**EURIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Regulation (EU) 2016/1011 as it forms part of United Kingdom domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the UK. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by UK supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may (without limitation) have the following effects on certain "benchmarks": (i) discouraging market participants from continuing to administer or contribute to a "benchmark"; (ii) triggering changes in the rules or methodologies used in the "benchmark" and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon, a "benchmark".

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an Original Reference Rate and/or any page on which an Original Reference Rate may be published, becomes unavailable, or if the Issuer, the Calculation Agent, the Agent Bank, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms), as applicable, are no longer permitted lawfully to calculate interest on any Notes by reference to such an Original Reference Rate under the EU Benchmarks Regulation, the UK Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the Rate of Interest or the Subsequent Reset Rate, as applicable, could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the Notes), with the application of an adjustment spread and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser (acting in good faith and in a commercially reasonable manner). The applicable adjustment spread could be positive, negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, the applicable adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate with the application of an adjustment spread will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest or Subsequent Reset Rate) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, the Issuer is unable to appoint an Independent Advisor or no Successor Rate or Alternative Rate (as applicable) or, in either case, applicable Adjustment Spread is determined, in the case of Floating Rate Senior Notes, the ultimate fallback for the purposes of calculation of the Rate of Interest in for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used or, in the case of Subordinated Notes, the ultimate fallback for the purposes of calculation of the Subsequent Reset Rate for a particular Reset Period may result in the Subsequent Reset Rate for the last preceding Reset Period being used. This may result in the effective application of a fixed rate for Floating Rate Senior Notes based on the rate which was last observed on the Relevant Screen Page or, in the case of Subordinated Notes, the application of the previous Subsequent Reset Rate for the last preceding Reset Period or, in the case of the first Reset Determination Date, this may result in the effective application of a fixed rate for Subordinated Notes based on the rate which was last observed on the relevant Subsequent Reset Reference Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation, the UK Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

***In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.***

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and/or activities that promote climate-friendly and other environmental purposes (either in those words or otherwise) (**Green Projects**). Prospective investors should have regard to the information in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer, any other member of the Group, the Joint Arrangers, the Dealers or any of their respective affiliates that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Project).

There is currently no clearly defined legal, regulatory or other definition of a "green bond", "sustainable", "environmental" or market consensus on what precise attributes are required for a particular asset or project to be defined as ‘green’ or ‘sustainable’, nor can any assurance be given that if such a clear definition or consensus is developed in the future, any Notes issued as Green Bonds will comply with such definition or consensus. A basis for the determination of such a definition has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the **Sustainable Finance Taxonomy Regulation**) on the establishment of a framework to facilitate sustainable investment (the **EU Sustainable Finance Taxonomy**). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation. No assurance is or can be given to investors that any Green Projects will satisfy any requisite criteria determined under the Sustainable Finance Taxonomy Regulation or within the EU Sustainable Finance Taxonomy at any time, or otherwise meet any or all investor expectations regarding such ‘green’, ‘sustainable’ or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors should refer to the Issuer's website and the Green Bond Framework (as further described in "*Use of Proceeds*", below) for further information.

***Notes issued as Sustainability-Linked Senior Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics***

The Issuer may issue Sustainability-Linked Senior Notes under the Programme with the interest rate relating to such Notes being subject to an upward adjustment being payable if the Issuer does not achieve the relevant Sustainability Performance Target (as defined in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes). Any Sustainability-Linked Senior Notes issued under the Programme may not satisfy an investor's requirements or any future legal, quasi-legal or other standards for investment in assets with sustainability characteristics. In particular, any Sustainability-Linked Senior Notes issued under the Programme may not be marketed as "social bonds" or "sustainability bonds" as the net proceeds of the issue of such Notes may be used for the Issuer's general corporate purposes, including acquisitions and property developments, unless specified otherwise in the applicable Final Terms. In addition, any Sustainability-Linked Senior Notes issued under the Programme may not be marketed as "green bonds" unless the net proceeds of the issue of such Notes will be used for Green Projects. The Issuer does not commit to (i) allocate the net proceeds of any Sustainability-Linked Senior Notes issued under the Programme specifically to projects or business activities meeting sustainability criteria or (ii) be subject to any other limitations or requirements that may be associated with green bonds, social bonds or sustainability bonds in any particular market in connection with the issuance of any Sustainability-Linked Senior Notes under the Programme.

In addition, any interest rate adjustment in respect of any Sustainability-Linked Senior Notes as contemplated by the terms and conditions of any Sustainability-Linked Senior Notes will depend on the Issuer achieving, or not achieving, the relevant Sustainability Performance Target, which may be inconsistent with or insufficient to satisfy investor requirements or expectations. Prospective investors in any Sustainability-Linked Senior Notes issued under the Programme should have regard to the information set out herein and must determine for themselves the relevance of such information for the purpose of any investment in such Notes, together with any other investigation such investor deems necessary.

The Issuer's Sustainability Performance Target relating to any Sustainability-Linked Senior Notes issued under the Programme will be aimed at reducing greenhouse gas emissions intensity. The Group's Sustainability Performance Target would therefore be uniquely tailored to the Group's business, operations and capabilities, and it does not easily lend itself to benchmarking against similar sustainability performance targets, and the related performance, of other issuers. No assurance is or can be given to investors by the Issuer, the Joint Arrangers, the Dealers, the Trustee, any second party opinion (**SPO**) providers or any External Verifier (as defined in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes) that any Sustainability-Linked Senior Notes issued under the Programme will meet any or all investor expectations regarding such Notes or any Sustainability Performance Target of the Group qualifying as "sustainable" or "sustainability-linked" or that any adverse environmental, social and/or other impacts will not occur in connection with the Issuer striving to achieve any Sustainability Performance Target or the use of the net proceeds from the offering of any Sustainability-Linked Senior Notes issued under the Programme.

Investors should refer to the Issuer's website and the Sustainability-Linked Bond Framework (as defined and further described in the section of the Base Prospectus entitled "*Sustainability-Linked Bond Framework*" below) for further information.

***No assurance or representation is given by the Issuer, the Joint Arrangers, the Dealers, the Trustee, any SPO providers or any External Verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report, certification or validation of any third party in connection with the offering of any Sustainability-Linked Senior Notes or any Sustainability Performance Targets to fulfil any sustainable, sustainability-linked and/or other criteria. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus***

The Issuer will, in connection with an issuance of Sustainability-Linked Senior Notes under the Programme, obtain a SPO or other similar opinion, certification and validation, and undergo external third-party verification. SPO providers and providers of similar opinions, certifications and validations are not currently subject to any specific regulatory or other regime or oversight. Any such opinion or certification would not be, nor should it be deemed to be, a recommendation by the Issuer, the Joint Arrangers, the Dealers, the Trustee, any SPO providers, any External Verifier or any other person to buy, sell or hold any Sustainability-Linked Senior Notes. Noteholders would have no recourse against the Issuer, the Joint Arrangers, the Dealers, the Trustee or any provider of any such opinion or certification for the contents of any such opinion or certification, which is only current as at the date it is initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or validation and/or the information contained therein and/or the provider of such opinion, certification or validation for the purpose of any investment in any Sustainability-Linked Senior Notes issued under the Programme. Any withdrawal of any such opinion or certification, or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters on which such opinion, certification or validation is opining or certifying, may have a material adverse effect on the value of any Sustainability-Linked Senior Notes issued under the Programme and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Although in connection with the issuance of any Sustainability-Linked Senior Notes under the Programme the Issuer may intend to reduce the Group's greenhouse gas emissions intensity, there can be no assurance of the extent to which it will be successful in doing so, that it will not decide to discontinue the relevant Sustainability Performance Target or that any future investments it makes in pursuit of such Sustainability Performance Target will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Notwithstanding the fact that any failure to meet the relevant Sustainability Performance Target will give rise to an upward adjustment of the rate of interest relating to the relevant Sustainability-Linked Senior Notes as described in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes, such failure will not be an Event of Default under such Notes nor will the Issuer be required to repurchase or redeem any such Notes in such circumstances. Furthermore, any breach or default by the Issuer in the performance of any of its ancillary obligations in connection with the issue of any Sustainability-Linked Senior Notes, howsoever arising, shall not constitute an Event of Default under such Notes nor will the Issuer be required to repurchase or redeem any such Notes in such circumstances. The Issuer's efforts in achieving any Sustainability Performance Target may further become controversial or be criticised by activist groups or other stakeholders, which may have a material adverse effect on the value of any Sustainability-Linked Senior Notes issued under the Programme and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

***Achieving any Sustainability Performance Target or any similar sustainability performance targets will require the Issuer to expend significant resources, while not meeting any such targets would result in increased interest payments and could expose the Issuer to reputational risks***

Achieving the relevant Sustainability Performance Target in relation to any Sustainability-Linked Senior Notes issued under the Programme would require the Group to reduce its greenhouse gas emissions intensity to at or below a specified amount (in metric tonnes of carbon dioxide equivalent emissions per square metre) by a specified date. As a result, achieving the relevant Sustainability Performance Target or any similar sustainability performance targets the Issuer may choose to include in future financings or other arrangements will require the Group to expend significant resources.

In addition, the Issuer not achieving its relevant Sustainability Performance Target or any such similar sustainability performance targets the Issuer may choose to include in any future financings would not only result in increased interest payments under the relevant Sustainability-Linked Senior Notes or other relevant financing arrangements, but could also harm the Issuer's reputation, the consequences of which could, in each case, have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

***The Sustainability Performance Target in relation to any Sustainability-Linked Senior Notes may change during the life of any Sustainability-Linked Senior Notes***

Under the terms and conditions of any Sustainability-Linked Senior Notes, the Sustainability Performance Target specified in the applicable Final Terms may be adjusted in good faith by the Issuer in line with its GHG Recalculation Policy (as defined in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes and as further described under *"Sustainability-Linked Bond Framework"*). According to the GHG Recalculation Policy, the Group will adjust the base year greenhouse gas emissions inventory and/or one or more of the greenhouse gas emissions reduction targets (including the Sustainability Performance Target specified in the applicable Final Terms) to account for significant changes that cause an increase or decrease in Gross Leasable Area (as defined in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes) of greater than 5 per cent. This may include reflecting any significant changes to the Group's structure (e.g. acquisitions, divestitures, mergers) or methodological changes. Any recalculation of such Sustainability Performance Target may increase the amount of carbon dioxide emissions, and, therefore, increase the total volume of carbon dioxide emissions that may be produced by the Issuer. Any recalculation of the Sustainability Performance Target may impact, positively or negatively, the ability of the Issuer to satisfy the Sustainability Performance Target, which could in turn adversely affect the market price of any Sustainability-Linked Senior Notes.

**Risks related to the Subordinated Notes generally**

***The Undated Subordinated Notes will be perpetual securities***

The Undated Subordinated Notes will be perpetual securities in respect of which there is no fixed redemption date by which the Issuer would be under the obligation to redeem or repurchase the Undated Subordinated Notes at any time, and the Noteholders have no right to require redemption of the Undated Subordinated Notes. See Condition 6 (*Redemption*) of the Subordinated Notes. Therefore, prospective investors should be aware that they may be required to bear financial risks of an investment in the Undated Subordinated Notes for an indefinite period of time and may not recover their investment in the foreseeable future.

***The Subordinated Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events***

The Subordinated Notes will be redeemable, at the option of the Issuer, in whole but not in part, on any Optional Redemption Date(s) at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest (as defined in Condition 5 (*Optional Interest Deferral*) of the Subordinated Notes).

In addition, upon the occurrence of an Accounting Event, a Capital Event, a Change of Control Event, a Tax Deduction Event, a Substantial Repurchase Event (subject to any such event being specified as applicable in the applicable Final Terms) or a Withholding Tax Event (each as defined in Condition 23 (Definitions) of the Subordinated Notes and as more fully described in Condition 6 (*Redemption*) of the Subordinated Notes), the Issuer shall have the option to redeem, in whole but not in part, the Subordinated Notes at the prices set out therein, in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. In the case of the first Change of Control Event, in the event that the Issuer does not elect to redeem the Subordinated Notes, the then prevailing Rate of Interest (as defined in Condition 23 (*Definitions*) of the Subordinated Notes), and each subsequent Rate of Interest otherwise determined in accordance with Condition 4 (*Interest*) of the Subordinated Notes, shall be increased by an additional 5 percentage points per annum with effect from (and including) the Change of Control Step Up Date (as defined in Condition 23 (*Definitions*) of the Subordinated Notes).

During any period when the Issuer may elect to redeem the Subordinated Notes, the market value of the Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Subordinated Notes when its cost of borrowing is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Subordinated Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

There is no redemption at the option of the Noteholders of the Subordinated Notes.

***There is a risk that Undated Subordinated Notes are treated as equity of the Issuer for Luxembourg tax purposes***

Luxembourg tax law generally follows Luxembourg civil (or commercial) law and Luxembourg GAAP when determining the nature of an instrument. Instruments such as the Undated Subordinated Notes that are considered as debt for Luxembourg legal and Luxembourg GAAP purposes are thus, as a general rule, also considered as debt for Luxembourg tax purposes. Accordingly, payments of interest made on such instruments should (i) be deductible for Luxembourg corporate income tax and (ii) not be subject to Luxembourg withholding tax; furthermore, the principal amount of such instruments should be deductible for Luxembourg net wealth tax purposes.

Nevertheless, in certain circumstances and on the basis of legal and factual elements, it might be the case that the economic substance differs from the legal documentation, in which case, the tax analysis of the equity or debt qualification of a financial instrument must follow the "economic substance over legal form" approach. In accordance with this economic approach, or "*wirtschaftliche Betrachtungsweise*", any analysis of the equity or debt qualification of an instrument must cover different features, no single element being decisive.

Hence, there is a risk that the Undated Subordinated Notes could be treated as equity of the Issuer for Luxembourg tax purposes and accordingly, there is a risk that payments of interest under the Undated Subordinated Notes will (i) not be deductible for Luxembourg corporate income tax purposes and (ii) subject to Luxembourg dividend withholding tax; there is an additional risk that (iii) the principal amount of such Undated Subordinated Notes will no longer be deductible for Luxembourg net wealth tax purposes.

The Issuer may on a series by series basis decide to request a ruling from the Luxembourg tax authorities as to the classification of Undated Subordinated Notes for Luxembourg tax purposes.

In the event that the Undated Subordinated Notes are treated as equity from the Issue Date, payments of interest will not be deductible for Luxembourg corporate income tax and the Issuer will be obliged to pay Additional Amounts in accordance with Condition 12 (*Taxation*) of the Subordinated Notes subject, in each case, to such Undated Subordinated Notes being reclassified as debt, in which case see "*—The Subordinated Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events*". For so long as any Undated Subordinated Notes are classified as equity, the Issuer's cost of funding could increase, which could adversely affect the ability of the Issuer to make payments of interest and/or principal on the Undated Subordinated Notes.

***The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event***

Following the publication in June 2018 by the IASB (International Accounting Standards Board) of the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the "**DP/2018/1 Paper**") and subsequent discussions, the IASB tentatively decided in February 2021 not to implement the changes to the classification of financial obligations that only arise on liquidation of the entity that were contemplated in the DP/2018/1 Paper. The next milestone is to produce an exposure draft, which is expected at the end of 2023. If similar proposals to those contemplated by the DP/2018/1 Paper are implemented or put forward in the future, the current IFRS accounting classification of financial instruments such as the Subordinated Notes as equity instruments may change and this may result in the occurrence of an Accounting Event. In such an event, the Issuer will have the option to redeem, in whole but not in part, the Subordinated Notes pursuant to Condition 6.5 (*Redemption upon an Accounting Event*) on any day from the Accounting Event Adoption Date (as defined in Condition 23 (*Definitions*) of the Subordinated Notes), which could arise on a date earlier than the actual implementation of the relevant change in accounting principles or methodology or substitute or vary the terms of the Subordinated Notes as described in Condition 7 (*Substitution or Variation*).

The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Subordinated Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event.

For further description of risks related to early redemption or to substitution or variation of the Subordinated Notes see also "*—The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretion on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders"* and *"—The Subordinated Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events*".

***The interest rate on the Subordinated Notes will reset on the First Reset Date and on every Reset Date thereafter, which can be expected to affect the interest payment on the Subordinated Notes and the market value of the Subordinated Notes***

Although the Subordinated Notes will earn interest at a fixed rate until (but excluding) the First Reset Date, the current market interest rate on the capital markets (the **market interest rate**) typically changes on a daily basis. Since the initial fixed rate of interest for the Subordinated Notes will be reset on the First Reset Date (as defined under Condition 4.3 (*First Fixed Interest Rate*) of the Subordinated Notes), and on each subsequent Reset Date (as defined in Condition 23 (*Definitions*) of the Subordinated Notes), the interest payment on the Subordinated Notes will also change. The Noteholders should be aware that movements in these market interest rates can adversely affect the price of the Subordinated Notes and can lead to losses for the Noteholders if they sell the Subordinated Notes.

Noteholders are exposed to the risk of fluctuating interest rate levels and uncertain interest income as the reset rates could affect the market value of an investment in the Subordinated Notes. Fluctuations in interest rates could therefore affect the levels of capital gains or losses on the Subordinated Notes and make it impossible to determine the yield of such securities in advance. During periods of rising interest rates, the prices of fixed rate securities, such as the Subordinated Notes, tend to fall and gains are reduced or losses incurred upon their sale. Therefore, investment in the Subordinated Notes involves the risk that changes in market interest rates may adversely affect the value of the Subordinated Notes.

***The Issuer has the right to defer interest payments on the Subordinated Notes***

The Issuer may, at its sole discretion, elect to defer any payment of interest on the Subordinated Notes, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date. See Condition 5 (*Optional Interest Deferral*) of the Subordinated Notes. Only upon the occurrence of a Compulsory Arrears of Interest Settlement Event (as defined in Condition 23 (*Definitions*) of the Subordinated Notes), in the event of a redemption of the Subordinated Notes pursuant to Condition 6 (*Redemption*) of the Subordinated Notes or in the event of a winding up of the Issuer in a manner falling within Condition 11 (*Enforcement Event*) of the Subordinated Notes will the Issuer be obliged to pay any such Arrears of Interest to Noteholders.

Any such deferral of interest payment shall not constitute an Enforcement Event (as defined in Condition 11 (*Enforcement Event*) of the Subordinated Notes) or a default for any purpose unless such payment is required in accordance with Condition 5.2 (*Mandatory Settlement of Arrears of Interest*) of the Subordinated Notes.

Any deferral of interest payments, or perceived increased likelihood of deferral of interest payments, is likely to have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of the interest deferral provision of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

***The Issuer's obligations under the Subordinated Notes will be subordinated***

The Issuer's obligations under the Subordinated Notes will be unsecured and subordinated. In the event of:

a) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or the substitution in place of the Issuer of a Substituted Obligor (as defined in Condition 15 (*Substitution of the Issuer*)) of the Issuer, (x) the terms of which reorganisation, restructuring, reconstruction, merger, conversion or amalgamation have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) and do not provide that the Subordinated Notes shall thereby become redeemable or repayable in accordance with the Subordinated Conditions or (y) which substitution is effected in accordance with the provisions of Condition 15 (*Substitution of the Issuer*) and Clause 21 (Substitution) of the Trust Deed);

b) an administrator or receiver of the Issuer being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution; or

c) any analogous event relating to the Issuer to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Issuer,

the rights and claims of the Noteholders in respect of the Subordinated Notes and the Couponholders in respect of the Coupons, in each case against the Issuer, will rank (i) junior to any present or future claims in respect of Senior Obligations, (ii) *pari passu* without any preference among themselves and with any present or future claims in respect of all Parity Obligations and (iii) senior to all present or future claims in respect of all Junior Obligations. See Condition 2.5 (Status *of the Senior Notes*) of the Senior Notes and Condition 3 (*Status and Subordination*) of the Subordinated Notes.

By virtue of such subordination, payments to a Noteholder will, in the events described in the Terms and Conditions of the Subordinated Notes, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied. A Noteholder may, therefore, recover less than the holders of unsubordinated or other prior ranking subordinated liabilities of the Issuer. Furthermore, the Terms and Conditions of the Subordinated Notes will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Subordinated Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date of the Subordinated Notes. The incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders on a winding-up or administration of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Subordinated Notes. Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Subordinated Notes or the Trust Deed and each Noteholder shall, by virtue of his holding of any Subordinated Note, be deemed to have waived all such rights of set-off, compensation or retention.

Although subordinated debt securities, such as the Subordinated Notes, may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

***Limited Remedies***

The Terms and Conditions of the Subordinated Notes provide that the Undated Subordinated Notes will be perpetual securities and there is, therefore, no obligation on the Issuer to repay principal on any given date. In addition, payments of interest on the Subordinated Notes may be deferred in accordance with Condition 5.1 (*Deferral of Payments*) of the Subordinated Notes and interest will not therefore be due other than in the limited circumstances described in Condition 5.2 (*Mandatory Settlement of Arrears of Interest*) of the Subordinated Notes.

The only enforcement event in the Terms and Conditions of the Subordinated Notes is if a default is made by the Issuer for a period of 7 days or more in the payment of principal or 14 days or more in the payment of interest, in each case in respect of the Subordinated Notes and which is due.

Therefore, it will only be possible for the Noteholders to enforce claims for payment of principal or interest in respect of the Subordinated Notes when the same are due.

In addition the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration proceedings before the Noteholders may expect to obtain any recovery in respect of their Subordinated Notes and prior thereto Noteholders will have only limited ability to influence the conduct of such winding-up or administration proceedings. See "—*The Issuer's obligations under the Subordinated Notes will be subordinated*".

***Provisions which provide for interest to be payable on interest may be unenforceable as a matter of Luxembourg law***

The Subordinated Notes contain provisions which provide that any Deferred Interest Payment (or part thereof) shall itself bear interest. If it came to any proceeding before a Luxembourg court any provision relating to the payment of interest on interest may not be enforceable pursuant to Article 1154 of the Luxembourg Civil Code. There exists no published case law in Luxembourg in relation to the recognition of provisions pursuant to which a party agrees to pay to the other party an interest on interest. If a Luxembourg court had to analyse the validity and enforceability of such provisions, it may likely consider the position taken by the French *Cour de Cassation* and Belgian, French and Luxembourg legal scholars according to which Article 1154 of the Civil Code is not of international public policy and, therefore, provisions relating to the payment of interest on interest provided for in a foreign law document, such as the Terms and Conditions of the Subordinated Notes, are not affected by Article 1154 of the Civil Code. There can, however, be no guarantee that a Luxembourg court would take this approach.

**Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. In addition, liquidity may be limited if the Notes are offered to a limited number of investors. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

***If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the standing of the Issuer or the value of the Notes.

The expected rating(s), if any, of the Notes will be set out in the relevant Final Terms for each Series of Notes. Any rating agency may lower its rating or withdraw its rating if, in the sole judgment of the rating agency, the credit quality of the Notes has declined or is in question. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

There is no guarantee that any rating of the Issuer or the Notes will be maintained by the Issuer following the date of this Base Prospectus. If any rating assigned to the Issuer or the Notes is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced.

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may materially and adversely affect the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing.

In general, European Union regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No.1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. In each case, this is subject to (i) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (ii) transitional provisions that apply in certain circumstances. Furthermore, in the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agencies rating the Notes changes, European Union and/or UK regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European Union and/or UK regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.]

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Base Prospectus:

(a) the independent auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2022 of the Issuer (the **2022 Financial Statements**), which are contained on the following pages of the Issuer's management report for the year ended 31 December 2022 and available at:

https://cpipg.com/storage/app/uploads/public/642/753/d8c/642753d8c86ab057970501.pdf

| | |
|---|---|
| Consolidated Statement of Comprehensive Income | Page 114 |
| Consolidated Statement of Financial Position | Page 114 |
| Consolidated Statement of Changes in Equity | Page 115 |
| Consolidated Cash Flow Statement | Page 116 |
| Notes to the Consolidated Financial Statements | Pages 116 - 159 |
| Independent Auditor's Report | Pages 159 - 163 |

(b) the independent auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2021 of the Issuer (the **2021 Financial Statements**), which are contained on the following pages of the Issuer's management report for the year ended 31 December 2021 and available at:

https://cpipg.com/storage/app/uploads/public/624/70a/1a6/62470a1a629a0250870150.pdf

| | |
|---|---|
| Consolidated Statement of Comprehensive Income | Page 117 |
| Consolidated Statement of Financial Position | Page 117 |
| Consolidated Statement of Changes in Equity | Page 118 |
| Consolidated Cash Flow Statement | Page 119 |
| Notes to the Consolidated Financial Statements | Pages 119-153 |
| Independent Auditor's Report | Pages 154-157 |

(c) translations of the German language independent auditors' report and German language audited consolidated annual financial statements for the financial year ended 31 December 2022 of IMMOFINANZ (the **IMMOFINANZ 2022 Financial Statements**), which are contained in the following pages of IMMOFINANZ's annual financial report for the year ended 31 December 2022 and available at:

https://graph.immofinanz.com/api/v1/attachment/6425c7e85937e40cc6ab0712/download/en

| | |
|---|---|
| Consolidated Balance Sheet | Page 146 |

(d) translations of the German language independent auditors' report and German language audited consolidated annual financial statements for the financial year ended 31 December 2021 of IMMOFINANZ (the **IMMOFINANZ 2021 Financial Statements**), which are contained in the following pages of IMMOFINANZ's annual financial report for the year ended 31 December 2021 and available at:

https://graph.immofinanz.com/api/v1/attachment/62606ca08dd30057ded6bcc9/download/en



(e) the independent auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2022 of S IMMO (the **S IMMO 2022 Financial Statements**), which are contained on the following pages of S IMMO's annual report for the year ended 31 December 2022 and available at:

https://www.simmoag.at/fileadmin/redakteur/Investor_Relations/Berichte/2022/S-IMMO-AG-Annual-Report-2022.pdf

| | |
|---|---|
| Consolidated Cash Flow Statement | Page 118 |
| Changes in Consolidated Equity | Page 120 |
| Notes to the Consolidated Financial Statements | Pages 121 - 168 |
| Independent Auditor's Report | Pages 170 - 173 |

(f) the independent auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2021 of S IMMO (the **S IMMO 2021 Financial Statements**), which are contained on the following pages of S IMMO's annual report for the year ended 31 December 2021 and available at:

https://www.simmoag.at/fileadmin/redakteur/Investor_Relations/Berichte/2021/S-IMMO-AG-Annual-Financial-Report-2021.pdf

| | |
|---|---|
| Consolidated Statement of Financial Position | Pages 28 - 29 |
| Consolidated Income Statement | Page 30 |
| Consolidated Statement of Comprehensive Income | Page 31 |
| Consolidated Cash Flow Statement | Page 32 - 33 |
| Changes in Consolidated Equity | Page 34 |
| Notes to the Consolidated Financial Statements | Pages 35 - 82 |
| Independent Auditor's Report | Pages 83 – 86 |

(g) the Terms and Conditions of the Notes contained in the previous Base Prospectus dated 18 September 2017, pages 40 to 78 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a35/a89/611a35a89ebc0109256874.pdf;

(h) the Terms and Conditions of the Senior Notes contained in the previous Base Prospectus dated 20 April 2018, pages 60 to 99 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a44/e89/611a44e897c28311006382.pdf;

(i) the Terms and Conditions of the Senior Notes contained in the previous Base Prospectus dated 30 May 2019, pages 64 to 107 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a46/907/611a469072baf306402722.pdf;

(j) the Terms and Conditions of the Subordinated Notes contained in the previous Base Prospectus dated 30 May 2019, pages 108 to 147 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a46/907/611a469072baf306402722.pdf;

(k) the amendment to the Terms and Conditions of the Senior Notes under the heading entitled "Terms and Conditions of the Senior Notes" contained on page 3 of the supplement dated 15 January 2020 to the Base Prospectus dated 30 May 2019 prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a4d/5ce/611a4d5ce3100287901038.pdf;

(l) the amendment to the Terms and Conditions of the Subordinated Notes under the heading entitled "Terms and Conditions of the Subordinated Notes" contained on pages 3 to 4 of the supplement dated 15 January 2020 to the Base Prospectus dated 30 May 2019 prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a4d/5ce/611a4d5ce3100287901038.pdf;

(m) the Terms and Conditions of the Senior Notes contained in the previous Base Prospectus dated 27 April 2020, pages 65 to 108 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a4c/cca/611a4ccca52cf317336832.pdf;

(n) the amendment to the Terms and Conditions of the Senior Notes under the heading entitled "Terms and Conditions of the Senior Notes" contained on pages 3 to 4 (inclusive) in supplement dated 21 December 2020 to the Base Prospectus dated 27 April 2020 prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a48/4dc/611a484dc35b5256998293.pdf;

(o) the Terms and Conditions of the Subordinated Notes contained in the previous Base Prospectus dated 27 April 2020, pages 109 to 147 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a4c/cca/611a4ccca52cf317336832.pdf;

(p) the amendment to the Terms and Conditions of the Subordinated Notes under the heading entitled "Terms and Conditions of the Subordinated Notes" contained on page 4 of the supplement dated 21 December 2020 to the Base Prospectus dated 27 April 2020 prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a48/4dc/611a484dc35b5256998293.pdf;

(q) the Terms and Conditions of the Senior Notes contained in the previous Base Prospectus dated 12 May 2021, pages 74 to 117 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/611/a4d/ced/611a4dced3deb307344345.pdf;

(r) the amendment to the Terms and Conditions of the Senior Notes under the heading entitled "Final Terms" contained on page 5 of the supplement dated 7 January 2022 to the Base Prospectus dated 12 May 2021 prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/61d/ff9/052/61dff90527d0a693020529.pdf;

(s) the Terms and Conditions of the Senior Notes contained in the previous Base Prospectus dated 18 May 2022, pages 96 to 147 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/628/5ed/545/6285ed5457aef738536460.pdf;

(t) the Terms and Conditions of the Subordinated Notes contained in the previous Base Prospectus dated 18 May 2022, pages 148 – 189 (inclusive) prepared by the Issuer in connection with the Programme and available at:

https://cpipg.com/storage/app/uploads/public/628/5ed/545/6285ed5457aef738536460.pdf.

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Delegated Regulation.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any documents incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of the Notes.

## SELECTED FINANCIAL INFORMATION

The following tables contain selected historical consolidated financial information for the Group as of the dates and the periods indicated. The selected consolidated statement of comprehensive income data, the selected consolidated statement of cash flows and reconciliation of profit for the period to distributable earnings for the years ended 31 December 2022 and 31 December 2021, and the selected consolidated statement of financial position data as of 31 December 2022 and 31 December 2021 have been derived from the 2022 Financial Statements and the 2021 Financial Statements. The 2022 Financial Statements and the 2021 Financial Statements are incorporated by reference in, and form part of, this Base Prospectus. See "*Documents Incorporated by Reference*".

Prospective investors should read the following selected consolidated financial information in conjunction with the information contained in "*Risk Factors*", the 2022 Financial Statements and the 2021 Financial Statements, which are incorporated by reference in, and form part of, this Base Prospectus. See "*Documents Incorporated by Reference*".

For the avoidance of doubt, the Group's consolidated statement of financial position fully reflects the acquisitions of IMMOFINANZ and S IMMO as at 31 December 2022. However, the Group's consolidated income statements reflect only ten months of the full consolidation of IMMOFINANZ and six months of the full consolidation of S IMMO. For further information, please refer to the information contained in "*Unaudited Pro Forma Financial Information*".

### The Group

*Consolidated income statement*

| | Year Ended 31 December | |
|---|---|---|
| *€ millions (unless otherwise indicated)* | **2022** | **2021** |
| | *(audited)* | *(audited)* |
| Gross rental income | 748.5 | 401.8 |
| Service charges and other income | 315.1 | 139.1 |
| Cost of service and other charges | (281.8) | (116.2) |
| Property operating expenses | (150.0) | (61.8) |
| **Net rental income** | **631.8** | **362.9** |
| Development sales | - | 12.9 |
| Development operating expenses | - | (9.4) |
| **Net development income** | - | **3.5** |
| Hotel revenue | 165.1 | 66.4 |
| Hotel operating expenses | (119.6) | (52.6) |
| **Net hotel income** | **45.5** | **13.8** |
| Other business revenue | 53.2 | 43.6 |
| Other business operating expenses | (54.8) | (38.4) |
| **Net other business income** | **(1.6)** | **5.2** |
| Total revenues | 1,281.9 | 663.8 |
| Total direct business operating expenses | (606.2) | (278.4) |
| **Net business income** | **675.7** | **385.4** |
| Net valuation gain | (88.8) | 1,275.8 |
| Net gain on disposal of investment property and subsidiaries | 35.9 | 34.5 |
| Amortisation, depreciation and impairment | (99.5) | (52.0) |
| Administrative expenses | (128.7) | (58.4) |
| Other operating income | 331.8 | 6.5 |
| Other operating expenses | (24.9) | (5.8) |
| **Operating result** | **701.5** | **1,586.0** |
| Interest income | 20.3 | 17.9 |
| Interest expense | (210.2) | (97.3) |
| Other net financial result | 151.3 | 39.3 |
| **Net finance costs** | **(38.6)** | **(40.1)** |
| Share of loss of equity-accounted investees (net of tax) | 19.1 | 15.1 |
| **Profit before income tax** | **682.0** | **1561.0** |
| Income tax expense | (124.8) | (269.4) |
| **Net profit from continuing operations** | **557.2** | **1,291.6** |
| **Items that may or are reclassified subsequently to profit or loss** | | |

| | | |
|---|---|---|
| Translation difference | 64.5 | 137.5 |
| Cash flow hedges | 62.0 | (26.7) |
| Income tax on other comprehensive income items | (15.4) | 4.6 |
| **Items that will not be reclassified subsequently to profit or loss** | | |
| Revaluation of property, plant and equipment | 11.4 | 18.0 |
| Defined benefit plan actuarial loss | (0.1) | (0.1) |
| Income tax on other comprehensive income items | (1.9) | (2.7) |
| **Other comprehensive income for the period, net of tax** | **120.5** | **130.6** |
| **Total comprehensive income for the year** | **677.7** | **1,422.2** |
| **Net profit attributable to:** | | |
| Owners of the parent | 457.6 | 1,202.7 |
| Non-controlling interests | 23.6 | 13.8 |
| Perpetual notes holders | 76.0 | 75.1 |
| **Profit for the year** | **557.2** | **1,291.6** |
| **Total comprehensive income attributable to:** | | |
| Owners of the parent | 578.1 | 1,333.3 |
| Non-controlling interests | 23.6 | 13.8 |
| Perpetual notes holders | 76.0 | 75.1 |
| **Total comprehensive income for the year** | **677.7** | **1,422.2** |
| **Earnings per share** | | |
| Basic earnings in EUR per share | 0.1 | 0.2 |
| Diluted earnings in EUR per share | 0.1 | 0.2 |

## *Consolidated cash flow statement*

| *€ millions (unless otherwise indicated)* | **Year Ended 31 December** | |
|---|---|---|
| | **2022** | **2021** |
| | *(audited)* | *(audited)* |
| **Profit before income tax** | **682.0** | **1,561.0** |
| *Adjusted by:* | | |
| Net valuation gain | 88.8 | (1,275.8) |
| Net gain on the disposal of investment property and subsidiaries | (35.9) | (34.5) |
| Depreciation and amortization | 46.2 | 36.5 |
| Impairment of assets | 53.3 | 15.5 |
| Bargain purchase | (318.4) | - |
| Net interest expense | 189.9 | 79.4 |
| Net gain on revaluation of financial derivatives | (163.1) | (7.2) |
| Share of profit/(loss) of equity accounted investees | (19.1) | (15.2) |
| Unrealized exchange rate differences and other non-cash transactions | 18.4 | 91.3 |
| **Profit before changes in working capital and provisions** | **542.1** | **451.0** |
| Decrease in inventories | (12.0) | 28.8 |
| Increase in trade and other receivables | (56.8) | (50.1) |
| Increase in trade and other payables | 88.6 | 4.6 |
| Change in provisions | 14.8 | 0.4 |
| Income tax paid | (45.1) | (20.9) |
| **Net cash from operating activities** | **531.6** | **413.8** |
| Acquisition of subsidiaries, net of cash acquired | (62.8) | (515.1) |
| Repayment of loan acquired | - | (227.2) |
| Acquisition of associates | (35.7) | (262.5) |
| Acquisition of non-controlling interest | 1,490.6 | - |
| Acquisition of other financial investments | - | (199.3) |
| Proceeds from sale of non-controlling interest | 87.8 | 14.8 |
| Proceeds from disposals of subsidiaries, net of cash disposed | 387.8 | 127.2 |
| Purchase and expenditures on investment property | (622.9) | (383.2) |
| Purchase and expenditures on property, plant and equipment | (66.5) | (66.6) |
| Purchase of intangible assets | (12.1) | (6.5) |
| Purchase of biological assets | (1.6) | (2.6) |
| Proceeds from sale of investment property | 331.3 | 55.8 |
| Proceeds from sale of property, plant and equipment | 27.3 | 2.9 |
| Proceeds from sale of biological assets | 4.9 | 0.4 |
| Proceeds from sale of other investments | 6.0 | - |
| Loans provided | (700.4) | (670.9) |
| Loans repaid | 503.4 | 903.6 |
| Interest received | 16.4 | 22.3 |
| Dividends received | 36.9 | 16.3 |
| **Net cash used in investing activities** | **(1,590.8)** | **(1,190.6)** |
| Proceeds from issue of share capital | - | 541.0 |
| Share buy-back | (190.3) | (239.9) |
| Proceeds from perpetual notes | - | 464.8 |
| Payment to perpetual notes holders including repayment of perpetual bonds | (103.2) | (297.9) |

| | | |
|---|---|---|
| Proceeds from bonds issued | 1,042.4 | 878.3 |
| Repayment of bonds issued | (1,374.1) | (528.3) |
| Interest paid | (186.4) | (88.4) |
| Drawings of loans and borrowings | 4,377.6 | 615.7 |
| Repayments of loans and borrowings | (1,978.4) | (692.1) |
| Repayment of lease liabilities | 3.0 | (10.1) |
| **Net cash from/ (used in) financing activities** | **1,590.6** | **643.1** |
| **Net increase/ (decrease) in cash** | **531.4** | **(133.7)** |
| Cash and cash equivalents at the beginning of the period | 501.8 | 632.3 |
| Less: Cash and cash equivalents reclassified from/ (to) assets held for sale | - | 3.2 |
| **Cash and cash equivalents at the end of the period** | **1,033.2** | **501.8** |

## *Consolidated statement of financial position*

| | **Year as at 31 December** | |
|---|---|---|
| *€ millions (unless otherwise indicated)* | **2022** | **2021** |
| **Non-current assets** | *(audited)* | *(audited)* |
| Intangible assets and goodwill | 126.7 | 114.0 |
| Investment property | 18,486.2 | 10,275.8 |
| Property, plant and equipment | 1,100.0 | 854.6 |
| *Hotels* | *973.4* | *746.2* |
| *Other property, plant and equipment* | *126.6* | *108.4* |
| Biological assets | 4.4 | 6.5 |
| Equity accounted investees | 732.3 | 1,216.1 |
| Other financial assets | 423.5 | 229.2 |
| Loans provided | 240.6 | 102.3 |
| Deferred tax assets | 176.8 | 164.1 |
| **Total non-current assets** | **21,290.5** | **12,962.6** |
| **Current assets** | | |
| Inventories | 23.5 | 11.8 |
| Biological assets | 3.3 | 2.7 |
| Income tax receivables | 23.2 | 5.6 |
| Trade receivables | 197.8 | 105.7 |
| Loans provided | 66.6 | 19.1 |
| Cash and cash equivalents | 1,033.2 | 501.8 |
| Other financial assets | 124.2 | 56.5 |
| Other non-financial assets | 162.4 | 114.7 |
| Assets linked to assets held for sale | 596.5 | 588.5 |
| **Total current assets** | **2,230.7** | **1,406.4** |
| **Total assets** | **23,521.2** | **14,369.0** |
| **Equity** | | |
| Equity attributable to owners of the parent | 6,579.8 | 5,991.8 |
| Share capital | 863.8 | 883.6 |
| Share premium | 991.2 | 1,161.7 |
| Other reserves | 482.8 | 362.2 |
| Retained earnings | 4,242.0 | 3,584.3 |
| Perpetual notes | 1,584.4 | 1,611.6 |
| Non-controlling interests | 1,098.8 | 91.2 |
| **Total equity** | **9,263.0** | **7,694.6** |
| **Non-current liabilities** | | |
| Bonds issued | 4,680.4 | 3,693.7 |
| Financial debts | 6,165.6 | 1,164.4 |
| Deferred tax liability | 1,727.9 | 1,082.4 |
| Provisions | 41.3 | 8.4 |
| Other financial liabilities | 166.9 | 87.8 |
| **Total non-current liabilities** | **12,782.1** | **6,036.7** |
| **Current liabilities** | | |
| Bonds issued | 405.8 | 41.1 |
| Financial debts | 360.4 | 233.5 |
| Trade payables | 232.3 | 116.2 |
| Income tax liabilities | 38.3 | 13.2 |
| Other financial liabilities | 236.0 | 114.3 |
| Other non-financial liabilities | 74.9 | 33.3 |
| Liabilities linked to assets held for sale | 128.4 | 86.1 |
| **Total current liabilities** | **1,476.1** | **637.7** |
| **Total equity and liabilities** | **23,521.2** | **14,369.0** |

## IMMOFINANZ[1]

The following tables contain selected historical consolidated financial information for IMMOFINANZ as of the dates and the periods indicated. The selected consolidated income statement data, the selected consolidated cash flow statement and consolidated balance sheet for the years ended 31 December 2022 and 31 December 2021 have been derived from the IMMOFINANZ 2022 Financial Statements and the IMMOFINANZ 2021 Financial Statements. The IMMOFINANZ 2022 Financial Statements and the IMMOFINANZ 2021 Financial Statements are incorporated by reference in, and form part of, this Base Prospectus. See "*Documents Incorporated by Reference*".

Prospective investors should read the following selected consolidated financial information in conjunction with the information contained in "*Risk Factors*", the IMMOFINANZ 2022 Financial Statements and the IMMOFINANZ 2021 Financial Statements, which are incorporated by reference in, and form part of, this Base Prospectus. See "*Documents Incorporated by Reference*".

IMMOFINANZ's consolidated statement of financial position fully reflects the consolidation of S IMMO with IMMOFINANZ as at 31 December 2022. For further information, please refer to the information contained in "*Unaudited Pro Forma Financial Information*".

*Consolidated income statement*

| | Year Ended 31 December | |
|---|---|---|
| *€ millions (unless otherwise indicated)* | **2022** | **2021** |
| | *(audited)* | *(audited)* |
| **Rental income** | **300.2** | **284.7** |
| Operating costs charged to tenants | 118.6 | 88.7 |
| Other revenues | 3.4 | 1.7 |
| **Revenues** | **422.2** | **375.1** |
| Expenses from investment property | (60.1) | (61.4) |
| Operating expenses | (136.0) | (102.7) |
| **Results of asset management** | **226.1** | **211.0** |
| **Results of property sales** | **4.62** | **25.7** |
| **Results of property development** | **(20.7)** | **18.9** |
| Other operating income | 10.4 | 2.2 |
| Other operating expenses | (66.1) | (47.7) |
| **Results of operations** | **154.3** | **210.1** |
| **Revaluation result from standing investments and goodwill** | **104.0** | **85.9** |
| **thereof badwill** | **214.6** | **-** |
| **Operating profit (EBIT)** | **258.3** | **296.0** |
| Financing costs | (77.8) | (81.1) |
| Financing income | 5.6 | 1.8 |
| Foreign exchange differences | 2.3 | 0.5 |
| Other financial results | 149.1 | 29.3 |
| Net profit or loss from equity-accounted investments | (151.9) | 139.8 |
| **Financial results** | **(72.6)** | **90.4** |
| **Earnings before tax (EBT)** | **185.7** | **386.3** |
| Current income tax | (21.7) | (10.5) |
| Deferred tax | (22.0) | (30.0) |
| **Net profit or loss from continuing operations** | **142.0** | **345.8** |
| Net profit or loss from discontinued operations | - | - |
| **Net profit or loss** | **142.0** | **345.8** |
| **thereof attributable to owners of IMMOFINANZ AG** | **142.6** | **347.1** |
| **thereof attributable to non-controlling interests** | **(0.6)** | **(1.2)** |
| **Basic earnings per share in EUR** | **1.0** | **2.8** |
| **Diluted earnings per share in EUR** | **1.0** | **2.6** |

*Consolidated cash flow statement*

| | Year Ended 31 December | |
|---|---|---|
| *€ millions (unless otherwise indicated)* | **2022** | **2021** |
| | *(audited)* | *(audited)* |
| Earnings before tax (EBT) | 185.7 | 386.3 |

[1] Where financial data is labelled "*audited*", this means that it was taken from the German language IMMOFINANZ 2022 and 2021 Financial Statements, which have been audited taken as a whole.

| | | |
|---|---|---|
| Revaluations of investment properties | 105.7 | (121.0) |
| Goodwill impairment and subsequent price adjustments | 0.3 | 0.3 |
| Write-downs and write-ups on real estate inventories (including impending losses from forward sales) | 2.0 | (0.1) |
| Write-downs and write-ups on receivables and other assets | 17.3 | 11.7 |
| Net profit or loss from equity-accounted investments | 151.9 | (139.5) |
| Foreign exchange differences and fair value measurement of financial instruments | (156.7) | (25.2) |
| Net interest income/expense | 73.2 | 82.1 |
| Results from deconsolidation | (5.4) | (28.9) |
| Other non-cash income/expense/reclassifications (thereof badwill EUR (214.6) mil) | (223.8) | (12.4) |
| **Gross cash flow before tax** | **150.1** | **153.3** |
| Income taxes paid | (11.1) | (6.0) |
| **Gross cash flow after tax** | **139.0** | **147.3** |
| Change in real estate inventories | (5.3) | 0.1 |
| Change in trade and other receivables | 2.5 | (16.5) |
| Change in trade payables and other liabilities | (135.1) | (72.4) |
| Change in provisions | (21.4) | 13.9 |
| **Cash flow from operating activities** | **(20.2)** | **217.1** |
| Acquisition of investment property and property under construction | (204.2) | (141.9) |
| Business combinations and other acquisitions, net of cash and cash equivalents (EUR 421,1 mill.; 2021: EUR 19,0 mill.) | 241.4 | (102.5) |
| Consideration transferred/paid from disposal of discontinued operations, net of cash and cash equivalents | 0.2 | 0.1 |
| Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents (EUR 1,3 mill.; 2021: EUR 7,8 mill.) | 38.3 | 139.5 |
| Acquisition of other non-current assets | (4.5) | (3.9) |
| Disposal of investment property and property under construction | 67.3 | 103.9 |
| Dividends received from equity-accounted investments | 16.7 | 13.2 |
| Interest or dividends received from financial instruments | 1.3 | 1.1 |
| **Cash flow from investing activities** | **156.6** | **9.5** |
| Increase in financial liabilities plus decrease in blocked cash and cash equivalents | 565.1 | 213.4 |
| Repayment of financial liabilities plus increase in blocked cash and cash equivalents | (925.6) | (325.8) |
| Payments and conversion of convertible bonds | 3.2 | - |
| Derivatives | (5.1) | (13.7) |
| Interest paid | (57.5) | (57.1) |
| Payments on mandatory convertible bond | - | (5.8) |
| Distributions/Dividend | - | (92.5) |
| Transactions with non-controlling interest owners | (0.2) | (8,5) |
| Share buyback | (10.1) | - |
| **Cash flow from financing activities** | **(436.7)** | **(289.9)** |
| Net foreign exchange differences | (2.1) | (1.0) |
| **Change in cash and cash equivalents** | **(302.5)** | **(64.3)** |
| Cash and cash equivalents at the beginning of the period (consolidated balance sheet item) | 987.1 | 1,047.1 |
| Plus cash and cash equivalents in disposal groups | - | 4.3 |
| Cash and cash equivalents at the beginning of the period | 987.1 | 1,051.4 |
| Cash and cash equivalents at the end of the period | 684.7 | 987.1 |
| Less cash and cash equivalents in disposal groups | 31.9 | - |
| **Cash and cash equivalents at the end of the period (consolidated balance sheet item)** | **652.8** | **987.1** |

## *Consolidated balance sheet*

| | **Year Ended as at 31 December** | |
|---|---|---|
| *€ millions (unless otherwise indicated)* | **2022** | **2021** |
| | *(audited)* | *(audited)* |
| Investment property | 7,707.2 | 4,736.4 |
| Property under construction | 198.5 | 474.3 |
| Owner operated Properties | 231.8 | - |
| Other tangible assets | 12.1 | 5.8 |
| Intangible assets | 20.4 | 24.1 |
| Equity-accounted investments | 36.3 | 521.5 |
| Trade and other receivables | 35.1 | 38.7 |
| Income tax receivables | - | - |
| Other financial assets | 250.1 | 17.4 |
| Deferred tax assets | 2.5 | 6.4 |
| **Non-current assets** | **8,493.9** | **5,824.6** |
| Trade and other receivables | 173.4 | 130.3 |
| Income tax receivables | 15.5 | 7.1 |
| Other financial assets | 1.3 | - |
| Assets held for sale | 548.5 | 9.0 |

| | | |
|---|---|---|
| Real estate inventories | 5.0 | 0.6 |
| Cash and cash equivalents | 652.8 | 987.1 |
| **Current assets** | **1,396.4** | **1,134.2** |
| **Assets** | **9,890.4** | **6,958.7** |
| Share capital | 138.7 | 123.3 |
| Capital reserves | 4,825.7 | 4,565.7 |
| Treasury shares | (10.1) | (-) |
| Accumulated other equity | (186.2) | (190.1) |
| Retained earnings | (977.7) | (1,115.3) |
| **Equity attributable to owners of IMMOFINANZ AG** | **3,790.2** | **3,383.5** |
| Non-controlling interests | 951.3 | (32.9) |
| **Equity** | **4,741.6** | **3,350.6** |
| Financial liabilities | 3,647.6 | 2,441.6 |
| Trade and other payables | 39.5 | 28.0 |
| Income tax liabilities | - | - |
| Provisions | 18.5 | 16.8 |
| Deferred tax liabilities | 547.7 | 274.2 |
| **Non-current liabilities** | **4,253.3** | **2,760.6** |
| Liabilities from convertible bonds | - | 283.2 |
| Financial liabilities | 519.8 | 411.8 |
| Trade and other payables | 217.1 | 111.0 |
| Income tax liabilities | 17.7 | 10.7 |
| Provisions | 13.7 | 30.8 |
| Liabilities held for sale | 127.2 | - |
| **Current liabilities** | **895.5** | **847.5** |
| **Equity and liabilities** | **9,890.4** | **6,958.7** |

## S IMMO[1]

The following tables contain selected historical consolidated financial information for S IMMO as of the dates and the periods indicated. The selected consolidated income statement, the selected consolidated cash flow statement and consolidated statement of financial position for the years ended 31 December 2022 and 31 December 2021 have been derived from the 2022 S IMMO Financial Statements and the 2021 S IMMO Financial Statements. The 2022 S IMMO Financial Statements and the 2021 S IMMO Financial Statements are incorporated by reference in, and form part of, this Base Prospectus. See "*Documents Incorporated by Reference*".

Prospective investors should read the following selected consolidated financial information in conjunction with the information contained in "*Risk Factors*", the 2022 S IMMO Financial Statements and the 2021 S IMMO Financial Statements, which are incorporated by reference in, and form part of, this Base Prospectus. See "*Documents Incorporated by Reference*".

*Consolidated income statement*

| | Year Ended as at 31 December | |
|---|---|---|
| *€ millions (unless otherwise indicated)* | **2022** | **2021** |
| | *(audited)* | *(audited)* |
| ***Revenues*** | | |
| Rental income | 155.7 | 131.3 |
| Revenues from operating costs | 48.4 | 34.4 |
| Revenues from hotel operations | 56.4 | 31.2 |
| | **260.5** | **196.9** |
| **Other operating income** | **2.2** | **3.2** |
| Property operating expenses | (79.5) | (66.8) |
| Hotel operating expenses | (43.0) | (23.7) |
| **Gross profit** | **140.2** | **109.5** |
| Income from property disposals | 49.2 | 39.6 |
| Book value of property disposals | (49.2) | (39.6) |
| **Result from property disposals** | **-** | **-** |
| Management expenses | (34.1) | (28.2) |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | **106.1** | **81.3** |
| Depreciation and amortisation | (9.7) | (9.6) |
| Results from property valuation | (78.4) | 198.7 |
| **Operating income (EBIT)** | **18.0** | **270.3** |

[1] Where financial data is labelled "*audited*", this means that it was taken from the S IMMO 2022 and 2021 Financial Statements, which have been audited taken as a whole.

| | | |
|---|---|---|
| Financing costs | (42.7) | (30.7) |
| Financing income | 59.2 | 25.3 |
| Results from companies measured at equity | 0.3 | 6.2 |
| **Financial result** | **16.9** | **0.7** |
| **Earnings before tax (EBT)** | **34.8** | **271.0** |
| Taxes on income | (15.9) | (40.5) |
| **Consolidated net income** | **18.9** | **230.6** |
| Of which attributable to shareholders in the parent company | 27.2 | 229.5 |
| Of which attributable to non-controlling interests | (8.3) | 1.0 |
| Earnings per share | | |
| Undiluted = diluted | - | - |

## *Consolidated cash flow statement*

| *€ millions (unless otherwise indicated)* | **Year Ended 31 December** | |
|---|---|---|
| | **2022** | **2021** |
| | *(audited)* | *(audited)* |
| Earnings before tax (EBT) | 34.8 | 271.0 |
| Results from property valuation | 78.4 | (198.7) |
| Depreciation and amortisation | 9.7 | 9.6 |
| Results on property sales | - | - |
| Revaluations of investment properties | | |
| Taxes on income paid | (24.5) | (15.4) |
| Financial Result | (16.9) | (0.7) |
| **Operating cash flow** | **81.6** | **65.9** |
| Changes in net current assets | | |
| Receivables and other assets | (18.9) | (2.7) |
| Provisions, other financial and non-financial liabilities | 0.9 | (0.7) |
| Current liabilities | 0.3 | 6.5 |
| **Cash flow from operating activities** | **63.9** | **69.0** |
| **Cash flow from investing activities** | | |
| Investments in property portfolio (rented properties, developing projects, undeveloped land, owner-operated properties) | (14.8) | (35.6) |
| Investments in intangible assets | (0.6) | (0.2) |
| Investments in other fixed assets | (1.0) | (0.9) |
| Disposal of equity instruments of other companies | 452.8 | 234.6 |
| Acquisition of equity instruments of other companies | (49.3) | - |
| Investments in financial assets | (0.5) | (-) |
| Disposals of financial assets | - | - |
| Investments in companies measured at equity | - | (0.2) |
| Divestments in companies measured at equity | 612 | 0.5 |
| Net cash flow from initial consolidations | (465.1) | (152.0) |
| Other changes in companies measured at equity | 0.7 | 3.8 |
| Disposals of properties | 76.6 | 39.6 |
| Dividends from companies measured at equity | 0.5 | 0.4 |
| Dividends from listed companies | - | 17.8 |
| Income from equity investments | 0.4 | 0.3 |
| Interest received | 0.3 | 0.9 |
| **Cash flow from investing activities** | **0.5** | **109.0** |
| **Cash flow from financing activities** | | |
| Issue of shares | - | - |
| Buyback of treasury shares | - | (16.4) |
| Bond issues | 49.7 | 149.1 |
| Bond redemptions | - | (28.5) |
| Buyback of bonds | (153.4) | - |
| Increase in non-controlling interests | 87.8 | - |
| Distribution of non-controlling interests | (0.1) | (0.2) |
| Increases in financing | 270.3 | 165.4 |
| Decreases in financing | (328.3) | (63.9) |
| Dividend payment | (45.8) | (35.3) |
| Interest paid | (41.7) | (36.7) |
| **Cash flow from financing activities** | **(161.4)** | **133.3** |
| Cash and cash equivalents 01 January | 375.8 | 64.5 |
| Reclassification of cash and cash equivalents as properties held for sale | (31.9) | - |
| Net change in cash and cash equivalents | (97.0) | 311.3 |
| **Cash and cash equivalents 31 December** | **246.9** | **375.8** |

## *Consolidated statement of financial position*

| *€ millions (unless otherwise indicated)* | **Year Ended as at 31 December** | |
|---|---|---|
| | **2022** | **2021** |
| | *(audited)* | *(audited)* |

| | | |
|---|---|---|
| **Non current-assets** | | |
| Investment properties | | |
| Rented properties | 2,580.8 | 2,642 |
| Properties under development and undeveloped land | 86.4 | 77.0 |
| | **2,667.3** | **2,720.0** |
| Owner-operated properties | 105.5 | 110.8 |
| Other plant and equipment | 5.0 | 5.5 |
| Intangible assets | 0.8 | 0.4 |
| Interests in companies measured at equity | 26.5 | 27.4 |
| Group interests | 5.3 | 5.3 |
| Other financial assets | 92.5 | 398.0 |
| Deferred tax assets | 1.0 | 0.6 |
| | **2,903.9** | **3,268.0** |
| **Current assets** | | |
| Inventories | 0.3 | 0.3 |
| Trade receivables | 17.5 | 6.9 |
| Other financial assets | 42.7 | 14.2 |
| Other assets | 23.9 | 22.9 |
| Cash and cash equivalents | 246.9 | 375.8 |
| | 331.4 | 420.2 |
| **Assets held for sale** | 539.1 | - |
| | **870.4** | **420.2** |
| | **3,774.4** | **3,688.1** |
| **Equity and liabilities** | | |
| Shareholders' equity | | |
| Share capital | 256.2 | 256.2 |
| Capital reserves | 160.6 | 160.6 |
| Other reserves | 1,280.4 | 1,245.4 |
| | **1,697.2** | **1,662.2** |
| Non-controlling interests | 83.0 | 4.1 |
| | 1,780.3 | 1,666.3 |
| **Non-current liabilities** | | |
| Issued bonds | **544.2** | **646.8** |
| Other financial liabilities | 927.6 | 920.2 |
| Provisions for employee benefits | 1.1 | 1.3 |
| Other liabilities | 1.4 | 0.3 |
| Deferred tax liabilities | 205.1 | 253.0 |
| | **1,679.4** | **1,821.6** |
| **Current Liabilities** | | |
| Financial liabilities | 82.1 | 138.6 |
| Income tax liabilities | **7.4** | **6.1** |
| Trade payables | 12.7 | 5.7 |
| Other liabilities | 85.2 | 49.9 |
| | **187.4** | **200.2** |
| Liabilities relating to assets held for sale | 127.2 | - |
| | **314.7** | **200.2** |
| | **3,774.4** | **3,688.1** |

## UNAUDITED PRO FORMA FINANCIAL INFORMATION

### Pro forma consolidated statement of income of the Group for the year ended 31 December 2022

#### *Introduction*

On 3 March 2022, the Group gained control of IMMOFINANZ, acquiring a 54.88 per cent. stake. The acquisition represents a business combination under the IFRS 3 Business Combination principles (**IFRS 3**). Following the acquisition date of 3 March 2022, the Group fully consolidated IMMOFINANZ as a subsidiary. The total purchase price was EUR 1,718.5 million.

On 28 June 2022, the Group gained control of S IMMO, acquiring a 44.41 per cent. stake. The acquisition represents a business combination under IFRS 3. Following the acquisition date of 28 June 2022, the Group fully consolidated S IMMO as a subsidiary. The total purchase price was EUR 677.8 million.

Due to the acquisition of IMMOFINANZ and S IMMO, the Group has prepared a pro forma consolidated statement of income and pro forma notes (referred to as the **Unaudited Pro Forma Financial Information**). The Group's consolidated statement of financial position fully reflects the acquisitions of IMMOFINANZ and S IMMO as at 31 December 2022. However, the Group's consolidated statement of income reflect only ten months of the full consolidation of IMMOFINANZ and six months of the full consolidation of S IMMO. Therefore, the purpose of the Unaudited Pro Forma Financial Information is to present the significant impact of the acquisition of IMMOFINANZ and S IMMO on the Group’s consolidated statement of income for the full year ended 31 December 2022, assuming that the acquisition had been undertaken as of 31 December 2021.

The Unaudited Pro Forma Financial Information is provided for illustrative purposes only. Because of its nature, the Unaudited Pro Forma Financial Information describes only a hypothetical situation and contains assumptions and uncertainties. Consequently, it does not reflect the actual results of the Group for the year ended 31 December 2022 (see "*Risk Factors – The Unaudited Pro Forma Financial Information in this Base Prospectus may not be indicative of the results the Group would have achieved had it controlled each of IMMOFINANZ and S IMMO for the entire year ended 31 December 2022*").

The Unaudited Pro Forma Financial Information was prepared on the basis of:

(a) the audited consolidated financial statements of the Group as at and for the year ended 31 December 2022 which have been prepared in accordance with IFRS;

(b) the unaudited pre-acquisition consolidated statement of income of IMMOFINANZ for the period from 1 January 2022 until 3 March 2022, which have been prepared using the unaudited consolidated interim financial report of IMMOFINANZ for the three months ended 31 March 2022, and which have been adjusted to reflect the period from 1 January 2022 until 3 March 2022; and

(c) the unaudited pre-acquisition consolidated statement of income of S IMMO for the period from 1 January 2022 until 30 June 2022, which have been prepared using the unaudited consolidated financial statement of income of S IMMO for the six months ended 30 June 2022 and covers the entire period required, save for an extra two days for which no additional adjustment have been due to immateriality.

#### *Principles used in the preparation*

The Unaudited Pro Forma Financial Information was prepared on the basis stated in the pro forma notes in accordance with the requirements set out in Annex 20 of Commission Delegated Regulation (EU) No 2019/980 of March 2019. Accounting principles as well as the accounting, presentation and valuation methodologies applied to the Unaudited Pro Forma Financial Information were those applied by the Group in preparation of the consolidated financial statements as at and for the year ended 31 December 2022.

***Procedures and pro forma assumptions in the preparation of the Unaudited Pro Forma Financial Information***

The pro forma consolidated statement of income was prepared under the assumption that the acquisition of IMMOFINANZ and S IMMO had already been completed on 31 December 2021.

## Pro forma consolidated statement of income for the year ended 31 December 2022

| FY 2022 the Group (EUR million) | Audited consolidated statement of comprehensive income FY 2022 Group (EUR million) | Unaudited pre-acquisition IMMOFINANZ income statement (EUR million)[1] | Unaudited pre-acquisition S IMMO income statement (EUR million)[2] | Pro-forma adjustments (EUR million) | Notes | FY 2022 Pro-forma consolidated |
|---|---|---|---|---|---|---|
| Gross rental income | 748.5 | 45.0 | 73.0 | | | 866.5 |
| Service charge and other income | 315.1 | 19.8 | 22.8 | | | 357.7 |
| Cost of service and other charges | (281.8) | (19.4) | (29.9) | | | (331.1) |
| Property operating expenses | (150.0) | (9.5) | (16.5) | | | (176.0) |
| **Net rental income** | **631.8** | **35.9** | 49.4 | | | **717.1** |
| Development sales | - | - | - | | | - |
| Development operating expenses | - | - | - | | | - |
| **Net development income** | **-** | - | - | | | **-** |
| Hotel revenue | 165.1 | - | 23.7 | | | 188.8 |
| Hotel operating expenses | (119.6) | - | (18.4) | | | (138.0) |
| **Net hotel income** | **45.5** | - | **5.3** | | | **50.8** |
| Other business revenue | 53.2 | - | - | | | 53.2 |
| Other business operating expenses | (54.8) | - | - | | | (54.8) |
| **Net other business income** | **(1.6)** | - | - | | | **(1.6)** |
| Total revenues | 1,281.9 | 64.8 | 119.5 | | | 1,466.2 |
| Total direct business operating expenses | (606.2) | (28.9) | (64.8) | | | (699.9) |
| **Net business income** | **675.7** | **35.9** | **54.7** | | | **766.3** |
| Net valuation gain | (88.8) | (3.0) | 20.7 | | | (71.1) |
| Net gain or loss on the disposal of IP and subs | 35.9 | (0.2) | - | | | 35.7 |
| Amortization, depreciation and impairments | (99.5) | (9.8) | (3.9) | | | (113.2) |
| Administrative expenses | (128.7) | (7.4) | (5.3) | | | (141.4) |
| Other operating income | 331.8 | 0.3 | 0.9 | (318.4) | (a) | 14.6 |
| Other operating expenses | (24.9) | 0.3 | (2.2) | | | (26.8) |
| **Operating result** | **701.5** | 16.1 | 64.9 | **(318.4)** | (a) | **464.1** |
| Interest income | 20.3 | - | - | | | 20.3 |
| Interest expense | (210.2) | (11.1) | (13.4) | | | (234.7) |
| Other net financial result | 151.3 | 31.4 | 13.5 | | | 196.2 |
| **Net finance income / (costs)** | **(38.6)** | **20.3** | **0.1** | | | **(18.2)** |
| Share of profit of equity-accounted investees | 19.1 | 23.0 | 0.1 | (45.8) | (b) | (3.6) |
| **Profit before income tax** | **682.0** | **59.4** | **65.1** | **(364.2)** | | **442.3** |
| **Income tax expense** | **(124.8)** | **(8.5)** | **(3.1)** | | | **(136.4)** |
| **Net profit from continuing operations** | **557.2** | **50.9** | **62.0** | **(364.2)** | | **305.9** |

### *Notes on the pro forma adjustments to the pro forma consolidated statement of income for the year ended 31 December 2022*

The following pro-forma adjustment has been made:

(a) Bargain purchase of EUR 318.4 million resulting from the provisional purchase price allocation according to IFRS 3 was recognised within other operating income.

(b) Share of profit equity-accounted investees in total of EUR 45.8 million representing the Group's share on pre-acquisition profit of IMMOFINANZ and S IMMO of EUR 22.7 million and IMMOFINANZ's share on pre-acquisition profit of S IMMO of EUR 23.1 million.

[1] This is the unaudited pre-acquisition consolidated statement of income of IMMOFINANZ for the period from 1 January 2022 until 3 March 2022, which has been prepared using the unaudited consolidated interim financial report of IMMOFINANZ for the three months ended 31 March 2022 (which was not reviewed by independent auditors) with adjustments to reflect the period from 1 January 2022 until 3 March 2022. Therefore, the source from which this unaudited pre-acquisition consolidated statement of income has been extracted is neither audited nor reviewed by independent auditors, and no review or audit report on this was published.

[2] This is the unaudited pre-acquisition consolidated statement of income of S IMMO for the period from 1 January 2022 until 30 June 2022, which has been prepared using the unaudited and unreviewed consolidated financial statement of income of S IMMO for the six months ended 30 June 2022 (which was not reviewed by independent auditors) and covers the entire period required, save for an extra two days for which no additional adjustments have been made due to immateriality. Therefore, the source from which this unaudited pre-acquisition consolidated statement of income has been extracted is neither audited nor reviewed by independent auditors, and no review or audit report on this was published.

None of the adjustments set out above in respect of the pro forma statements of income are expected to have a continuing impact on the Group.

**Independent Auditor's Assurance Report on the Compilation of Pro forma Financial Information included in a Prospectus**

To the Board of Directors of
CPI Property Group S.A.
40, rue de la Vallée
L-2661 Luxembourg

We have completed our assurance engagement to report on the compilation of pro forma financial information of CPI Property Group S.A. (the "Company") and its subsidiaries (the "Group") by its Board of Directors. The pro forma financial information consists of the pro forma consolidated statement of income of the Group for the year ended 31 December 2022 and related pro forma notes. The applicable criteria on the basis of which the Company's Board of Directors has compiled the pro forma consolidated financial information are specified in Annex 20 of Commission Delegated Regulation (EC) No 2019/980 and described in the pro forma notes.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact on the consolidated statement of income of CPI Property Group S.A. under the assumption that the acquisition of Immofinanz AG and S Immo AG had already been completed on 31 December 2021 as set out in the "Procedures and pro forma assumptions in the preparation of the Unaudited Pro Forma Financial Information" section of the pro forma financial information. As part of this process, information about the Company's financial performance have been extracted by the Company's Board of Directors from the Company's consolidated financial statements as of 31 December 2022, on which an independent auditor's report has been published, and from the consolidated financial statements of Immofinanz AG and S Immo AG as of 31 December 2022, on which an independent auditor's report has been published.

The pre-acquisition income statements of Immofinanz AG and S Immo AG for the period from 1 January 2022 until 3 March 2022 and for the period from 1 January 2022 until 28 June 2022 respectively, included in the pro forma financial information are unaudited and are prepared for the purpose of unaudited pro forma financial information. Accordingly, we do not accept any responsibility of these unaudited pre-acquisition income statements included in the pro forma financial information.

***Board of Directors' Responsibility for the Pro Forma Financial Information***

The Board of Directors is responsible for compiling the pro forma consolidated financial information on the basis stated in the pro forma notes and that this basis is consistent with the accounting policies of CPI Property Group S.A..

***Our Independence and Quality Control***

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and, accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

***Auditor's responsibilities***

Our responsibility is to express an opinion as required by Annex 20, Section 3 of Commission Delegated Regulation (EC) No 2019/980 about whether the pro forma consolidated financial information has been compiled, in all material respects, by the Board of Directors on the basis stated in the pro forma notes and whether this basis is consistent with the accounting policies of the Company.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor plans and performs procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information on the basis stated in the pro forma notes and whether this basis is consistent with the accounting policies of the Company.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction for the year ended 31 December 2022 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Opinion***

In our opinion, the pro forma financial information has been properly compiled on the basis stated in the pro forma notes and that basis is consistent with the accounting policies of CPI Property Group S.A..

Ernst & Young
Société anonyme
Cabinet de révision agréé

Jesus Orozco

Luxembourg, 26 May 2023

# FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer and Registered Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

## Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

(a) if the Bearer Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (Euroclear) and Clearstream Banking S.A. (Clearstream, Luxembourg); and

(b) if the Bearer Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the Common Depositary) for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem, either upon issue or at any times during their life, as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For the purposes of the Senior Notes, **Exchange Event** means that (i) in respect of the Senior Notes, an Event of Default (as defined in Condition 10.1 (*Events of Default*) of the Senior Notes) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) in respect of the Senior Notes, the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) of the Senior Notes or, as the case may be Condition 18 (*Notices*) of the Subordinated Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

**Registered Notes**

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with a common depositary or, if the Registered Global Notes are to be held under the new safe-keeping structure (the **NSS**), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem, either upon issue or at any time during their life, as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4 (*Payments in respect of Registered Senior Notes*) of the Senior Notes or, as the case may be, Condition 10.4 (*Payments in respect of Registered Subordinated Notes*) of the Subordinated Notes) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 (*Payments in respect of Registered Senior Notes*) of the Senior Notes or, as the case may be, Condition 10.4 (*Payments in respect of Registered Subordinated Notes) of the Subordinated Notes*) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For the purposes of the Senior Notes, **Exchange Event** means that (i) in respect of the Senior Notes an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) of the Senior Notes or, as the case may be, Condition 18 (*Notices*) of the Subordinated Notes, if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

**General**

Pursuant to the Agency Agreement (as defined under the relevant Terms and Conditions of the Notes), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within 60 days, or (ii) is unable for any reason to do so, and the failure or inability shall be continuing.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

## APPLICABLE FINAL TERMS FOR THE SENIOR NOTES

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Senior Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Senior Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Senior Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Senior Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA [(**UK MiFIR**)]. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Senior Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Senior Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Senior Notes has led to the conclusion that: (i) the target market for the Senior Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Senior Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Senior Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Senior Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][3]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in

[1] Legend to be included on front of the Final Terms if the Senior Notes potentially constitute "packaged" products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the "Prohibition of Sales to EEA Retail Investors" selling restriction should be specified to be "Applicable".

[2] Legend to be included on front of the Final Terms if the Senior Notes potentially constitute "packaged" products or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the "Prohibition of Sales to UK Retail Investors" selling restriction should be specified to be "Applicable".

[3] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach. The legend is not required if there is no MiFID manufacturer.

respect of the Senior Notes has led to the conclusion that: (i) the target market for the Senior Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in [Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (**UK MiFIR**)][UK MiFIR]; and (ii) all channels for distribution of the Senior Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Senior Notes (a **distributor**)][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Senior Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][4]

**[Singapore SFA Product Classification:** The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Senior Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][5]

[*Date*]

**CPI PROPERTY GROUP**

a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B102254

**Legal entity identifier (LEI): 222100CO2ZOTEPGJO223**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Senior Notes] under the Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 26 May 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). [This document constitutes the Final Terms of the Senior Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.][6] The Base Prospectus has been published on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin/bonds/list) / [the website of the Issuer ([https://cpipg.com/en/for-investors/bondholders#])].]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under Base Prospectus with an earlier date.*

[4] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach. The legend is not required if there is no UK MiFIR manufacturer.
[5] Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA. To insert classification if the Senior Notes are capital markets products other than prescribed capital markets products and Specified Investment Products.
[6] To be deleted if Notes are unlisted and/or Notes are not admitted to trading on a regulated market.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [18 September 2017 / 20 April 2018 / 30 May 2019 / 27 April 2020 / 12 May 2021 / 18 May 2022] [and as amended in the supplement to it dated 21 December 2020 / 7 January 2022], which are incorporated by reference in the Base Prospectus dated 26 May 2023. This document constitutes the Final Terms of the Senior Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 26 May 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all relevant information. The Base Prospectus has been published on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin/bonds/list) / [the website of the Issuer ([https://cpipg.com/en/for-investors/bondholders#])].]

*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*

*If the Senior Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*

| | | | |
|---|---|---|---|
| 1. | Issuer: | | CPI Property Group |
| 2. | (a) | Series Number: | [ ] |
| | (b) | Tranche Number: | [ ] |
| | (c) | Date on which the Senior Notes will be consolidated and form a single Series: | [The Senior Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Senior Note for interests in the Permanent Global Senior Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]]][Not Applicable] |
| 3. | Specified Currency or Currencies: | | [ ] |
| 4. | Aggregate Nominal Amount: | | |
| | (a) | Series: | [ ] |
| | (b) | Tranche: | [ ] |
| 5. | Issue Price: | | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| 6. | (a) | Specified Denominations: | [ ]<br>*(N.B. Senior Notes must have a minimum denomination of €100,000 (or equivalent))* |

| | | | |
|---|---|---|---|
| | | | *(Note – where Bearer multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*<br><br>*"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Senior Notes in definitive form will be issued with a denomination above [€199,000].")* |
| | (b) | Calculation Amount (in relation to calculation of interest in global form see Conditions): | [ ]<br><br>(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.) |
| 7. | (a) | Issue Date: | [ ] |
| | (b) | Interest Commencement Date: | [*specify*/Issue Date/Not Applicable]<br>(*N.B. An Interest Commencement Date will not be relevant for certain Senior Notes, for example Zero Coupon Senior Notes.*) |
| 8. | Maturity Date: | | [*Specify date or for Floating Rate Senior Notes* – Interest Payment Date falling in or nearest to [*specify month and year*]] |
| 9. | (a) | Interest Basis: | [[ ] per cent. Fixed Rate]<br>[[[ ] month EURIBOR +/- [ ] per cent. Floating Rate]<br>[Zero coupon]<br>(see paragraph [14]/[15]/[16] below) |
| | (b) | Sustainability-Linked Step Up Event: | [Applicable – Condition 5.5 (*Sustainability-Linked Step Up Event*) shall apply to the Senior Notes /Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | | (i) Sustainability Performance Target | GHG Emissions Intensity equal to or lower than [●] metric tonnes of carbon dioxide equivalent emissions per square metre in respect of the SPT Reference Year specified below, subject to (i) adjustment in line with the Issuer's GHG Recalculation Policy and/or (ii) reduction if Science Based Targets Initiative approves, and notifies the Issuer of a more ambitious target, all as provided in Condition 5.5 (*Sustainability-Linked Step Up Event*) |

| | | | |
|---|---|---|---|
| | (ii) | SPT Reference Year: | [The 12 month period from and including 1 January 20[●] to and including 31 December 20[●]/[*specify other 12 month period, if consistent with the applicable Sustainability Finance Framework*]] |
| | (iii) | Step Up Notification Deadline: | [*specify long-stop date, expected to be no later than 30 April in the year following the SPT Reference Year*] |
| | (iv) | Sustainability-Linked Step Up Margin: | [●] per cent. per annum |
| | (v) | Sustainability-Linked Step Up Date: | [The Interest Payment Date immediately following the occurrence of a Sustainability-Linked Step Up Event]<br>[The Interest Payment Date immediately prior to the occurrence of a Sustainability-Linked Step Up Event]<br>[*specify a calendar date if preferred*]] |
| 10. | Redemption[/Payment] Basis: | | Subject to any purchase and cancellation or early redemption, the Senior Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 11. | Change of Interest Basis: | | [*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there*][Not Applicable] |
| 12. | Put/Call Options: | | [Issuer Call]<br>[Issuer Maturity Par Call]<br>[Investor Put]<br>[Change of Control Put]<br>[Redemption upon a Substantial Repurchase Event]<br>[(see paragraph [18]/[19]/[20]/[21]/[22] below)]<br>[Not Applicable] |
| 13. | (a) | Status of the Senior Notes: | Senior |
| | (b) | Date Board approval for issuance of Senior Notes obtained: | [ ] [and [ ], respectively]<br>(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Senior Notes*) |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| 14. | Fixed Rate Senior Note Provisions | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |

| | | |
|---|---|---|
| (a) | Rate(s) of Interest: | [ ] per cent. per annum payable in arrear on each Interest Payment Date [(subject to adjustment as provided in Condition 5.5 (*Sustainability-Linked Step Up Event*) if a Sustainability-Linked Step Up Event occurs)] (*include proviso where Sustainability-Linked Step Up Event is specified as applicable in paragraph 9(b)*) |
| (b) | Interest Payment Date(s): | [ ] in each year from and including [ ] up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*) |
| (c) | Fixed Coupon Amount(s) for Senior Notes in definitive form (and in relation to Senior Notes in global form see Conditions): | [ ] per Calculation Amount [(subject to adjustment as provided in Condition 5.5 (*Sustainability-Linked Step Up Event*) if a Sustainability-Linked Step Up Event occurs)] (*include proviso where Sustainability-Linked Step Up Event is specified as applicable in paragraph 9(b)*) |
| (d) | Broken Amount(s) for Senior Notes in definitive form (and in relation to Senior Notes in global form see Conditions): | [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable] |
| (e) | Day Count Fraction: | [30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] |
| (f) | Determination Date(s): | [[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)* |
| (g) | Step Up Rating Change and/or Step Down Rating Change: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraph of this paragraph*) |
| (h) | Step Up Margin: | [[ ] per cent. per annum] |

| | | |
|---|---|---|
| 15. | Floating Rate Senior Note Provisions | [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| (a) | Specified Period(s)/Specified Interest Payment Dates: | [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the |

| | | |
|---|---|---|
| | | Business Day Convention in (b) below is specified to be Not Applicable] |
| (b) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable] |
| (c) | Additional Business Centre(s): | [ ] |
| (d) | Manner in which the Rate of Interest and Interest Amount is to be determined: | [Screen Rate Determination/ISDA Determination] |
| (e) | Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): | [ ] (the **Calculation Agent**) |
| (f) | Screen Rate Determination: | |
| | • Reference Rate: | [ ] month EURIBOR |
| | • Interest Determination Date(s): | [ ]<br>*The second day on which T2 is open prior to the start of each Interest Period if EURIBOR* |
| | • Relevant Screen Page: | [ ]<br>(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*) |
| (g) | ISDA Determination: | |
| | • Floating Rate Option: | [ ] |
| | • Designated Maturity: | [ ] |
| | • Reset Date: | [ ]<br>(*In the case of a EURIBOR based option, the first day of the Interest Period*)<br>*(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time*) |
| (h) | Linear Interpolation: | [Not Applicable/Applicable - the rate of interest for the [long/short] [first/last] Interest Period shall be calculated using linear interpolation as |

| | | | |
|---|---|---|---|
| | | | set out in Condition 5.2(e) (*specify for each short or long interest period*)] |
| | (i) | Margin(s): | [+/-] [ ] per cent. per annum |
| | (j) | Minimum Rate of Interest: | [ ] per cent. per annum |
| | (k) | Maximum Rate of Interest: | [ ] per cent. per annum |
| | (l) | Day Count Fraction: | [Actual/Actual (ISDA)][Actual/Actual]<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>[30/360][360/360][Bond Basis]<br>[30E/360][Eurobond Basis]<br>30E/360 (ISDA)] |
| | (m) | Step Up Rating Change and/or Step Down Rating Change: | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining subparagraph of this paragraph*) |
| | | Step Up Margin: | [[ ] per cent. per annum] |
| 16. | Zero Coupon Senior Note Provisions | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Accrual Yield: | [ ] per cent. per annum |
| | (b) | Reference Price: | [ ] |
| | (c) | Day Count Fraction in relation to Early Redemption Amounts: | [30/360]<br>[Actual/360]<br>[Actual/365] |

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 17. | Notice periods for Condition 7.2 (Redemption for tax reasons): | | Minimum period: [30] days<br>Maximum period: [60] days |
| 18. | Issuer Call: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Optional Redemption Date(s): | [ ] |
| | (b) | Optional Redemption Amount: | [[ ] per Calculation Amount][Make-whole Amount]<br><br>[Make-whole Amount (to which the provisions of Condition 7.3(b) shall apply)] *(include reference to Condition 7.3(b) where* |

*Sustainability-Linked Step Up Event is specified as applicable in paragraph 9(b)).*

| | | |
|---|---|---|
| (A) | Reference Bond: | [ ] |
| (B) | Redemption Margin: | [ ] |
| (C) | Quotation Time: | [ ] |
| (D) | MWC Cut-off Date: | [[●] / Not Applicable] (*specify end date for the relevant period for the purposes of Condition 7.3(b); include only where Sustainability-Linked Step Up Event is specified as applicable in paragraph 9(b) and the Optional Redemption Amount is the Make-whole Amount*) |

(c) If redeemable in part:

| | | |
|---|---|---|
| (i) | Minimum Redemption Amount: | [ ] |
| (ii) | Maximum Redemption Amount: | [ ] |

| | | |
|---|---|---|
| (d) | Notice periods: | Minimum period: [ ] days<br>Maximum period: [ ] days<br>(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.*) |

| | | |
|---|---|---|
| 19. | Issuer Maturity Par Call: | [Applicable/Not Applicable]<br>(*If not applicable delete the remaining subparagraphs of this paragraph.*) |
| (a) | Maturity Par Call Period: | From (and including) [ ] to (but excluding) the Maturity Date |
| (b) | Notice periods: | Minimum period: [ ] days<br>Maximum period: [ ] days |
| 20. | Investor Put: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |

| | | | |
|---|---|---|---|
| | (a) | Optional Redemption Date(s): | [ ] |
| | (b) | Optional Redemption Amount: | [ ] per Calculation Amount |
| | (c) | Notice periods: | Minimum period: [ ] days<br>Maximum period: [ ] days<br>(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.*) |
| 21. | Change of Control Put: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | Change of Control Redemption Amount: | | [ ] per Calculation Amount |
| 22. | Redemption upon a Substantial Repurchase Event: | | [Applicable/Not Applicable] |
| | Substantial Repurchase Threshold Amount: | | [ ] per cent. |
| 23. | Final Redemption Amount: | | [ ] per Calculation Amount |
| 24. | Early Redemption Amount: | | [[ ] per Calculation Amount - specify for Senior Notes other than Zero Coupon Senior Notes] [Condition 7.8(b) applies – specify for Zero Coupon Senior Notes] |

**GENERAL PROVISIONS APPLICABLE TO THE SENIOR NOTES**

| | | | |
|---|---|---|---|
| 25. | Form of Senior Notes: | | |
| | (a) | Form: | [Bearer Senior Notes:<br><br>[Temporary Global Senior Note exchangeable for a Permanent Global Senior Note which is exchangeable for Definitive Senior Notes only upon an Exchange Event]<br><br>[Temporary Global Senior Note exchangeable for Definitive Senior Notes on and after the Exchange Date] |

| | | | |
|---|---|---|---|
| | | | [Permanent Global Senior Note exchangeable for Definitive Senior Notes only upon an Exchange Event]<br><br>(*N.B. The option for an issue of Senior Notes to be represented on issue by a Temporary Global Senior Note exchangeable for Definitive Senior Notes should not be expressed to be applicable if the Specified Denomination of the Senior Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*)<br><br>[Registered Senior Notes:<br><br>[Global Senior Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]] |
| | (b) | New Global Note: | [Yes][No] [Not Applicable] |
| | (c) | New Safekeeping Structure: | [Yes][No][Not Applicable] |
| 26. | Additional Financial Centre(s): | | [Not Applicable/*give details*]<br>(*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(c) relates*) |
| 27. | Talons for future Coupons to be attached to Definitive Senior Notes (Senior Notes in bearer form only): | | [Yes, as the Senior Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No] |

[**THIRD PARTY INFORMATION**

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of CPI Property Group:

By: ..........................................................
*Duly authorised*

## PART B – OTHER INFORMATION

| | | |
|---|---|---|
| **1.** | **LISTING AND ADMISSION TO TRADING** | |
| | (i) Listing and Admission to trading | [Application has been made by the Issuer (or on its behalf) for the Senior Notes to be admitted to trading on [*the Euronext Dublin Regulated Market*/*the regulated market of the PSE*] and listing on [*the Official List of Euronext Dublin/the regulated market of the PSE*] with effect from [ ].]<br><br>[Application is expected to be made by the Issuer (or on its behalf) for the Senior Notes to be admitted to trading on [*the Euronext Dublin Regulated Market/the regulated market of the PSE*] and listing on [*the Official List of Euronext Dublin/the regulated market of the PSE*] with effect from [ ].]<br><br>(*Where documenting a fungible issue need to indicate that original Senior Notes are already admitted to trading*.)<br><br>[Not Applicable] |
| | (ii) Estimate of total expenses related to admission to trading: | [ ][N/A] |
| **2.** | **RATINGS** | |
| | Ratings: | [The Senior Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Senior Notes of this type issued under the Programme generally]:<br><br>[*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].<br><br>[[*Defined term*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) [(the **EU CRA Regulation**)].]<br><br>[[*Defined term*] is not established in the European Union but the rating it has given to the Senior Notes is endorsed by [*insert the legal name of the relevant credit rating agency entity*], which is established in the European Union and registered under [the EU CRA Regulation] [Regulation (EC) No. 1060/2009 (as amended) [(the **EU CRA Regulation**)]].] |

[[*Defined term*] is not established in the European Union and has not applied for registration under [the EU CRA Regulation] [Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**)], but it is certified in accordance with the EU CRA Regulation and it is included in the list of credit rating agencies published by ESMA on its website in accordance with the EU CRA Regulation.]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

*(The above disclosure should reflect the rating allocated to Senior Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

## 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Senior Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests.*]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

## 4. REASONS FOR THE OFFER

| | |
|---|---|
| **Reasons for the Offer:** | [The net proceeds from the issue of the Senior Notes will be applied by the Issuer for its general corporate purposes.]<br><br>[The Notes are intended to be issued as Green Bonds, [*further particulars to be provided*].]<br><br>(*See "Use of Proceeds" in the Base Prospectus*.) |
| **Estimated net proceeds of the Offer:** | [ ] |

## 5. YIELD (*Fixed Rate Senior Notes only*)

| | |
|---|---|
| Indication of yield: | [ ]<br><br>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |

## 6. OPERATIONAL INFORMATION

| | | |
|---|---|---|
| (i) | ISIN: | [ ] |
| (ii) | Common Code: | [ ] |
| (iii) | CFI: | [See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (iv) | FISN: | [See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (v) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | [Centrální depozitář cenných papírů, a.s., Identification No.: 25081489, with its registered office at Rybná 14, Staré Město, 110 05 Prague 1 (the **Czech Central Depositary**)/Not Applicable/*give name(s) and number(s)*] |
| (vi) | Delivery: | Delivery [against/free of] payment |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| (viii) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Senior Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Senior Notes which are to be held under the NSS*] and does not necessarily mean that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/<br><br>[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Senior Notes are capable of meeting them the Senior Notes may then be deposited with one of the ICSDs as common |

| | |
|---|---|
| | safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for Registered Senior Notes*]. Note that this does not necessarily mean that the Senior Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |

**7. DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/*give names*] |
| (iii) | Stabilisation Manager(s) (if any): | [Not Applicable/*give name*] |
| (iv) | If non-syndicated, name of relevant Dealer: | [Not Applicable/*give name*] |
| (v) | U.S. Selling Restrictions: | [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable] |
| (vi) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Senior Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If Senior Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*) |
| (vii) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Senior Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If Senior Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*) |
| (viii) | Prohibition of Sales to Belgian Consumers: | [Applicable/Not Applicable]<br><br>*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)* |

## APPLICABLE FINAL TERMS FOR THE SUBORDINATED NOTES

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA [(**UK MiFIR**)]. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Subordinated Notes has led to the conclusion that: (i) the target market for the Subordinated Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Subordinated Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Subordinated Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [7]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Subordinated Notes has led to the conclusion that: (i) the target market for the Subordinated Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of

[7] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach. The legend is not required if there is no MiFID manufacturer.

Business Sourcebook (**COBS**), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Subordinated Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Subordinated Notes (a **distributor**)][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][8]

[**Singapore SFA Product Classification:** The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Subordinated Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][9]

[*Date*]

**CPI PROPERTY GROUP**

a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B102254

**Legal entity identifier (LEI): 222100CO2ZOTEPGJO223**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Subordinated Notes] under the Euro Medium Term Note Programme**

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 26 May 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). [This document constitutes the Final Terms of the Subordinated Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.][10] The Base Prospectus has been published on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin/bonds/list) / [the website of the Issuer ([https://cpipg.com/en/for-investors/bondholders#])].]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under Base Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [18 September 2017 / 20 April 2018 / 30 May 2019

[8] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach. The legend is not required if there is no UK MiFIR manufacturer.
[9] Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA. To insert classification if the Subordinated Notes are capital market products other than prescribed capital market products and Specified Investment Products.
[10] To be deleted if Notes are unlisted and/or Notes are not admitted to trading on a regulated market.

/ 27 April 2020 / 18 May 2022] [and as amended in the supplement to it dated 21 December 2020], which are incorporated by reference in the Base Prospectus dated 26 May 2023. This document constitutes the Final Terms of the Subordinated Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 26 May 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all relevant information. The Base Prospectus has been published on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin/bonds/list) /[the website of the Issuer ([http://www.cpipg.com])].]

*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*

| | | | |
|---|---|---|---|
| 1. | Issuer: | | CPI Property Group |
| 2. | (a) | Series Number: | [ ] |
| | (b) | Tranche Number: | [ ] |
| | (c) | Date on which the Subordinated Notes will be consolidated and form a single Series: | [The Subordinated Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Subordinated Note for interests in the Permanent Global Subordinated Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]]][Not Applicable] |
| 3. | Specified Currency or Currencies: | | [ ] |
| 4. | Aggregate Nominal Amount: | | |
| | (a) | Series: | [ ] |
| | (b) | Tranche: | [ ] |
| 5. | Issue Price: | | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| 6. | (a) | Specified Denominations: | [ ]<br><br>*(N.B. Subordinated Notes must have a minimum denomination of €100,000 (or equivalent))*<br><br>*(Note – where Bearer multiple denominations above [€100,000] or equivalent are being used* |

| | | | |
|---|---|---|---|
| | | | *the following sample wording should be followed:*<br><br>*"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Subordinated Notes in definitive form will be issued with a denomination above [€199,000].")* |
| | (b) | Calculation Amount (in relation to calculation of interest in global form see Conditions): | [ ]<br><br>(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.) |
| 7. | (a) | Issue Date: | [ ] |
| | (b) | Interest Commencement Date: | [*specify*/Issue Date/Not Applicable] |
| 8. | Maturity Date: | | [s*pecify*/Undated] |
| 9. | Interest Basis: | | [ ] per cent. Fixed Rate until [ ], then calculated in accordance with paragraph [13] below<br><br>(further particulars specified below) |
| 10. | Redemption/Payment Basis: | | [Subject to any purchase and cancellation or early redemption, the Subordinated Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount][Not Applicable]<br>(*Specify 'Not Applicable' for Undated Subordinated Notes*) |
| 11. | Call Options: | | [Issuer Call]<br>[Redemption upon a Tax Deduction Event]<br>[Redemption upon a Capital Event]<br>[Redemption upon an Accounting Event]<br>[Redemption upon a Substantial Repurchase Event]<br>[Redemption for Change of Control Event]<br><br>(further particulars specified below) |
| 12. | (a) | Status of the Subordinated Notes: | [Dated/Undated] Subordinated Notes |
| | (b) | Date Board approval for issuance of Subordinated Notes obtained: | [ ] [and [ ], respectively]<br><br>(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Subordinated Notes*) |

**PROVISIONS RELATING TO INTEREST PAYABLE**

13. Fixed Rate Reset Note Provisions

| | | |
|---|---|---|
| (a) | First Fixed Rate of Interest: | [ ] per cent. per annum payable in arrear on each Interest Payment Date |
| (b) | Interest Payment Date(s): | [ ] in each year from and including [ ] [up to and including the Maturity Date]<br><br>(*Amend appropriately in the case of irregular coupons*) |
| (c) | Fixed Coupon Amount(s) for Subordinated Notes in definitive form (and in relation to Subordinated Notes in global form see Conditions) and in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date: | [ ] per Calculation Amount |
| (d) | Broken Amount(s) for Subordinated Notes in definitive form (and in relation to Subordinated Notes in global form see Conditions): | [[ ] per Calculation Amount, payable on the Interest Payment Date falling on [ ]][Not Applicable] |
| (e) | Day Count Fraction: | [30/360] [Actual/Actual (ICMA)][Actual/365 (Fixed)] |
| (f) | Determination Date(s): | [[ ] in each year][Not Applicable]<br><br>(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or (if applicable) maturity date in the case of a long or short first or last coupon)* |
| (g) | First Reset Date: | [ ] |
| (h) | Reset Date(s): | [The First Reset Date and each date falling on the [ ] anniversary of the First Reset Date]/[ ] |
| (i) | Subsequent Reset Reference Rate(s) and Relevant Financial Centre: | Subsequent Reset Reference Rate: [Mid Swaps/Reference Bond/Singapore Dollar Swap Offer Rate]<br><br>(*Mid Swaps may only be specified where the Specified Currency is euros*) |

| | | |
|---|---|---|
| | | Relevant Financial Centre: [ ] |
| (j) | Margin: | [In respect of (a) the Reset Period ending on (but excluding) [ ] 20[ ], [*the initial credit spread*] per cent.; (b) each Reset Period which falls in the period commencing on (and including) [ ] 20[ ] and ending on (but excluding) [ ] 20[ ], [*the initial credit spread plus [ ] bps*] per cent.; and (c) each Reset Period which falls on or after [ ] 20[ ], [*the initial credit spread plus [ ] bps] per cent.*]/[ ] |
| (k) | Subsequent Reset Reference Rate Screen Page: | [ ] |
| (l) | Mid Swap Maturity: | [ ] |
| (m) | Reset Determination Date(s): | [ ] |
| (n) | Subsequent Reset Reference Rate Time: | [ ] |
| (o) | Step Up after Change of Control Event: | Applicable |
| (p) | Step Up Margin after Change of Control Event: | 5 per cent. per annum |

**PROVISIONS RELATING TO REDEMPTION**

14.

| | | |
|---|---|---|
| (a) | Issuer Call: | Applicable<br><br>(*In the case of Undated Subordinated Notes and for purposes of Luxembourg law, provide for (i) the first Optional Redemption Date to fall no later than the tenth anniversary of the Issue Date and (ii) further Optional Redemption Dates to fall at least annually thereafter*) |
| | Optional Redemption Date(s): | Par call:<br><br>[Any day falling from (and including) [ ] up to (but excluding)]/[T/t]he First Reset Date] [and any Interest Payment Date thereafter][*specify other*] [Not Applicable]<br><br>Make-whole call:<br><br>[Any day other than the Optional Redemption Date(s) specified under "Par call" above] [*Specify other*] [Not Applicable] |

| | |
|---|---|
| | *(Make whole call may only be specified for Undated Subordinated Notes in conjunction with a Par call, for the purposes of the Remaining Term Date, as defined in Condition 6.2)* |
| Optional Redemption Amount(s): | Par call:<br><br>[[ ] per Calculation Amount in respect of each Optional Redemption Date specified under "Par call" above)] [Not Applicable]<br><br>Make-whole call:<br><br>[Make-whole Amount in respect of each Optional Redemption Date specified under "Make-whole call" above] [Not Applicable] *(If not applicable delete the remaining subparagraphs of this paragraph)* |
| (A) Reference Bond: | [ ] |
| (B) Redemption Margin: | [ ] |
| (C) Quotation Time: | [ ] |
| (b) Redemption upon a Tax Deduction Event: | [Applicable/Not Applicable] |
| (c) Redemption upon a Capital Event: | [Applicable/Not Applicable] |
| Capital Rating Agency: | [Fitch Ratings Ireland Limited]<br>[Moody's Deutschland GmbH]<br>[S&P Global Ratings Europe Limited] |
| (d) Redemption upon an Accounting Event: | [Applicable/Not Applicable] |
| (e) Redemption upon a Substantial Repurchase Event: | [Applicable/Not Applicable] |
| Substantial Repurchase Threshold Amount: | [ ] per cent. |
| (f) Redemption for Change of Control Event: | [Applicable/Not Applicable]<br><br>[*The following text does not form part of the Conditions: The Issuer intends (without thereby assuming a legal or contractual obligation) that for so long as the Notes remain outstanding, if (i) a Change of Control Event occurs and (ii) the* |

*Issuer elects to redeem the Notes pursuant to Condition 6.8 (Redemption for Change of Control Event), it will launch a tender offer for all outstanding unsubordinated debt securities (which do not contain a contractual right of the holders of such debt securities for such securities to be redeemed or repurchased as a result of the events giving rise to the Change of Control Event) at a price equal to not less than their aggregate principal amount plus accrued and unpaid interest as soon as reasonably practicable following such event. The Issuer also intends (without thereby assuming a legal or contractual obligation) to launch such tender offer in such a way as to ensure that the repurchase of any unsubordinated debt securities tendered to it will be effected prior to any redemption of the Notes pursuant to Condition 6.8 (Redemption for Change of Control Event).*]

| | | |
|---|---|---|
| 15. | Final Redemption Amount: | [ ] per Calculation Amount]/[Not Applicable] |

**GENERAL PROVISIONS APPLICABLE TO THE SUBORDINATED NOTES**

16. Form of Subordinated Notes:

(a) Form:

[Bearer Subordinated Notes: [Temporary Global Subordinated Note exchangeable for a Permanent Global Subordinated Note which is exchangeable for Definitive Subordinated Notes only upon an Exchange Event.]

[Temporary Global Subordinated Note exchangeable for Definitive Subordinated Notes on and after the Exchange Date]

[Permanent Global Subordinated Note exchangeable for Definitive Subordinated Notes only upon an Exchange Event]]

(*N.B. The option for an issue of Subordinated Notes to be represented on issue by a Temporary Global Subordinated Note exchangeable for Definitive Subordinated Notes should not be expressed to be applicable if the Specified Denomination of the Subordinated Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*.)

[Registered Subordinated Notes:

| | | | |
|---|---|---|---|
| | | | [Global Subordinated Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]] |
| | (b) | New Global Note: | No |
| 17. | Additional Financial Centre(s): | | [Not Applicable/*give details*]<br><br>(*Note that this paragraph relates to the date of payment*) |
| 18. | Talons for future Coupons to be attached to Definitive Subordinated Notes (Subordinated Notes in bearer form only): | | [Yes, as the Subordinated Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No] |

[**THIRD PARTY INFORMATION**

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of CPI Property Group:

By: ........................................................

*Duly authorised*

## PART B – OTHER INFORMATION

**1. LISTING AND ADMISSION TO TRADING**

| | | |
|---|---|---|
| (i) | Listing and Admission to trading: | [Application has been made by the Issuer (or on its behalf) for the Subordinated Notes to be admitted to trading on [*the Euronext Dublin Regulated Market/the regulated market of the PSE*] and listing on [*the Official List of Euronext Dublin/the regulated market of the PSE*] with effect from [ ].]<br><br>[Application is expected to be made by the Issuer (or on its behalf) for the Subordinated Notes to be admitted to trading on [*the Euronext Dublin Regulated Market/the regulated market of the PSE*] and listing on [*the Official List of Euronext Dublin/the regulated market of the PSE*] with effect from [ ].]<br><br>(*Where documenting a fungible issue need to indicate that original Subordinated Notes are already admitted to trading*.)<br><br>[Not Applicable] |
| (ii) | Estimate of total expenses related to admission to trading: | [ ][N/A] |

**2. RATINGS**

| | |
|---|---|
| Ratings: | The Subordinated Notes to be issued [[have been]/[are expected to be]] rated:<br><br>[*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].<br><br>[[*Defined term*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) [(the **EU CRA Regulation**)].]<br><br>[[*Defined term*] is not established in the European Union but the rating it has given to the Subordinated Notes is endorsed by [*insert the legal name of the relevant credit rating agency entity*], which is established in the European Union and registered under [the EU CRA Regulation] [Regulation (EC) No. 1060/2009 (as amended) [(the **EU CRA Regulation**)]].] |

[[*Defined term*] is not established in the European Union and has not applied for registration under [the EU CRA Regulation] [Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**)], but it is certified in accordance with the EU CRA Regulation and it is included in the list of credit rating agencies published by ESMA on its website in accordance with the EU CRA Regulation.]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

*(The above disclosure should reflect the rating allocated to Subordinated Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*.)

[Replacement Intention:

For the avoidance of any doubt, the following text does not form part of the Conditions: The Issuer intends (without thereby assuming any obligation) at any time that it will only redeem or repurchase the Subordinated Notes (or any part thereof) to the extent that the aggregate principal amount of the Subordinated Notes (or any part thereof) to be redeemed or repurchased does not exceed such part of the net proceeds received by the Issuer or any Subsidiary of the Issuer on or prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or such subsidiary to third party purchasers (other than group entities of the Issuer) of subordinated notes which are assigned by S&P, at the time of sale or issuance, an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned to the Subordinated Notes to be so redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Subordinated Notes), unless:

(i) the rating (or such equivalent nomenclature then used by S&P) assigned by S&P to the Issuer is the same as or higher than the long-term corporate credit rating assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancings without net new issuance) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or

(ii) in the case of a repurchase or redemption, taken together with other relevant repurchases or redemptions of hybrid securities of the Issuer during the relevant period, such repurchase or redemption is of less than (a) 10 per cent. of the aggregate principal amount of the outstanding hybrid securities of the Issuer in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the outstanding hybrid securities of the Issuer in any period of 10 consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile; or

(iii) if the Subordinated Notes are not assigned an "equity credit" by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or

(iv) in the case of a repurchase or redemption, such repurchase or redemption relates to an aggregate principal amount of Subordinated Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology; or

(v) the Subordinated Notes are redeemed pursuant to an Accounting Event, a Capital Event, a Change of Control Event, a Tax Deduction Event or a Withholding Tax Event; or

(vi) such redemption or repurchase occurs on or after [ ].

## 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Subordinated Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests.*]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

## 4. REASONS FOR THE OFFER

| | |
|---|---|
| **Reasons for the Offer:** | [The net proceeds from the issue of the Senior Notes will be applied by the Issuer for its general corporate purposes.]<br><br>[The Notes are intended to be issued as Green Bonds, [*further particulars to be provided*].]<br><br>(*See "Use of Proceeds" in the Base Prospectus*.) |
| **Estimated net proceeds of the Offer:** | [ ] |

## 5. YIELD

| | |
|---|---|
| Indication of yield: | [ ]<br><br>The yield is calculated at the Issue Date for the period until the First Reset Date on the basis of the Issue Price. It is not an indication of future yield. |

## 6. OPERATIONAL INFORMATION

| | | |
|---|---|---|
| (i) | ISIN: | [ ] |
| (ii) | Common Code: | [ ] |
| (iii) | CFI: | [See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (iv) | FISN: | [See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (v) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | [Centrální depozitář cenných papírů, a.s., Identification No.: 25081489, with its registered office at Rybná 14, Staré Město, 110 05 Prague |

| | | |
|---|---|---|
| | | 1 (the **Czech Central Depositary**)/[Not Applicable/*give name(s) and number(s)*] |
| (vi) | Delivery: | Delivery [against/free of] payment |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | [ ] |

**7. DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/*give names*] |
| (iii) | Stabilisation Manager(s) (if any): | [Not Applicable/*give name*] |
| (iv) | If non-syndicated, name of relevant Dealer: | [Not Applicable/*give name*] |
| (v) | U.S. Selling Restrictions: | [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable] |
| (vi) | Prohibition of Sales to EEA Retail Investors: | Applicable |
| (vii) | Prohibition of Sales to UK Retail Investors: | Applicable |
| (viii) | Prohibition of Sales to Belgian Consumers: | [Applicable/Not Applicable]<br>*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)* |

## TERMS AND CONDITIONS OF THE SENIOR NOTES

*The following are the Terms and Conditions of the Senior Notes which will be incorporated by reference into each Global Senior Note (as defined below) and each definitive Senior Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Senior Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Senior Note and definitive Senior Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Senior Notes.*

This Senior Note is one of a Series of Senior Notes issued by CPI Property Group, a *société anonyme* with its registered office at 40, rue de la Vallée, L-2661 Luxembourg and registered with the Register of Commerce and Companies of Luxembourg under number B102254 (the **Issuer**) constituted by an Amended and Restated Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 26 May 2023 made between the Issuer and HSBC Corporate Trustee Company (UK) Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Senior Notes** shall be references to the **Senior** Notes of this Series and shall mean:

(a) in relation to any Senior Notes represented by a global Senior Note (a Global Senior Note), units of each Specified Denomination in the Specified Currency;

(b) any Global Senior Note;

(c) any definitive Senior Notes in bearer form (Bearer Senior Notes) issued in exchange for a Global Senior Note in bearer form; and

(d) any definitive Senior Notes in registered form (Registered Senior Notes) (whether or not issued in exchange for a Global Senior Note in registered form).

The Senior Notes and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 12 May 2021 and made between the Issuer, the Trustee, HSBC Bank plc as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and HSBC Bank plc as registrar (the **Registrar**, which expression shall include any successor registrar) and as transfer agent (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms), the Registrar, the Paying Agents and the other Transfer Agents are together referred to as the **Agents**.

The final terms for this Senior Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Senior Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Senior Note. Interest bearing definitive Bearer Senior Notes have interest coupons (**Coupons**) and, in the case of Bearer Senior Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

Registered Senior Notes and Global Senior Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Senior Notes) the holders of the Senior Notes and (in the case of Registered Senior Notes) the persons in whose name the Senior Notes are registered and shall, in relation to any Senior Notes represented by a Global Senior Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Senior Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Senior Notes together with any further Tranche or Tranches of Senior Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the principal office for the time being of the Trustee and at the specified office of each of the Paying Agents. Electronic versions of the Trust Deed and the Agency Agreement can be obtained upon written electronic request of the Trustee and/or the Principal Paying Agent (for the purposes of which their respective addresses are ctla.trustee.admin@hsbc.com and ctlondon.conventional@hsbc.com). If the Senior Notes are to be admitted to trading on the regulated market of Euronext Dublin (the **Euronext Dublin Regulated Market**) the applicable Final Terms will be published on the website of Euronext Dublin: https://live.euronext.com/en/markets/dublin/bonds/list. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## 1. FORM, DENOMINATION AND TITLE

The Senior Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Senior Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Senior Notes of one Specified Denomination may not be exchanged for Senior Notes of another Specified Denomination and Bearer Senior Notes may not be exchanged for Registered Senior Notes and *vice versa*.

This Senior Note may be a Fixed Rate Senior Note, a Floating Rate Senior Note, a Zero Coupon Senior Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Senior Notes are issued with Coupons attached, unless they are Zero Coupon Senior Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Senior Notes and Coupons will pass by delivery and title to the Registered Senior Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Senior Note or Coupon and the registered holder of any Registered Senior Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Senior Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Senior Notes is represented by a Global Senior Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Senior Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Senior Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Senior Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Senior Notes, for which purpose the bearer of the relevant Bearer Global Senior Note or the registered holder of the relevant Registered Global Senior Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Senior Notes in accordance with and subject to the terms of the relevant Global Senior Note and the expressions **Noteholder** and **holder of Senior Notes** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Senior Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Senior Notes which are represented by a Global Senior Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## 2. TRANSFERS OF REGISTERED SENIOR NOTES

### 2.1 Transfers of interests in Registered Global Senior Notes

Transfers of beneficial interests in Registered Global Senior Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Senior Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Senior Notes in definitive form or for a beneficial interest in another Registered Global Senior Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

### 2.2 Transfers of Registered Senior Notes in definitive form

Subject as provided in paragraph 2.3 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Senior Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Senior Note for registration of the transfer of the Registered Senior Note (or the relevant part of the Registered Senior Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Senior Note in definitive form of a like aggregate nominal amount to the Registered Senior Note (or the relevant part of the Registered Senior Note) transferred. In the case of the transfer of part only of a Registered Senior Note in definitive form, a new Registered Senior Note in definitive form in respect of the balance of the Registered Senior Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### 2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Senior Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Senior Note, or part of a Registered Senior Note, called for partial redemption.

### 2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### 2.5 Status of the Senior Notes

The Senior Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

## 3. NEGATIVE PLEDGE

So long as any Senior Note remains outstanding (as defined in the Trust Deed), the Issuer will not, and will procure that none of its Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest, including without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction (which, for the avoidance of doubt, shall not include a guarantee, suretyship or indemnity, or a similar undertaking under the laws of any jurisdiction to reimburse loss or damage) (each a **Security Interest**), other than a Permitted Security Interest, upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital), to secure any Relevant Indebtedness (as defined below) of the Issuer and/or any of its Subsidiaries, unless the Issuer, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Senior Notes, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

**Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are intended to be, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness, ***excluding, for the avoidance of doubt,*** any present or future indebtedness (whether being principal, premium, interest or other amounts) incurred in respect of loans or facilities (which are not in the form specified in (i) and (ii)) to finance the ordinary course activities of the Issuer or its Subsidiaries.

**Permitted Security Interest** means (A) a Security Interest in respect of notes or bonds denominated in CZK only (**Secured CZK Notes**) *provided that* (X) the aggregate principal amount of Secured CZK Notes outstanding at any time shall not exceed the equivalent of EUR 300 million, and (Y) the aggregate principal amount of Secured CZK Notes outstanding under any single series at any time shall not exceed the equivalent of EUR 200 million (in each case, calculated based on the relevant official central bank currency exchange rate in effect on the date of determination thereof) and further provided that, for the avoidance of doubt, any Secured CZK Notes which are outstanding as of the issue date of the Senior Notes shall not be a Permitted Security Interest except to the extent that the requirements of this sub-paragraph (A) are satisfied in respect thereof and (B) a Security Interest on the undertaking or assets of a company acquired by the Issuer or any of its Subsidiaries after the Issue Date, provided that such Security Interest was not created in contemplation of such acquisition and the principal amount secured by such Security Interest has not been increased in contemplation of or since such acquisition.

**Subsidiary** means in relation to any person (the **first person**) at any particular time, any other person (the **second person**):

(a) whose affairs and policies the first person controls or has power to control, whether by ownership or share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

## 4. COVENANTS

### 4.1 Financial Covenants

So long as any Senior Note remains outstanding, the Issuer undertakes that:

(a) the Consolidated Leverage Ratio shall not exceed 0.60 on any Measurement Date;

(b) the Consolidated Coverage Ratio shall be at least 1.90 on any Measurement Date; and

(c) the Consolidated Secured Leverage Ratio shall not exceed 0.45 on any Measurement Date, save that the Issuer shall not be in breach of this Condition 4.1(c) if, on no more than two consecutive Measurement Dates, the Consolidated Secured Leverage Ratio is greater than 0.45 but does not exceed 0.50.

The Issuer shall engage an external, reputable independent valuation company and/or real estate consultant, having an appropriately recognised professional qualification and recent experience in the respective locations and categories of real estate assets being valued, to value at least 90 per cent. (by market valuation) of the Group's standing investments and land at least once per calendar year (which, for the avoidance of doubt, may include a company or consultant meeting such criteria and which is engaged to value the Group's standing investments and land for purposes of its IFRS financial statements).

The Issuer will promptly notify the Trustee in accordance with the Trust Deed in the event that any of the undertakings in this Condition 4.1 is breached at any time.

For so long as any Senior Note remains outstanding, the Issuer will deliver a certificate to the Trustee on each Reporting Date signed by two duly Authorised Signatories (as defined in the Trust Deed) of the Issuer, certifying that the Issuer is and has been in compliance with the undertakings set out in this Condition 4.1 at all times during the relevant period. Such certificate may be relied on by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

### 4.2 Equity Cure

(a) Subject to the provisions of this Condition 4.2, in the event that the Issuer fails to comply, or would otherwise fail to comply, with any of its obligations under subparagraph (a) and (c) of Condition 4.1 (*Financial Covenants*), the Issuer shall have the right, and may elect by written notice to the Trustee (in accordance with paragraph (b) below), to cure an actual or anticipated breach of the Consolidated Leverage Ratio or the Consolidated Secured Leverage Ratio in Condition 4.1 (*Financial Covenants*) by applying net amounts received in respect of any new equity issued by the Issuer and/or Subordinated Shareholder Debt received by the Issuer to remedy any actual or anticipated non-compliance and by having such amounts included in the calculation or recalculation of the financial covenant contained in Condition 4.1 (*Financial Covenants*) subparagraph (a) and (c).

(b) A notice to the Trustee under paragraph (a) above will not be regarded as having been delivered unless:

(A) it is signed by two Authorised Signatories of the Issuer and delivered before the date which is 30 Business Days after the applicable Reporting Date on which the compliance certificate for the calendar year to which the non-compliance relates would have been required to be delivered pursuant to Condition 4.1 (*Financial Covenants*);

(B) it certifies the aggregate amounts received by the Issuer in respect of any equity issued by the Issuer and/or Subordinated Shareholder Debt;

(C) it specifies the calendar year to which the non-compliance relates and in relation to which the equity issued by the Issuer and/or Subordinated Shareholder Debt is to be applied; and

(D) if the Issuer makes an election under paragraph (a) above during the period of 30 Business Days after the Reporting Date on which the compliance certificate for the calendar year to which the non-compliance relates would have been required to be delivered pursuant to Condition 4.1 (*Financial Covenants*), it is accompanied by a revised compliance certificate indicating compliance with the ratios in Condition 4.1 (*Financial Covenants*) after taking into account the amounts used to remedy the non-compliance.

(c) For the purposes of this Condition 4.2, the net amounts received in cash in respect of any equity issued by the Issuer and/or Subordinated Shareholder Debt shall be deemed to be received on the Measurement Date in respect of which they are to be taken into account to remedy the non-compliance with any ratios set out in Condition 4.1 (*Financial Covenants*).

(d) If, after giving effect to the recalculation referred to in the paragraphs above, the financial covenants are complied with, the Issuer shall be deemed to have satisfied the requirements of Condition 4.1 (*Financial Covenants*) as of the relevant Measurement Date as though there had been no failure to comply with such obligations, and the applicable breach shall be deemed to have been cured for the purposes hereof.

**4.3 Payment of dividends**

The Issuer and its Subsidiaries may pay dividends at any time provided that, in the case of dividends paid by the Issuer, no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing at the time of, or would result following, the payment of such dividend by the Issuer.

**4.4 Financial reporting**

So long as any of the Senior Notes remains outstanding, the Issuer shall deliver to the Trustee:

(a) not later than six months after the end of the Issuer's financial year, copies or the electronic versions of the audited consolidated financial statements of the Group for such financial year, prepared in accordance with IFRS and applicable Luxembourg law, consistently applied, and accompanied by the report of the independent auditors of the Issuer thereon;

(b) not later than 120 days after the end of the semi-annual period, copies or the electronic versions of the unaudited condensed consolidated financial statements of the Group for such semi-annual period, prepared in accordance with IAS 34 consistently applied; and

(c) in the case of every other item referred to below, not later than 20 days after their initial distribution to any of the persons referred to below, three copies in English of every statement of financial position, statement of income and, to the extent permitted by applicable law, every report or other notice, statement or circular issued, or which legally should be issued, to the members or holders of securities (generally) of the Issuer or any holding company thereof generally in their capacity as such; provided that, in case of this subparagraph (c), if such other item is published on the Issuer's website, no such delivery is required.

In these Conditions:

**Consolidated Adjusted EBITDA** means the consolidated profit/(loss) of the Issuer before taxes, depreciation, amortisation, impairments and change in provisions and excluding any revaluation changes, financial income and financial expenses, net result on acquisitions and disposals and any other exceptional non-recurring and non-cash items, as determined by reference to the most recent audited annual or unaudited semi-annual, as the case may be, consolidated statements of comprehensive income of the Issuer, and including, since 31 March 2020, the Issuer's proportionate share of EBITDA of equity accounted investees, as determined by the most recent audited or unaudited semi-annual, as the case may be, consolidated income statement of such equity accounted investees.

**Consolidated Coverage Ratio** means, in respect of any Measurement Date, (i) the aggregate amount of Consolidated Adjusted EBITDA for the period of the most recent two consecutive semi-annual periods ending on such Measurement Date divided by (ii) the Consolidated Net Interest Expense for such two semi-annual periods.

**Consolidated Net Interest Expense** means, for any period, all charges, interest, commission, fees, discounts, premiums and other finance costs in respect of Indebtedness (but excluding such interest on Subordinated Shareholder Debt) incurred by the Group, less total interest income received by the Group, each as shown in the most recent consolidated statement of comprehensive income of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared in accordance with IFRS or IAS 34, as applicable.

**Consolidated Leverage Ratio** means, in respect of any Measurement Date, the Consolidated Total Indebtedness divided by Consolidated Adjusted Total Assets.

**Consolidated Secured Leverage Ratio** means, in respect of any Measurement Date, the Secured Consolidated Total Indebtedness divided by Consolidated Adjusted Total Assets.

**Consolidated Adjusted Total Assets** means the total assets (excluding intangible assets and goodwill) of the Group as shown in the most recent consolidated statement of financial position of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared in accordance with IFRS or IAS 34, as applicable.

**Consolidated Total Indebtedness** means the total Indebtedness of the Group (excluding deferred tax liabilities) as determined by reference to the most recent consolidated statement of financial position of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared in accordance with IFRS or IAS 34, as applicable.

**Group** means the Issuer and its Subsidiaries taken as a whole;

**IAS** means International Accounting Standards issued by the International Accounting Standards Board;

**IFRS** means International Financial Reporting Standards as adopted by the European Union, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time);

**Indebtedness** means, with respect to any person at any date of determination (without duplication) any debt of such person (excluding Subordinated Shareholder Debt), including:

(a) all indebtedness of such person for borrowed money in whatever form;

(b) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments;

(c) all obligations of such person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto, except to the extent any such reimbursement obligations relate to trade payables);

(d) all obligations of such person to pay the deferred and unpaid purchase price of property, assets or services which purchase price is due more than 90 days after the earlier of the date of placing such property in service or taking delivery and title thereof or the completion of such services excluding:

    (i) any trade payables or other liability to trade creditors; and

    (ii) any post-closing payment adjustments in connection with the purchase by the Issuer or any Subsidiary of the Issuer of any business to which the seller may become entitled, to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing and **provided that** (x) the amount of any such payment is not determinable at the time of closing and, (y) to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter;

(e) all capitalised lease obligations of such person, to the extent treated as indebtedness in the financial statements of such person under IFRS;

(f) all obligations of the type referred to in paragraphs (a) to (e) of other persons guaranteed by such person to the extent such obligation is guaranteed by such person; and

(g) any obligations of the type referred to in paragraphs (a) to (f), where a Security Interest has been granted over any asset of such person (including where the underlying obligation has been assumed by a third party). The amount of such obligation shall be deemed to be the lesser of: (i) the book value of such asset as shown in the most recent audited annual or unaudited semi-annual financial statements of such person and (ii) the amount of the obligation so secured,

***always provided that, for the avoidance of doubt,*** indebtedness in respect of any non-speculative derivative transactions entered into in connection with protection against fluctuations in any rate or price shall not be deemed to be Indebtedness for the purpose of these Conditions.

For the purpose of determining the euro-equivalent of Indebtedness denominated in a foreign currency, the euro-equivalent principal amount of such Indebtedness pursuant thereto shall be calculated based on the relevant official central bank currency exchange rate in effect on the date of determination thereof.

The amount of Indebtedness of any person at any date shall be the outstanding balance at such date of all unconditional obligations as described above provided that (i) with respect to contingent obligations as described above, the amount of Indebtedness will be the value of the contingency, if any, giving rise to the obligation as reported on the balance sheet in that person's financial statements and (ii) in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time;

**Measurement Date** means each day which is (i) the last day of the Issuer's financial year in any year (the **Annual Measurement Date)** or (ii) the last day of the first half of the Issuer's financial year in any year (the **Semi-Annual Measurement Date)**.

**Reporting Date** means a date falling no later than 30 days after (i) the publication of the Group's audited annual consolidated financial statements, prepared in accordance with IFRS, with respect to an Annual Measurement Date, or (ii) the publication of the Group's unaudited condensed semi-annual consolidated financial statements, prepared in accordance with IAS 34, with respect to a Semi-Annual Measurement Date.

**Secured Consolidated Total Indebtedness** means such amount of Consolidated Total Indebtedness that is secured by a Security Interest granted by the Issuer or a Subsidiary of the Issuer.

**Subordinated Shareholder Debt** means Indebtedness of the Issuer directly or indirectly held by one or more of its shareholders; provided that such Indebtedness (and any security into which such Indebtedness is convertible or for which it is exchangeable at the option of the holder) (i) does not mature or require any amortisation, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the stated final maturity of the Senior Notes, (ii) does not pay cash interest, (iii) contains no change of control provisions and has no right to declare a default or event of default or take any enforcement action prior to the first anniversary of the stated final maturity of the Senior Notes, (iv) is unsecured and (v) is fully subordinated and junior in right of payment to the Senior Notes.

## 5. INTEREST

### 5.1 Interest on Fixed Rate Senior Notes

Each Fixed Rate Senior Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Senior Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Senior Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Senior Notes which are (i) represented by a Global Senior Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Senior Notes represented by such Global Senior Note or (B) such Registered Notes; or

(b) in the case of Fixed Rate Senior Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Senior Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Senior Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(A) in the case of Senior Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Senior Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(i) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Accrual Period divided by 365.

In these Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

**5.2 Interest on Floating Rate Senior Notes**

(a) Interest Payment Dates

Each Floating Rate Senior Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system (**T2**), is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Senior Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Senior Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as of the Issue Date of the first Tranche of Senior Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Senior Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as of 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as of the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Senior Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Senior Notes which are represented by a Global Senior Note, the aggregate outstanding nominal amount of the Senior Notes represented by such Global Senior Note; or

(ii) in the case of Floating Rate Senior Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Senior Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Senior Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case $D_1$ will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$D_1$ is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

$D_2$ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) Linear Interpolation

Where linear interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

**Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Benchmark Event

Notwithstanding the provisions above in this Condition 5.2, if the Issuer, in consultation with the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), determines that a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate, failing which an Alternative Rate and in either case, an applicable Adjustment Spread and any Benchmark Amendments (each as defined and as further described below) no later than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Senior Notes for such next succeeding Interest Period and for all future Interest Periods (subject to the subsequent operation of this Condition 5.2(f) during any other future Interest Period(s));

(ii) if the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:

(A) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 5.2(f)(iv)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant 82 component part thereof) for all future payments of interest on the Senior Notes (subject to the subsequent further operation of this Condition 5.2(f)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 5.2(f)(iv)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Senior Notes (subject to the further operation of this Condition 5.2(f));

(iii) if, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, the Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate (as applicable) or, in either case, applicable Adjustment Spread is determined pursuant to this provision prior to the IA Determination Cut-off Date, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Conditions will continue to apply to such determination.

(iv) if a Successor Rate or Alternative Rate is determined in accordance with Condition 5.2(f)(ii), the Independent Adviser acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)) which shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 5.2(f);

(v) if any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 5.2(f) and the Independent Adviser acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.2(f)(vi), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 5.2(f)(vi), the Trustee, the Principal Paying Agent, the Paying Agents and the Calculation Agent shall (at the Issuer's expense and direction), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments required to the Trust Deed (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), the Agency Agreement and these Conditions and the Trustee, the Principal Paying Agent, the Paying Agents and the Calculation Agent shall not be liable to any party for any consequences thereof, provided that none of the Trustee, the Principal Paying Agent, the Paying Agents and the Calculation Agent shall be obliged so to concur if in its sole opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in the Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

Notwithstanding any other provision of this Condition 5.2(f), if, in the Calculation Agent's opinion, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5.2(f), the Calculation Agent shall promptly notify the Issuer and/or the Independent Advisor thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer and/or the Independent Advisor (as the case may be) thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the avoidance of doubt, neither the Principal Paying Agent and/or the Calculation Agent shall be obliged to monitor or inquire whether a Benchmark Event has occurred or have any liability in respect thereof.

In connection with any such variation in accordance with this Condition 5.2(f), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Senior Notes are for the time being listed or admitted to trading; and

(vi) the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), the Principal Paying Agent, the Paying Agents and, in accordance with Condition 14 (Notices), the Noteholders of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.2(f). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories:

(A) confirming (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate and (z) the applicable Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.2(f);

(B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread; and

(C) certifying that the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above.

The Trustee shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent, or such other party specified in the applicable Final Terms, as applicable), the Principal Paying Agent, the Paying Agents and the Noteholders and Couponholders.

Without prejudice to the obligations of the Issuer under this Condition 5.2(f), the Original Reference Rate and the fallback provisions provided for in Condition 5.2(b)(ii) will continue to apply unless and until the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and Benchmark Amendments (if applicable), in accordance with Condition 5.2(f)(vi).

For the purposes of this Condition 5.2(f):

**Adjustment Spread** means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith and in a commercially reasonable manner determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) (if no such recommendation or option has been made (or made available), or in the case of an Alternative Rate) the Independent Adviser acting in good faith and in a commercially reasonable manner determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(c) (if no such customary market usage is recognised or acknowledged) the Independent Adviser acting in good faith and in a commercially reasonable manner determines to be appropriate;

**Alternative Rate** means an alternative to the Original Reference Rate which the Independent Adviser acting in good faith and in a commercially reasonable manner determines in accordance with Condition 5.2(f)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Senior Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith and in a commercially reasonable manner determines is most comparable to the Original Reference Rate;

**Benchmark Amendments** has the meaning given to it in Condition 5.2(f)(v);

**Benchmark Event** means:

(a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (b)(i);

(c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (d)(i);

(e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i) above;

(f) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, the Principal Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011 and/or Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, if applicable); or

(g) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense and approved in writing by the Trustee. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 5.2(f) shall act in good faith and in a commercially reasonable manner as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5.2(f);

**Original Reference Rate** means the originally-specified Reference Rate or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 5.2(f)(ii), such Successor Rate or Alternative Rate, as applicable, used to determine the Rate of Interest (or any component part thereof) on the Senior Notes;

**Relevant Nominating Body** means, in respect of an Original Reference Rate:

(a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(g) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Senior Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Senior Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Principal Paying Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent or the Calculation Agent, as applicable, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**5.3 Accrual of interest**

Each Senior Note (or in the case of the redemption of part only of a Senior Note, that part only of such Senior Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Senior Note have been paid; and

(b) as provided in the Trust Deed.

**5.4 Adjustment of Rate of Interest for Fixed Rate Senior Notes and Floating Rate Senior Notes**

If a Step Up Rating Change and/or Step Down Rating Change is specified as being applicable in the applicable Final Terms, the following terms relating to the Rate of Interest for the Senior Notes shall apply:

(a) The Rate of Interest payable on the Senior Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change and/or a Step Down Rating Change, as the case may be.

(a) Subject to (d) and (h) below, from and including the first Interest Payment Date falling on or after the date of a Step Up Rating Change, the Rate of Interest (in the case of Fixed Rate Senior Notes) or the Margin (in the case of Floating Rate Senior Notes) payable on the Senior Notes shall be increased by the Step Up Margin.

(b) Subject to (d) and (h) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date falling on or after the date of such Step Down Rating Change, the Rate of Interest (in the case of Fixed Rate Senior Notes) or the Margin (in the case of Floating Rate Senior Notes) payable on the Senior Notes shall be decreased by the Step Up Margin back to the initial Rate of Interest (in the case of Fixed Rate Senior Notes) or the initial Margin (in the case of Floating Rate Senior Notes).

(c) If a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Fixed Interest Period (in the case of Fixed Rate Senior Notes) or the same Interest Period (in the case of Floating Rate Senior Notes), the Rate of Interest (in the case of Fixed Rate Senior Notes) or the Margin (in the case of Floating Rate Senior Notes) on the Senior Notes shall be neither increased nor decreased as a result of either such event.

(d) The Issuer shall use all reasonable efforts to maintain credit ratings for its senior unsecured long-term debt from Moody's and, if an additional Rating Agency is appointed to rate the Issuer's senior unsecured long-term debt by or with the consent of the Issuer, such additional Rating Agency. If, notwithstanding such reasonable efforts, any Rating Agency fails or ceases to assign a credit rating to the Issuer's senior unsecured long-term debt, the Issuer shall use all reasonable efforts to obtain a credit rating of its senior unsecured long-term debt from a Substitute Rating Agency approved (other than in the case of S&P or Fitch) by the Trustee (such approval not to be unreasonably withheld or delayed), and references herein to such Rating Agency or the credit ratings thereof, shall be to such Substitute Rating Agency or, as the case may be, the equivalent credit ratings thereof as specified in or determined in accordance with the remainder of this Condition 5.4.

(e) The Issuer will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change giving rise to an adjustment to the Rate of Interest (in the case of Fixed Rate Senior Notes) or the Margin (in the case of Floating Rate Senior Notes) payable on the Senior Notes pursuant to this Condition 5.4 to be notified to the Trustee and the Principal Paying Agent and (in accordance with Condition 14 (*Notices*)) the Noteholders as soon as reasonably practicable after the occurrence of such Step Up Rating Change or Step Down Rating Change, but in no event later than the fifth London Business Day thereafter.

(f) If the rating designations employed by any Rating Agency are changed from those which are described in this Condition or if a rating is procured from a Substitute Rating Agency other than S&P or Fitch, the Issuer shall determine, with the prior approval of the Trustee (not to be unreasonably withheld or delayed), the rating designations of such Substitute Rating Agency as are most equivalent to the prior rating designations of the existing Rating Agency (or Rating Agencies, as the case may be).

(g) Notwithstanding any other provision contained herein, there shall be no limit on the number of times that the Rate of Interest may be adjusted pursuant hereto during the term of the Senior Notes provided that at no time during the term of the Senior Notes will the Rate of Interest be (i) less than the initial Rate of Interest or (ii) more than the initial Rate of Interest plus the Step Up Margin specified hereon.

Where:

**Rating Agency**, **Fitch**, **Moody's**, **S&P** and **Substitute Rating Agency** have the meanings given to such terms in Condition 7.6 (*Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*);

**Step Down Rating Change** means the first public announcement by Moody's and, if applicable, each other Rating Agency appointed by or with the consent of the Issuer, after a Step Up Rating Change, that the credit rating of the Issuer's senior unsecured long-term debt is at least Baa3 in the case of Moody's and, if applicable, at least BBB- in the case of S&P and at least BBB- in the case of Fitch. For the avoidance of doubt, any further increase in the credit rating of the Issuer's senior unsecured long-term debt above Baa3 in the case of Moody's and, if applicable, at least BBB- in the case of S&P and at least BBB- in the case of Fitch shall not constitute a further Step Down Rating Change;

**Step Up Margin** means the rate per annum specified in the applicable Final Terms; and

**Step Up Rating Change** means the first public announcement by Moody's or, if applicable, any other Rating Agency appointed by or with the consent of the Issuer of a decrease in the credit rating of the Issuer's senior unsecured long-term debt to below Baa3 (in the case of Moody's) or below BBB- (in the case of S&P) or below BBB- (in the case of Fitch). For the avoidance of doubt, any further decrease in the credit rating of the Issuer's senior unsecured long-term debt below Baa3 in the case of Moody's or, if applicable, below BBB- in the case of S&P or below BBB- in the case of Fitch shall not constitute a further Step Up Rating Change.

### 5.5 Sustainability-Linked Step Up Event

If Sustainability-Linked Step Up Event is specified as being applicable in the applicable Final Terms, the following terms relating to the Rate of Interest for the Senior Notes (such Senior Notes being referred to as **Sustainability-Linked Senior Notes**) shall apply:

(i) If a Sustainability-Linked Step Up Event occurs, the Rate of Interest accruing from and including the Sustainability-Linked Step Up Date shall automatically be increased by the Sustainability-Linked Step Up Margin. Where the Sustainability-Linked Step Up Date is specified in the applicable Final Terms as a date falling prior to the occurrence of a Sustainability-Linked Step Up Event, such increase shall be deemed to have applied since the Sustainability-Linked Step Up Date notwithstanding that such date falls prior to the occurrence of the Sustainability-Linked Step Up Event (and the amount of interest payable on the Interest Payment Date immediately following the occurrence of the relevant Sustainability-Linked Step Up Event shall therefore be determined on the basis of the Rate of Interest plus the Sustainability-Linked Step Up Margin, with such rate having been applicable for the entirety of such period). For the avoidance of doubt, an increase in the Rate of Interest may occur no more than once in respect of any Series of Sustainability-Linked Senior Notes as a result of a Sustainability-Linked Step Up Event, and will not subsequently decrease thereafter.

(ii) If a Sustainability-Linked Step Up Event occurs, the Issuer shall give notice thereof to the holders of the Sustainability-Linked Senior Notes in accordance with Condition 14

(*Notices*), to the Trustee and to the Principal Paying Agent as soon as reasonably practicable following the occurrence of the Sustainability-Linked Step Up Event, and in any event by no later than the Step Up Notification Deadline. Such notice shall be irrevocable and shall include details of the Sustainability-Linked Step Up Event, the Sustainability-Linked Step Up Margin and the Sustainability-Linked Step Up Date.

(iii) For each financial year ending on 31 December from and including the financial year during which the Issue Date (of the first Tranche of the relevant Series) of any Sustainability-Linked Senior Notes falls, up to and including the SPT Reference Year in respect of such Sustainability-Linked Senior Notes, the Issuer will publish and maintain on its website a Sustainability Performance Report (each such report, a **Sustainability Performance Report**), which shall disclose the GHG Emissions Intensity of the Group in respect of each such year, as determined by the Issuer in accordance with the Sustainability Finance Framework and the Conditions, and which report shall also disclose in reasonable detail (i) any assets or operations of the Group which are excluded from the calculations of the Group's GHG Emissions Intensity and (ii) any adjustment made to the Sustainability Performance Target since the previous Sustainability Performance Report as a result of the application of Condition 5.5(v) or (vi) below. Each such Sustainability Performance Report shall include or be accompanied by a limited assurance report issued by the External Verifier (a **Limited Assurance Report**). Each Sustainability Performance Report and related Limited Assurance Report will be published together with the Issuer's audited consolidated financial statements for the relevant year and the independent auditor's report thereon and may form part of the Issuer's annual management report in respect of the relevant financial year; provided that if and to the extent that the Issuer determines that additional time will be required to complete the relevant Sustainability Performance Report and/or related Limited Assurance Report, then such Sustainability Performance Report and related Limited Assurance Report shall be published as soon as reasonably practicable, but in no event later than 30 days after the date of publication of the relevant independent auditor's report.

(iv) For the SPT Reference Year only, the Issuer will also publish and maintain on its website a verification assurance certificate issued by the External Verifier (such certificate, the **SPT Verification Assurance Certificate**), in which the External Verifier shall confirm whether or not the Group has achieved the Sustainability Performance Target in respect of the SPT Reference Year. The Issuer will procure that the SPT Verification Assurance Certificate will be published no later than the date of publication of the Sustainability Performance Report for the SPT Reference Year and the Limited Assurance Report thereon; provided that if and to the extent that the Issuer determines that additional time will be required for the External Verifier to complete the relevant SPT Verification Assurance Certificate, then the SPT Verification Assurance Certificate shall be published as soon as reasonably practicable, but in no event later than the Step Up Notification Deadline.

(v) If the Science Based Targets Initiative approves, and notifies the Issuer of, a more ambitious sustainability performance target in respect of its GHG Emissions Intensity to be achieved for the SPT Reference Year (as compared to the Sustainability Performance Target specified in the applicable Final Terms), or for a year falling later than the SPT Reference Year (as compared to the sustainability performance target specified for such year in the Sustainability Finance Framework), the Issuer shall give notice thereof to the holders of the Sustainability-Linked Senior Notes in accordance with Condition 14 (Notices), to the Trustee and to the Principal Paying Agent as soon as reasonably practicable following receipt of such revised target. If the revised target relates to a year falling later than the SPT Reference Year of the Sustainability-Linked Senior Notes, the Issuer shall in good faith calculate a revised Sustainability

Performance Target for the Sustainability-Linked Senior Notes using linear interpolation and assuming a constant trajectory of improvement each year from the 2019 baseline to the future revised target. The Issuer's notice to the holders of the Sustainability-Linked Senior Notes, the Trustee and the Principal Paying Agent shall include details of the SBTI Target, (if relevant) any resulting interpolated Sustainability Performance Target for the Sustainability-Linked Senior Notes (including details of the calculations employed in revising the Sustainability Performance Target), and shall specify whether the then-prevailing Sustainability Performance Target shall be reduced as a result thereof and in accordance with the definition of Sustainability Performance Target below.

(vi) If the Issuer determines in good faith that the then-prevailing Sustainability Performance Target should be adjusted in accordance with the GHG Recalculation Policy, the Issuer shall give notice thereof to the holders of the Sustainability-Linked Senior Notes in accordance with Condition 14 (*Notices*), to the Trustee and to the Principal Paying Agent as soon as reasonably practicable following determination of such revised target. Such notice shall (i) provide details of the event(s) giving rise to the application of the GHG Recalculation Policy, (ii) describe the calculations employed for the adjustment to the Sustainability Performance Target and (iii) set out the new Sustainability Performance Target (which, for the avoidance of doubt, may be increased or reduced as a result of the application of the GHG Recalculation Policy) and the date from which the adjustment shall take effect.

(vii) Without prejudice to the foregoing, the Issuer shall also ensure that it publishes from time to time any information which may reasonably be required to assess the Issuer's ability to achieve the Sustainability Performance Target in respect of the SPT Reference Year or otherwise ensure that a Sustainability Linked Step Up Event does not occur.

(viii) Neither the Trustee nor the Principal Paying Agent shall be obliged to monitor or inquire as to whether a Sustainability-Linked Step Up Event has occurred nor will either of them have any liability in respect thereof and the Trustee and the Principal Paying Agent shall be entitled to rely absolutely on any notice given to them by the Issuer pursuant to this Condition 5.5 without further enquiry or liability.

(ix) Any breach or default by the Issuer in the performance of any obligations of the Issuer set out in this Condition 5.5, howsoever arising, shall not constitute an Event of Default under the Conditions (for the avoidance of doubt, this being without prejudice to the continued application of this Condition 5.5).

In this Condition 5.5:

**Category 15 of Scope 3** means Category 15 of the document titled *"Technical Guidance for Calculating Scope 3 Emissions (version 1.0)"* published by the World Business Council for Sustainable Development and the World Resources Institute (as amended and updated as at the Issue Date of the first Tranche of the relevant Series of Sustainability-Linked Senior Notes);

**External Verifier** means any independent audit or appraisal firm or other independent expert of internationally recognised standing appointed by the Issuer, in each case with the expertise necessary to perform the functions required to be performed by the external verifier under the Conditions and the Sustainability Finance Framework, as determined by the Issuer;

**GHG Emissions Amount** means, in respect of any period, the sum of the GHG Scope 1 Emissions, GHG Scope 2 Emissions and GHG Scope 3 Emissions attributable to the Property Portfolio, all calculated in accordance with the GHG Protocol Standard, in each case in respect of such period and calculated in good faith by the Issuer, expressed in metric tonnes of carbon dioxide equivalent emissions;

**GHG Emissions Intensity** means, in respect of any period, the GHG Emissions Amount divided by the Gross Leasable Area of the Property Portfolio, in each case in respect of such period and calculated in good faith by the Issuer, expressed in metric tonnes of carbon dioxide equivalent emissions per square metre;

**GHG Protocol Standard** means the document titled *"The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard (Revised Edition)"* published by the World Business Council for Sustainable Development and the World Resources Institute (as amended and updated as at the Issue Date of the first Tranche of the relevant Series of Sustainability-Linked Senior Notes);

**GHG Recalculation Policy** means the Group's greenhouse gases recalculation policy, as published on the Issuer's website as at the Issue Date of the first Tranche of the relevant Series of Sustainability-Linked Senior Notes;

**GHG Scope 1 Emissions** means, in respect of any period, direct greenhouse gas emissions from owned or controlled sources of the Group during such period, as defined by the GHG Protocol Standard;

**GHG Scope 2 Emissions** means, in respect of any period, indirect greenhouse gas emissions from electricity, steam, heat and cooling purchased or acquired by the Group from third parties during such period, as defined by the GHG Protocol Standard;

**GHG Scope 3 Emissions** means, in respect of any period, other indirect greenhouse gas emissions in the value chain that are not captured in the GHG Scope 2 Emissions, relating to corporate activities of the Group during such period, including both upstream and downstream emissions and emissions (including from the operation of buildings by the Group's tenants where the Group has indirect control), as defined by the GHG Protocol Standard;

**Gross Leasable Area** means in respect of any period, the gross leasable area of the Group's Property Portfolio in respect of such period, expressed in square metres and as reported in the relevant consolidated financial statements of the Group, being determined on a basis consistent with industry practice and consistent with the reporting of the Group's Gross Leasable Area immediately prior to the Issue Date of the first Tranche of the relevant Series of Sustainability-Linked Senior Notes;

**Property Portfolio** means in respect of any period:

(a) the Group's office, retail, hospitality, industrial and residential properties for which the Group collects rent; and

(b) the Group's biogas power plant located in its Statek Kravaře farm in the Czech Republic,

in each case for so long as the foregoing comprises the property of the Group during the relevant period, provided that:

(i) for the avoidance of doubt, the Group's equity investment that falls under Category 15 of Scope 3 are excluded from the Property Portfolio; and

(ii) if the Issuer, acting in good faith, considers that any acquisition by a member of the Group results in the acquisition of a property that is not comparable to the Group's then existing properties within the Property Portfolio for the purposes of assessing GHG Emissions Intensity, the Issuer may either (x) exclude such property from the Property Portfolio and leave the Sustainability Performance Target unchanged; or (y) include such property in the Property Portfolio and adjust the Sustainability Performance Target in line with the GHG Recalculation Policy;

**SBTI Target** means such target (if any) that is approved, and notified to the Issuer, by Science Based Targets Initiative, and which is published on the website of Science Based Targets Initiative at https://sciencebasedtargets.org (or such other website replacing it from time to time), as being the Group's revised sustainability performance target in respect of GHG Emissions Intensity to be achieved for the SPT Reference Year (or any later year), expressed in metric tonnes of carbon dioxide equivalent emissions per square metre;

**SPT Reference Year** means the 12 month period specified as such in the applicable Final Terms;

**Step Up Notification Deadline** means the date specified as such in the applicable Final Terms;

**Sustainability Finance Framework** means the version of the Issuer's sustainability finance framework published on the Issuer's website as at the Issue Date of the first Tranche of the relevant Series of Sustainability-Linked Senior Notes;

**Sustainability-Linked Step Up Date** means the date specified as such in the applicable Final Terms;

**Sustainability-Linked Step Up Margin** means the margin specified as such in the applicable Final Terms;

**Sustainability-Linked Step Up Event** means the occurrence of any one or more of the following: (i) the Issuer does not achieve the Sustainability Performance Target in respect of the SPT Reference Year or does not otherwise publish its Sustainability Performance Report in respect of the SPT Reference Year as required by Condition 5.5(iii) above; (ii) the SPT Verification Assurance Certificate certifying whether or not the Group has achieved the Sustainability Performance Target in respect of the SPT Reference Year has not (for any reason) been published as required by Condition 5.5(iv) above on or before the Step Up Notification Deadline; and (iii) the SPT Verification Assurance Certificate contains any reservation or other qualification about whether or not the Group has achieved the Sustainability Performance Target in respect of the SPT Reference Year.

For the purposes of this Condition 5.5, the Sustainability-Linked Step Up Event shall be deemed to occur on:

(a) (in the case of (i) above) on the Step Up Notification Deadline or such earlier date following the end of the SPT Reference Year on which an announcement is made by or on behalf of the Issuer to the effect that it has not achieved the Sustainability Performance Target in respect of the SPT Reference Year;

(b) (in the case of (ii) above) on the Step Up Notification Deadline; and

(c) (in the case of (iii) above) on the date of such SPT Verification Assurance Certificate; and

**Sustainability Performance Target** means the lower of (i) the GHG Emissions Intensity specified in the applicable Final Terms as being the Group's sustainability performance target in respect of GHG Emissions Intensity for the SPT Reference Year and (ii) any more ambitious SBTI Target for such SPT Reference Year which is notified to the Issuer after the Issue Date of the first Tranche of the relevant Series of Sustainability-Linked Senior Notes (or, where a more ambitious SBTI Target is so notified for a year falling after the SPT Reference Year, the interpolated Sustainability Performance Target determined in accordance with Condition 5.5(v) above), in each case subject to adjustment in good faith by the Issuer in accordance with Condition 5.5(vi) above to reflect the application of the GHG Recalculation Policy.

## 6. PAYMENTS

### 6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

6.2 Without prejudice to the terms of Condition 8 (*Taxation*), payments in respect of principal, premium and interest on the Senior Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation)* and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. Presentation of definitive Bearer Senior Notes and Coupons

Payments of principal in respect of definitive Bearer Senior Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Senior Notes, and payments of interest in respect of definitive Bearer Senior Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Senior Notes in definitive bearer form (other than Long Maturity Senior Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9

(*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Senior Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Senior Note or Long Maturity Senior Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Senior Note** is a Fixed Rate Senior Note (other than a Fixed Rate Senior Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Senior Note shall cease to be a Long Maturity Senior Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Senior Note.

If the due date for redemption of any definitive Bearer Senior Note is not an Interest Payment Date, interest (if any) accrued in respect of such Senior Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Senior Note.

### 6.3 Payments in respect of Bearer Global Senior Notes

Payments of principal, premium and interest (if any) in respect of Senior Notes represented by any Global Senior Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Senior Notes or otherwise in the manner specified in the relevant Global Senior Note, where applicable against presentation or surrender, as the case may be, of such Global Senior Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and premium and any payment of interest, will be made either on such Global Senior Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### 6.4 Payments in respect of Registered Senior Notes

Payments of principal and premium in respect of each Registered Senior Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Senior Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Senior Note appearing in the register of holders of the Registered Senior Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Senior Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Senior Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Senior Note on redemption will be made in the same manner as payment of the principal amount of such Registered Senior Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal, premium or interest in respect of Registered Senior Notes.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Senior Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

**6.5 General provisions applicable to payments**

The holder of a Global Senior Note shall be the only person entitled to receive payments in respect of Senior Notes represented by such Global Senior Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Senior Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Senior Notes represented by such Global Senior Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Senior Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal, premium and/or interest in respect of Bearer Senior Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Senior Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Senior Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**6.6 Payment Day**

If the date for payment of any amount in respect of any Senior Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(i) in the case of Senior Notes in definitive form only, in the relevant place of presentation; and

(ii) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

### 6.7 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Senior Notes shall be deemed to include, as applicable:

(a) any Additional Amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Senior Notes;

(c) the Early Redemption Amount of the Senior Notes;

(d) the Optional Redemption Amount(s) (if any) of the Senior Notes; and

(e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Senior Notes.

Any reference in these Conditions to Interest Payments and/or any other amount in respect of interest in respect of the Senior Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## 7. REDEMPTION AND PURCHASE

### 7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Senior Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### 7.2 Redemption for tax reasons

The Senior Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Senior Note is not a Floating Rate Senior Note) or on any Interest Payment Date (if this Senior Note is a Floating Rate Senior Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Senior Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Senior Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Senior Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Senior Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.8 (Early Redemption Amounts) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### 7.3 Redemption at the option of the Issuer (Issuer Call)

(a) If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Senior Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms (which may be the Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*)) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Where the Optional Redemption Amount is the Make-whole Amount, any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Senior Notes stated in the applicable Final Terms, the Early Redemption Amount or, if the Make-whole Amount is specified in the applicable Final Terms, will be the higher of (i) 100 per cent. of the nominal amount outstanding of the Senior Notes to be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Senior Notes to be redeemed and the Remaining Term Interest on such Senior Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Bond Rate, plus the Redemption Margin, all as determined by the Determination Agent on the Reference Date.

In this Condition:

**DA Selected Bond** means a government security or securities (which if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Senior Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Senior Notes;

**Determination Agent** means a leading investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee;

**Quotation Time** shall be as set out in the applicable Final Terms;

**Redemption Margin** shall be as set out in the applicable Final Terms;

**Reference Bond** shall be as set out in the applicable Final Terms or the DA Selected Bond (and shall be the DA Selected Bond if a government security is set out in the applicable Final Terms but is no longer outstanding on the date of determination pursuant to this Condition 7.3);

**Reference Bond Price** means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**Reference Bond Rate** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

**Reference Date** means the third business day in London preceding the Optional Redemption Date;

**Reference Government Bond Dealer** means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

**Remaining Term Interest** means, with respect to any Senior Note, the aggregate amount of interest scheduled to be paid on such Senior Note from, but excluding, the Optional Redemption Date to, and including, the Maturity Date (or, if Issuer Maturity Par Call is specified as being applicable in the applicable Final Terms, to, and including, the first day of the Maturity Par Call Period specified in the applicable Final Terms and as if the Senior Notes were to be redeemed on such day) determined on the basis of the rate of interest applicable to such Senior Note from and including the date on which such Senior Note is to be redeemed by the Issuer pursuant to this Condition 7.3.

In the case of a partial redemption of Senior Notes, the Senior Notes to be redeemed (**Redeemed Senior Notes**) will (i) in the case of Redeemed Senior Notes represented by definitive Senior Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Senior Notes represented by a Global Senior Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Senior Notes represented by definitive Senior Notes, a list of the serial numbers of such Redeemed Senior Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption.

(b) In the case of Senior Notes that are Sustainability-Linked Senior Notes, for the purposes of the definition of "Remaining Term Interest" in this Condition 7.3, the "rate of interest applicable to such Senior Note from and including the date on which such Senior Note is to be redeemed by the Issuer pursuant to this Condition 7.3" shall be deemed to accrue as follows:

(i) (if a Sustainability-Linked Step Up Event has occurred under the Conditions on or prior to the relevant Optional Redemption Date) at the Rate of Interest plus the Sustainability-Linked Step Up Margin;

(ii) (if the Optional Redemption Date falls after the Step Up Notification Deadline and a Sustainability-Linked Step Up Event has not occurred under the Conditions on or prior to the Optional Redemption Date) at the Rate of Interest; or

(iii) (if the Optional Redemption Date falls prior to the Step Up Notification Deadline and a Sustainability-Linked Step Up Event has not occurred under the Conditions on or prior to the Optional Redemption Date) at the Rate of

Interest plus (with effect from and including the Sustainability-Linked Step Up Date) the Make-Whole Sustainability-Linked Step Up Margin.

If the Issuer determines in good faith that the 2019 Baseline should be adjusted in accordance with the GHG Recalculation Policy, the Issuer shall give notice thereof to the holders of the Sustainability-Linked Senior Notes in accordance with Condition 14 (Notices), to the Trustee and to the Principal Paying Agent as soon as reasonably practicable following determination thereof. Such notice shall (i) provide details of the event(s) giving rise to the application of the GHG Recalculation Policy, (ii) describe the calculations employed for the adjustment to the 2019 Baseline and (iii) set out the new 2019 Baseline (which, for the avoidance of doubt, may be increased or reduced as a result of the application of the GHG Recalculation Policy) and the date from which the adjustment shall take effect.

In this Condition 7.3(b):

**2019 Baseline** means the Group's actual GHG Emissions Intensity in respect of the 2019 financial year, amounting to 0.119 metric tonnes of carbon dioxide equivalent emissions per square metre, subject to any adjustments made in good faith by the Issuer in accordance with the foregoing provisions of this Condition 7.3(b) to reflect the application of the GHG Recalculation Policy;

**Make Whole Sustainability-Linked Step Up Margin** means:

(a) where the Optional Redemption Date falls on or prior to the MWC Cut-off Date: zero;

(b) where the Optional Redemption Date falls after the MWC Cut-off Date and (x) the GHG Emissions Intensity disclosed in the most recently published Sustainability Performance Report preceding the date on which the redemption notice is delivered is equal to or lower than the Target Trajectory GHG Emissions Intensity for the financial year to which such Sustainability Performance Report relates and (y) such Sustainability Performance Report included or was accompanied by a Limited Assurance Report prepared by the External Verifier as required by Condition 5.5(iii): zero; and

(c) where the Optional Redemption Date falls after the MWC Cut-off Date and (b) above does not apply: the Sustainability-Linked Step Up Margin;

**MWC Cut-off Date** means the date specified as such in the applicable Final Terms; and

**Target Trajectory GHG Emissions Intensity** means, in respect of any financial year, the level of GHG Emissions Intensity for that year assuming that the Issuer is on target to meet (but not exceed) the Sustainability Performance Target, calculated by the Issuer in good faith, using linear interpolation and assuming a constant trajectory of improvement each year from the 2019 Baseline to the Sustainability Performance Target.

### 7.4 Redemption at the option of the Issuer (Issuer Maturity Par Call)

If Issuer Maturity Par Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 14 (Notices) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the Senior Notes then outstanding in whole, but not in part, at any time during the Maturity Par Call Period specified as being applicable in the applicable Final Terms, at the Final Redemption Amount specified in the applicable Final Terms (which may be the Early Redemption Amount referred to in Condition 7.8 (Early Redemption Amounts)), together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

**7.5 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Senior Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms (which may be the Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*)) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Senior Note the holder of this Senior Note must, if this Senior Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Senior Notes) or the Registrar (in the case of Registered Senior Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Senior Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Senior Notes so surrendered is to be redeemed, an address to which a new Registered Senior Note in respect of the balance of such Registered Senior Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Senior Notes in definitive form*). If this Senior Note is in definitive bearer form, the Put Notice must be accompanied by this Senior Note or evidence satisfactory to the Paying Agent concerned that this Senior Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Senior Note is represented by a Global Senior Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Senior Note the holder of this Senior Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice (or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Senior Note pursuant to this Condition 7.5) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Senior Notes to be due and payable pursuant to Condition 10 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.5.

**7.6 Redemption at the option of the Noteholders upon a change of control (Change of Control Put)**

If Change of Control Put is specified as being applicable in the applicable Final Terms, then this Condition 7.6 shall apply.

A **Change of Control Put Event** will be deemed to occur if:

(a) any person or any persons acting in concert (other than Mr Radovan Vítek, any member of his immediate family or any entity directly or indirectly controlled by him or them) shall acquire a controlling interest in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the issued or allotted ordinary share capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (each such event being, a **Change of Control**); and

(b) on the date (the **Relevant Announcement Date**) that is the earlier of (x) the date of the earliest Potential Change of Control Announcement (if any) and (y) the date of the first public announcement of the relevant Change of Control, the Senior Notes carry:

(i) an investment grade credit rating *(Baa3/BBB-/BBB- or equivalent or better)* from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating from any Rating Agency is within the Change of Control Period either downgraded to a non-investment grade credit rating *(Ba1/BB+/BB+ or equivalent or worse)* or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or

(ii) a non-investment grade credit rating *(Ba1/BB+/BB+ or equivalent or worse)* from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches *(for illustration, Ba1/BB+/BB+ to Ba2/BB/BB being one notch)* or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

(iii) no credit rating from any Rating Agency and a Negative Rating Event also occurs within the Change of Control Period,

and

(c) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such downgrading and/or withdrawal resulted, directly or indirectly, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control shall have occurred at the time such rating is downgraded and/or withdrawn). Upon receipt by the Issuer or the Trustee of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 14 (*Notices*).

If the rating designations employed by Moody's, S&P or Fitch are changed from those which are described in paragraph (b) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's, S&P or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, S&P or Fitch and this Condition 7.6 shall be construed accordingly.

If a Change of Control Put Event occurs, the holder of any Senior Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Senior Note on the Change of Control Put Date (as defined below) at the Change of Control Redemption Amount specified in the applicable Final Terms (which may be the Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*)) together (if appropriate) with interest accrued to (but excluding) the date of redemption or purchase.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred and, in any event, within 5 days of the occurrence of the relevant Change of Control Put Event, the Issuer shall and, at any time upon the Trustee becoming similarly so aware, the Trustee may, and if so requested by the holders of at least one-fifth in principal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this Condition 7.6.

If this Senior Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the option to require redemption or purchase of this Senior Note under this Condition 7.6, the holder of this Senior Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Senior Notes) or the Registrar or any Transfer Agent (in the case of Registered Senior Notes) at any time during normal business hours of such Paying Agent or the Registrar or such Transfer Agent falling within the Change of Control Put Period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (in the case of Bearer Senior Notes) or the Registrar (in the case of Registered Senior Notes) (a **Change of Control Put Option Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Senior Note and, in the case of Registered Senior Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Senior Notes so surrendered is to be redeemed, an address to which a new Registered Senior Note in respect of the balance of such Registered Senior Notes is to be sent subject to and in accordance with Condition 2.2 (Transfers of Registered Senior Notes in definitive form).

If this Senior Note is represented by a Global Senior Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of this Senior Note under this Condition 7.6 the holder of this Senior Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent (in the case of Bearer Senior Notes) or the Registrar (in the case of Registered Senior Notes) of such exercise in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear and/or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent (in the case of Bearer Senior Notes) or the Registrar (in the case of Registered Senior Notes) by electronic means) in a form acceptable to Euroclear and/or Clearstream, Luxembourg from time to time.

Any Change of Control Put Option Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Senior Note pursuant to this Condition 7.6 shall be irrevocable except where, prior to the due date of redemption or purchase, an Event of Default has occurred and the Trustee has declared the

Senior Notes to be due and payable pursuant to Condition 10 (Events of Default and Enforcement), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.6 and instead treat its Senior Notes as being forthwith due and payable pursuant to Condition 10 (Events of Default and Enforcement).

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control, or any event which could lead to the occurrence of, or could constitute, a Change of Control Put Event or Change of Control has occurred, and until it shall have received notice thereof pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

In these Conditions:

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 120 days after the occurrence of the Change of Control or, where a Rating Agency has publicly announced that the Senior Notes are under consideration for rating review or, as the case may be, rating (such public announcement being within the period ending 120 days after the Change of Control), the later of (i) such 120th day after the Change of Control and (ii) the date falling 60 days after such public announcement;

**Change of Control Put Date** is the seventh day following the last day of the Change of Control Put Period;

**Change of Control Put Period** means the period from, and including, the date of a Change of Control Put Event Notice to, but excluding, the 45th day following the date of the Change of Control Put Event Notice or, if earlier, the eighth day immediately preceding the Maturity Date;

**Fitch** means Fitch Ratings Ireland Limited;

**Moody's** means Moody's Deutschland GmbH;

**Negative Rating Event** shall be deemed to have occurred, if at any time there is no rating assigned to the Senior Notes by any Rating Agency (at the invitation or with the consent of the Issuer), either (i) the Issuer does not, prior to or not later than 21 days after the occurrence of the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Senior Notes or (ii) if the Issuer does so seek and use all such reasonable endeavours, it is unable to obtain such rating of at least investment grade *(Baa3/BBB-/BBB- or equivalent or better)* by the end of the Change of Control Period and the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that the failure to issue a rating of at least investment grade *(Baa3/BBB-/BBB- or equivalent or better)* was as a result, directly or indirectly, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control had occurred at such time);

a reference to a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;

**Potential Change of Control Announcement** means any public announcement or statement by or on behalf of the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs; and

**Rating Agency** means Moody's, S&P or Fitch or any of their respective successors or any other rating agency (each a **Substitute Rating Agency**) of equivalent international standing specified by the Issuer from time to time and approved by the Trustee in writing;

**S&P** means S&P Global Ratings Europe Limited.

### 7.7 Redemption upon a Substantial Repurchase Event

If Substantial Repurchase Event is specified as being applicable in the applicable Final Terms, then this Condition 7.7 shall apply.

If, immediately prior to the giving of the notice referred to below, a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 14 (Notices), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem in accordance with these Conditions all, but not some only, of the Senior Notes at any time at their Early Redemption Amount referred to in Condition 7.8 (Early Redemption Amounts) below together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Issuer shall redeem the Senior Notes.

In this Condition, a **Substantial Repurchase Event** shall be deemed to occur if prior to the giving of the relevant notice of redemption the Issuer repurchases (and effects corresponding cancellations) or redeems a principal amount of the Senior Notes equal to or greater than the Substantial Repurchase Threshold Amount, as specified in the applicable Final Terms, of the aggregate principal amount of the Senior Notes initially issued (which shall for this purpose include any further Senior Notes issued pursuant to Condition 18 (Further Issues)).

### 7.8 Early Redemption Amounts

For the purpose of this Condition 7 and Condition 10 (Events of Default and Enforcement):

(a) each Senior Note (other than a Zero Coupon Senior Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Senior Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^{y}$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Senior Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Senior Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Senior Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Senior Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Senior Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Senior Note becomes due and repayable and the denominator will be 365).

**7.9 Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase Senior Notes (provided that, in the case of definitive Bearer Senior Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Senior Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to a Paying Agent or the Registrar for cancellation.

**7.10 Cancellation**

All Senior Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Senior Notes so cancelled and the Senior Notes purchased and cancelled pursuant to Condition 7.9 above (Purchases) (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

**7.11 Late payment on Zero Coupon Senior Notes**

If the amount payable in respect of any Zero Coupon Senior Note upon redemption of such Zero Coupon Senior Note pursuant to Condition 7.1 (Redemption at maturity), 7.2 (Redemption for tax reasons), 7.3 (Redemption at the option of the Issuer (Issuer Call)), (b) (Redemption at the option of the Issuer (Issuer Maturity Par Call)), 7.5 (Redemption at the option of the Noteholders (Investor Put)), 7.6 (Redemption at the option of the Noteholders upon a change of control (Change of Control Put)) or 7.7 (Redemption upon a Substantial Repurchase Event), or upon its becoming due and repayable as provided in Condition 10 (Events of Default and Enforcement) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Senior Note shall be the amount calculated as provided in Condition 7.8(b) (Early Redemption Amounts) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Senior Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Senior Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Senior Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14 (Notices).

**8. TAXATION**

All payments of principal, premium and interest in respect of the Senior Notes and Coupons by or on behalf of the Issuer in respect of the Senior Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Tax Jurisdiction, unless such withholding or deduction of such Taxes is required by law. In such event, the Issuer will pay such additional amounts (**Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders or the Couponholders after such withholding or deduction shall equal the respective amounts of principal, premium and interest which would otherwise have been receivable in respect of the Senior Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Senior Note or Coupon:

(a) presented for payment in Luxembourg;

(b) the holder of which is liable for such Taxes in respect of such Senior Note or Coupon by reason of his having some connection with a Relevant Tax Jurisdiction other than the mere holding of such Senior Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such Additional Amount on presenting such Senior Note or Coupon for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (Payment Day)).

As used herein:

(i) **Relevant Tax Jurisdiction** means Luxembourg or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal, premium and interest on the Senior Notes become generally subject; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (Notices).

## 9. PRESCRIPTION

The Senior Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal, premium and/or interest are made within a period of 10 years (in the case of principal and premium) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (Taxation)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (Presentation of definitive Bearer Senior Notes and Coupons) or any Talon which would be void pursuant to Condition 6.2 (Presentation of definitive Bearer Senior Notes and Coupons).

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the **Involuntary Dispossession Act 1996**) requires that any amount that is payable under the Definitive Bearer Senior Notes and Coupons before opposition to such payment under the Senior Notes and Coupons that has been filed (by the relevant holder) but not yet been paid to the holder of these Definitive Bearer Senior Notes and Coupons is paid to the *Caisse de Consignations* in Luxembourg until the opposition to such payment under the Definitive Bearer Senior Notes and Coupons has been withdrawn or elapsed.

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

### 10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction), (but, in relation only to a Material Subsidiary, in the case of the happening of any of the events described in paragraphs 10.1(c) to (g) inclusive and (k) below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Senior Note is, and each Senior Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur and be continuing:

(a) ***Non-payment***: if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Senior Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) ***Breach of other obligations***: if the Issuer fails to perform or observe any of (A) its obligations under Condition 4.1 (Financial Covenants) and, in respect of Condition 4.1 (a) (Financial Covenants) and (c) only, such failure has not been cured within the cure period set out in Condition 4.2 (Equity Cure) and (B) its other obligations under these Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(c) ***Cross-acceleration***: if (i) any Indebtedness of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness on the due date for payment; (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness becomes enforceable; or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness of any other person; provided that no event described in this subparagraph 10.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €35,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Enforcement Proceedings***: if a distress, attachment, execution or other legal process, the award or decision in respect of which, in each case, is final and not subject to further appeal, is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries in an amount which exceeds 10 per cent. of the Consolidated Adjusted Total Assets of the Group and is not discharged or stayed within 30 days; or

(e) ***Security enforced*****:** if any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries in respect of an amount which exceeds 15 per cent. of the Consolidated Adjusted Total Assets of the Group becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or

(f) ***Insolvency:*** if (i) the Issuer or any of its Material Subsidiaries is insolvent or (ii) any of the Issuer or any of its Material Subsidiaries is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries except for the purposes of and pursuant to a reconstruction, amalgamation, reorganisation, merger or consolidation (x) pursuant to Condition 16 (Reorganisation and Substitution), (y) on terms approved by an Extraordinary Resolution of the Noteholders or (z) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary (or a Subsidiary of the Issuer which, upon such transfer or vesting, will become a Material Subsidiary); or

(g) ***Winding-up:*** if (A) an administrator, liquidator, receiver or any other similar officer is appointed through an irrevocable resolution for the opening of insolvency proceedings in respect of the Issuer or any of its Material Subsidiaries; (B) an irrevocable resolution is passed for the winding-up or dissolution or administration of the Issuer or any of its Material Subsidiaries; or (C) the Issuer or any of its Material Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself, in each of the cases (A), (B) or (C) above except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) pursuant to Condition 16 (Reorganisation and Substitution), (ii) on terms approved by an Extraordinary Resolution of the Noteholders or (iii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary (or a Subsidiary of the Issuer which, upon such transfer or vesting, will become a Material Subsidiary); or

(h) ***Nationalisation:*** if the assets of the Group in an amount which exceeds 15 per cent. of the Consolidated Adjusted Total Assets of the Group are expropriated, seized or nationalised by any person; or

(i) ***Authorisation and Consents:*** if any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to ensure that those obligations are legally binding and enforceable, or (ii) to make the Senior Notes, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Luxembourg is not taken, fulfilled or done; or

(j) ***Illegality:*** if it is unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Senior Notes, the Trust Deed or the Agency Agreement; or

(k) ***Analogous Events:*** if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (d) to(j) above.

In these Conditions:

**Total Revenues** means the sum of the gross rental revenue, service revenue, net service charge income, development sales, hotel revenue and revenue from other business operations *less* any revaluation charges, net result on acquisitions and disposals and any other exceptional or non-recurring items.

**Material Subsidiary** means any Subsidiary of the Issuer whose total assets (excluding intangible assets) (consolidated in the case of a Subsidiary which itself has Subsidiaries) or Total Revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) ((i) each as determined by reference to the relevant Subsidiary's most recent audited annual, or unaudited semi-annual (as the case may be) financial statements prepared in accordance with IFRS or IAS 34, as applicable, and (ii) excluding any intra-Group Indebtedness and related receivables eliminated in the consolidated financial statements of the Issuer) exceed 7.5 per cent. of the Consolidated Adjusted Total Assets or Total Revenues of the Group, as the case may be (each as determined by reference to the Issuer's most recent audited annual or unaudited semi-annual (as the case may be) consolidated financial statements). The Issuer will deliver on each Reporting Date a certificate addressed to the Trustee and signed by two Authorised Signatories confirming, in their opinion, which Subsidiaries of the Issuer are Material Subsidiaries of the Issuer as of each Measurement Date and such certificate may be relied on by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

In these Conditions, where it relates to the Issuer or to any other company incorporated under the laws of the Grand Duchy of Luxembourg, a reference to:

(i) a **winding-up**, **administration** or **dissolution** or similar references includes, without limitation, any procedure or proceeding in relation to an entity becoming bankrupt (*faillite*), insolvency, voluntary or judicial liquidation, composition with creditors (*concordat préventif de faillite*), moratorium or reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), general settlement with creditors, reorganisation or any other similar proceedings affecting the rights of creditors generally under Luxembourg law, and shall be construed so as to include any equivalent or analogous liquidation or reorganisation proceedings;

(ii) a **liquidator**, **trustee in bankruptcy**, **judicial custodian**, **compulsory manager**, **receiver**, **administrator receiver**, **administrator** or similar officer includes any:

(A) *juge-commissaire* or insolvency receiver (*curateur*) appointed under the Luxembourg Commercial Code;

(B) *liquidateur* appointed under Articles 1100-1 to 1100-15 (inclusive) of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the **Luxembourg Companies' Act 1915**);

(C) *juge-commissaire* or *liquidateur* appointed under Article 1200-1 of the Luxembourg Companies' Act 1915;

(D) *commissaire* appointed under the Grand-Ducal decree of 24 May 1935 on the controlled management regime or under Articles 593 to 614 (inclusive) of the Luxembourg Commercial Code; and

(E) *juge délégué* appointed under the Luxembourg act of 14 April 1886 on the composition with creditors to avoid bankruptcy, as amended; and

(iii) a person being **unable to pay its debts** includes, without limitation, that person being in a state of cessation of payments (*cessation de paiements*).

### 10.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Senior Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Senior Notes or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within 60 days, or (ii) is unable for any reason to do so, and the failure or inability shall be continuing.

## 11. REPLACEMENT OF SENIOR NOTES, COUPONS AND TALONS

Should any Senior Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Senior Notes or Coupons) or the Registrar (in the case of Registered Senior Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Senior Notes, Coupons or Talons must be surrendered before replacements will be issued.

The replacement of Senior Notes, Talons and Coupons in bearer form in the case of loss or theft is subject to the procedure of the Involuntary Dispossession Act 1996, which provides that the person who lost bearer notes may, subject to certain conditions, request the issuer of the notes to deliver new Senior Notes, Talons and Coupons.

## 12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar; and

(b) so long as the Senior Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Senior Notes) and a Transfer Agent (in the case of Registered Senior Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (General provisions applicable to payments). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (Notices).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Senior Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (Prescription).

## 14. NOTICES

All notices regarding the Bearer Senior Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Senior Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Senior Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Senior Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Senior Notes are issued, there may, so long as any Global Senior Notes representing the Senior Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Senior Notes and, in addition, for so long as any Senior Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Senior Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Senior Note in definitive form) with the relative Senior Note or

Senior Notes, with the Principal Paying Agent (in the case of Bearer Senior Notes) or the Registrar (in the case of Registered Senior Notes). Whilst any of the Senior Notes are represented by a Global Senior Note, such notice may be given by any holder of a Senior Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## 15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Trust Deed contains provisions for convening meetings of the Noteholders (including by means of audio or video conference call) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Senior Notes and the Coupons or any of the provisions of the Trust Deed and/or Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Senior Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Senior Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Senior Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Senior Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Senior Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Senior Notes or altering the currency of payment of the Senior Notes or the Coupons in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Senior Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Senior Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Senior Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Senior Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Senior Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. In addition, the Trustee shall be obliged to effect such modifications to these Conditions, the Trust Deed and the Agency Agreement as may be required in order to give effect to Condition 5.2(f) (*Benchmark Event*) in connection with effecting any Successor Rate, Alternative Rate, Adjustment Spread or any other related changes referred to in Condition 5.2(f) (*Benchmark Event*) subject to the provisions thereof, without the requirement for the consent or sanction of the Noteholders or Couponholders. Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (Notices) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders, except to the extent already provided for in Condition 8 (Taxation) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 (Taxation) pursuant to the Trust Deed.

## 16. REORGANISATION AND SUBSTITUTION

The Trust Deed contains provisions under which a legal entity:

(a) formed by any consolidation or merger of the Issuer with or into any other corporation or corporations (whether or not affiliated with the Issuer), or successive consolidations or mergers into which the Issuer or its successor or successors shall have been merged or consolidated; or

(b) to which the Issuer has sold, conveyed or leased all or substantially all of the property of the Issuer (whether or not affiliated with the Issuer),

(any such legal entity, a **Substituted Obligor)** may, without the consent of the Noteholders or Couponholders assume the obligations of the Issuer as principal debtor under the Trust Deed, the Senior Notes and Coupons *provided that:*

(i) the Substituted Obligor takes direct or indirect ownership of at least 80 per cent. of Consolidated Adjusted Total Assets;

(ii) the Substituted Obligor is a legal entity incorporated in a Member State of the European Economic Area;

(iii) the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and

(iv) certain further conditions specified in the Trust Deed are fulfilled.

No Noteholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder, except to the extent provided for in Condition 9 (Prescription) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

## 17. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer or any of its/ Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## 18. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Senior Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Senior Notes.

## 19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Senior Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 20.1 Governing law

The Trust Deed, the Agency Agreement, the Senior Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Senior Notes and the Coupons are governed by, and construed in accordance with English law. For the avoidance of doubt, the provisions of articles 470-1 to 470-19 of the Luxembourg Companies' Act 1915 are excluded.

### 20.2 Submission to jurisdiction

(a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Senior Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Senior Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

**20.3 Appointment of Process Agent**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**20.4 Other documents**

The Issuer has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

*The following, except for paragraphs in italics, are the Terms and Conditions of the Subordinated Notes which will be incorporated by reference into each Global Subordinated Note (as defined below) and each definitive Subordinated Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Subordinated Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Subordinated Note and definitive Subordinated Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Subordinated Notes.*

This Subordinated Note is one of a Series of Dated Subordinated Notes or Undated Subordinated Notes (as specified in the applicable Final Terms) issued by CPI Property Group a *société anonyme* with its registered office at 40, rue de la Vallée, L-2661 Luxembourg and registered with the Register of Commerce and Companies of Luxembourg under number B102254 (the **Issuer**) constituted by an Amended and Restated Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 26 May 2023 made between the Issuer and HSBC Corporate Trustee Company (UK) Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Subordinated Notes** shall be references to the Subordinated Notes of this Series and shall mean:

(a) in relation to any Subordinated Notes represented by a global Subordinated Note (a **Global Subordinated Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Subordinated Note;

(c) any definitive Subordinated Notes in bearer form (**Bearer Subordinated Notes**) issued in exchange for a Global Subordinated Note in bearer form; and

(d) any definitive Subordinated Notes in registered form (**Registered Subordinated Notes**) (whether or not issued in exchange for a Global Subordinated Note in registered form).

The Subordinated Notes and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 12 May 2021 and made between the Issuer, the Trustee, HSBC Bank plc as issuing and principal paying agent and the agent bank (the **Principal Paying Agent** and the **Agent Bank**, respectively, which expressions shall include any successor thereto) and the other paying agents named therein (together with the Principal Paying Agent and the Agent Bank, the **Paying Agents**, which expression shall include any additional or successor paying agents) and HSBC Bank plc as registrar (the **Registrar**, which expression shall include any successor registrar) and as transfer agent (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Registrar, the Paying Agents and the other Transfer Agents are together referred to as the **Agents**.

The final terms for this Subordinated Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Subordinated Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Subordinated Note.

Interest bearing definitive Bearer Subordinated Notes have interest coupons (**Coupons**) and, in the case of Bearer Subordinated Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Subordinated Notes and Global Subordinated Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Subordinated Notes) the holders of the Subordinated Notes and (in the case of Registered Subordinated Notes) the persons in whose name the Subordinated Notes are registered and shall, in relation to any Subordinated Notes represented by a Global Subordinated Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Subordinated Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Subordinated Notes together with any further Tranche or Tranches of Subordinated Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the principal office for the time being of the Trustee and at the specified office of each of the Paying Agents. Electronic versions of the Trust Deed and the Agency Agreement can be obtained upon written electronic request of the Trustee and/or the Principal Paying Agent (for the purposes of which their respective addresses are ctla.trustee.admin@hsbc.com and ctlondon.conventional@hsbc.com). If the Subordinated Notes are to be admitted to trading on the regulated market of Euronext Dublin (the **Euronext Dublin Regulated Market**) the applicable Final Terms will be published on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin/bonds/list). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Conditions, euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## 1. FORM, DENOMINATION AND TITLE

The Subordinated Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Subordinated Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Subordinated Notes of one Specified Denomination may not be exchanged for Subordinated Notes of another Specified Denomination and Bearer Subordinated Notes may not be exchanged for Registered Subordinated Notes and *vice versa*.

The Subordinated Notes are Fixed Rate Resettable Subordinated Notes.

Definitive Bearer Subordinated Notes are issued with Coupons attached.

Subject as set out below, title to the Bearer Subordinated Notes and Coupons will pass by delivery and title to the Registered Subordinated Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Subordinated Note or Coupon and the registered holder of any Registered Subordinated Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Subordinated Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Subordinated Notes is represented by a Global Subordinated Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Subordinated Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Subordinated Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Subordinated Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Subordinated Notes, for which purpose the bearer of the relevant Bearer Global Subordinated Note or the registered holder of the relevant Registered Global Subordinated Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Subordinated Notes in accordance with and subject to the terms of the relevant Global Subordinated Note and the expressions **Noteholder** and **holder of Subordinated Notes** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Subordinated Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Subordinated Notes which are represented by a Global Subordinated Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## 2. TRANSFERS OF REGISTERED SUBORDINATED NOTES

### 2.1 Transfers of interests in Registered Global Subordinated Notes

Transfers of beneficial interests in Registered Global Subordinated Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Subordinated Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Subordinated Notes in definitive form or for a beneficial interest in another Registered Global Subordinated Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

## 2.2 Transfers of Registered Subordinated Notes in definitive form

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Subordinated Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Subordinated Note for registration of the transfer of the Registered Subordinated Note (or the relevant part of the Registered Subordinated Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Subordinated Note in definitive form of a like aggregate nominal amount to the Registered Subordinated Note (or the relevant part of the Registered Subordinated Note) transferred. In the case of the transfer of part only of a Registered Subordinated Note in definitive form, a new Registered Subordinated Note in definitive form in respect of the balance of the Registered Subordinated Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

## 2.3 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

# 3. STATUS AND SUBORDINATION

## 3.1 Status of the Subordinated Notes

The Subordinated Notes and any relative Coupons are direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders in respect of the Subordinated Notes and the Couponholders in respect of the Coupons, in each case against the Issuer, are subordinated as described in Condition 3.2 (Subordination) below.

## 3.2 Subordination

In the event of:

(a) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or the substitution in place of the Issuer of a Substituted Obligor (as defined in Condition 15 (Substitution of the Issuer)) of the Issuer, (x) the terms of which reorganisation, restructuring, reconstruction, merger, conversion or amalgamation have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) and do not provide that the Subordinated Notes shall thereby become redeemable or repayable in accordance with these Conditions or (y) which substitution is effected in accordance with the provisions of Condition 15 (Substitution of the Issuer) and Clause 21 (Substitution) of the Trust Deed);

(b) an administrator or receiver of the Issuer being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution; or

(c) any event relating to the Issuer analogous to those described in (a) or (b) above under any insolvency, bankruptcy or similar law applicable to the Issuer,

the rights and claims of the Noteholders in respect of the Subordinated Notes and the Couponholders in respect of the Coupons, in each case against the Issuer, in respect of or arising under the Subordinated Notes will rank (i) junior to any present or future claims in respect of Senior Obligations, (ii) *pari passu* without any preference among themselves and with any present or future claims in respect of all Parity Obligations and (iii) senior to all present or future claims in respect of all Junior Obligations.

*Accordingly, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration or any other proceeding described in (a) through (c) above before the Noteholders and Couponholders may expect to obtain any recovery in respect of their Subordinated Notes and Coupons, respectively, and prior thereto Noteholders and Couponholders will have only limited ability to influence the conduct of such winding-up or administration. See the section entitled "Risk Factors—Risks related to the Subordinated Notes generally—Limited Remedies".*

*The Issuer does not have any Preferred Shares outstanding. For so long as any of the Subordinated Notes remain outstanding, the Issuer does not intend to issue any Preferred Shares.* ***Preferred Shares*** *means any shares in the Issuer which constitute "capital without voting rights" issued in accordance with Article 430-9 of the Luxembourg law of 10 August 1915 on Commercial Companies, as amended (the* ***Luxembourg Companies' Act 1915****), and which confer a preferential right with respect to the reimbursement of contributions.*

### 3.3 Set-off

Subject to applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Notes, the Coupons or the Trust Deed and each Noteholder and Couponholder shall, by virtue of his holding of any Subordinated Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

## 4. INTEREST

### 4.1 Interest Payment Dates

Each Subordinated Note bears interest on its principal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate of Interest, subject to Condition 4.9 (Step Up after Change of Control Event).

Subject to Condition 5 (Optional Interest Deferral), such interest will be payable in arrear on the Interest Payment Date(s) in each year from (and including) the first Interest Payment Date.

Any Interest Payment may be deferred in accordance with Condition 5 (Optional Interest Deferral).

### 4.2 Interest Accrual

The Subordinated Notes (and any unpaid amounts thereon) will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 6 (Redemption) or the date of substitution thereof pursuant to Condition 7 (Substitution or Variation), as the case may be, unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Subordinated Note have been paid; and

(b) as provided in the Trust Deed.

Except in the case of Subordinated Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Subordinated Notes which are (i) represented by a Global Subordinated Note or (ii) Registered Subordinated Notes in definitive form, the aggregate outstanding nominal amount of (A) the Subordinated Notes represented by such Global Subordinated Note or (B) such Registered Subordinated Notes; or

(b) in the case of Subordinated Notes which are Bearer Subordinated Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Subordinated Notes which are Registered Subordinated Notes in definitive form or the Calculation Amount in the case of Subordinated Notes which are Bearer Subordinated Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Subordinated Note which is a Bearer Subordinated Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Subordinated Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 4.2 (Interest Accrual):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(A) in the case of Subordinated Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination

Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Subordinated Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

I. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

II. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Accrual Period divided by 365.

In these Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

### 4.3 First Fixed Interest Rate

For each Interest Period ending on or before the First Reset Date (as specified in the applicable Final Terms) and subject to Condition 5 (Optional Interest Deferral), each Subordinated Note bears interest at the rate per annum equal to the First Fixed Interest Rate (as specified in the applicable Final Terms), subject to Condition 4.9 (Step Up after Change of Control Event).

If the Subordinated Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the First Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

### 4.4 Subsequent Reset Rates

For each Interest Period which commences on or after the First Reset Date and subject to Condition 5 (Optional Interest Deferral), each Subordinated Note bears interest at the relevant

Subsequent Reset Rate as determined, and notified in writing to the Agents and the Issuer, by the Agent Bank on the relevant Reset Determination Date in accordance with this Condition 4.4, subject to Condition 4.9 (Step Up after Change of Control Event).

As used in these Conditions:

**Margin** means the rate(s) specified in the applicable Final Terms.

**Mid Swap Benchmark Rate** means EURIBOR.

**Mid Swap Maturity** has the meaning specified in the applicable Final Terms.

**Mid Swap Rate** means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Subordinated Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined, and notified in writing to the Agents and the Issuer, by the Agent Bank) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (a) has a term of equal to the relevant Reset Period and commencing on the relevant Reset Date, (b) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (c) has a floating leg based on the Mid Swap Benchmark Rate for the Mid Swap Maturity as specified in the Final Terms (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined, and notified in writing to the Agents and the Issuer, by the Agent Bank).

**Reference Bond** means for any Reset Period a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer on the advice of an investment bank of international repute as having an actual or interpolated maturity comparable with the relevant Reset Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Subordinated Notes and of a comparable maturity to the relevant Reset Period.

**Reference Bond Price** means, with respect to any Reset Determination Date, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if fewer than four, but more than one, Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations.

**Reference Government Bond Dealer** means each of five banks (selected by the Issuer on the advice of an investment bank of international repute), or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues.

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and the relevant Reset Determination Date, the arithmetic mean, as determined, and notified in writing to the Agents and the Issuer, by the Agent Bank, of the bid and offered prices for the relevant Reference Bond (expressed in each case as a percentage of its nominal amount) at or around the Subsequent Reset Reference Rate Time on the relevant Reset Determination Date quoted in writing to the Agent Bank by such Reference Government Bond Dealer.

**Reset Determination Date** means for each Reset Period the date as specified in the Final Terms falling on or before the commencement of such Reset Period on which the rate of interest applying during such Reset Period will be determined**.**

**Subsequent Reset Rate** for any Reset Period means the sum of (i) the applicable Subsequent Reset Reference Rate and (ii) the applicable Margin (rounded down to four decimal places, with 0.00005 being rounded down).

**Subsequent Reset Reference Rate Screen Page** has the meaning specified in the applicable Final Terms.

**Subsequent Reset Reference Rate Time** has the meaning specified in the applicable Final Terms.

**Subsequent Reset Reference Rate** means either:

(A) if **Mid Swaps** is specified in the Final Terms, the Mid Swap Rate displayed on the Subsequent Reset Reference Rate Screen Page at or around the Subsequent Reset Reference Rate Time on the relevant Reset Determination Date for such Reset Period; or

(B) if **Reference Bond** is specified in the Final Terms, the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the relevant Reference Bond Price; or

(C) if **Singapore Dollar Swap Offer Rate** is specified in the Final Terms, the Singapore Dollar swap offer rate for a duration equal to the relevant Reset Period displayed on the Subsequent Reset Reference Rate Screen Page at or around the Subsequent Reset Reference Rate Time on the relevant Reset Determination Date for such Reset Period.

**4.5 Subsequent Reset Reference Rate Screen Page**

If the Subsequent Reset Reference Rate Screen Page is not available, the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer) shall request each of the Reference Banks (as defined below) to provide the Issuer or the Agent Bank with its offered quotation (expressed as a percentage rate per annum) for the Subsequent Reset Reference Rate at approximately the Subsequent Reset Reference Rate Time on the Reset Determination Date in question. If two or more of the Reference Banks provide the Issuer or the Agent Bank with offered quotations, the Subsequent Reset Rate for the relevant Reset Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the applicable Margin (if any), all as determined, and notified in writing to the Agent, by the Issuer or the Agent Bank. If on any Reset Determination Date only one or none of the Reference Banks provides the Issuer or the Agent Bank with an offered quotation as provided in the foregoing provisions of this paragraph, the Subsequent Reset Rate shall be determined as at the last preceding Reset Determination Date less the Margin applicable as from the last preceding Reset Date plus the Margin applicable as from the current Reset Determination Date or, in the case of the first Reset Determination Date, the Subsequent Reset Reference Rate shall be equal to the last Subsequent Reset Reference Rate available on the Subsequent Reset Reference Rate Screen Page as determined by the Agent Bank.

**Reference Banks** means the principal office in the Relevant Financial Centre of five major banks in the swap, money, securities or other market most closely connected with the

Subsequent Reset Reference Rate as selected by the Issuer on the advice of an investment bank of international repute.

**Relevant Financial Centre** means the financial centre specified as such in the Final Terms or if none is so specified, Brussels.

### 4.6 Publication of Subsequent Reset Rates

The Issuer shall cause notice of each Subsequent Reset Rate determined in accordance with this Condition 4 in respect of each relevant Interest Period to be given to the Trustee, the Registrar, the Paying Agents, any stock exchange on which the Subordinated Notes are for the time being listed or admitted to trading and, in accordance with Condition 18 (Notices), the Noteholders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

### 4.7 Agent Bank and Reference Banks

With effect from the Reset Determination Date relating to the First Reset Date, the Issuer will maintain an Agent Bank and five Reference Banks where the Rate of Interest is to be calculated by reference to them. The name of the initial Agent Bank and its initial specified office is set out at the end of these Conditions.

The Issuer may, with the prior written consent of the Trustee, from time to time replace the Agent Bank with another leading financial institution in London or Luxembourg. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine a Subsequent Reset Rate in respect of any Interest Period as provided in Condition 4.4 (Subsequent Reset Rates), the Issuer shall forthwith appoint another leading financial institution in London or Luxembourg approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

### 4.8 Determinations Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Agent Bank or the Reference Banks, as the case may be, shall (in the absence of manifest error) be binding on the Issuer the Agent Bank, the Trustee, the Registrar, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or negligence) no liability to the Noteholders, the Couponholders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 4.9 Step Up after Change of Control Event

If Change of Control Event is specified as being applicable in the applicable Final Terms, then this Condition 4.9 shall apply.

Notwithstanding any other provision of this Condition 4, if the Issuer does not elect to redeem the Subordinated Notes in accordance with Condition 6.8 (Redemption for Change of Control Event) on or before the end of the Exercise Period following the occurrence of the first Change of Control Event, the then prevailing Rate of Interest, and each subsequent Rate of Interest otherwise determined in accordance with the provisions of this Condition 4, on the Subordinated Notes shall be increased by an additional 5 percentage points per annum with effect from (and including) the Change of Control Step Up Date.

## 4.10 Benchmark Event

Notwithstanding the provisions above in this Condition 4, if (on or after the date falling six months before the First Reset Date) the Issuer, in consultation with the Agent Bank, determines that a Benchmark Event occurs in relation to an Original Reference Rate (whether such occurrence is before, on or after the date falling six months before the First Reset Date) when the Conditions provide for any Subsequent Reset Rate (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate, failing which an Alternative Rate and in either case, an applicable Adjustment Spread and any Benchmark Amendments (each as defined and as further described below) no later than five Business Days prior to the Reset Determination Date relating to the next succeeding Reset Period (the **IA Determination Cut-off Date**) for purposes of determining the Subsequent Reset Rate applicable to the Subordinated Notes for such next succeeding Reset Period and for all future Reset Periods (subject to the subsequent operation of this Condition 4.10 during any other future Reset Period(s));

(ii) if the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:

(A) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4.10(iv)) shall subsequently be used in place of the Original Reference Rate to determine the Subsequent Reset Rate (or the relevant component part thereof) for all future payments of interest on the Subordinated Notes (subject to the subsequent further operation of this Condition 4.10); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4.10(iv)) shall subsequently be used in place of the Original Reference Rate to determine the Subsequent Reset Rate (or the relevant component part thereof) for all future payments of interest on the Subordinated Notes (subject to the further operation of this Condition 4.10);

(iii) If, following the occurrence of a Benchmark Event and in relation to the determination of the Subsequent Reset Rate on the immediately following Reset Determination Date, the Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate (as applicable) or, in either case, applicable Adjustment Spread is determined pursuant to this provision prior to the IA Determination Cut-off Date, the Original Reference Rate will continue to apply for the purposes of determining such Subsequent Reset Rate on such Reset Determination Date, with the effect that the fallback provisions provided elsewhere in these Conditions will continue to apply to such determination;

(iv) if a Successor Rate or Alternative Rate is determined in accordance with Condition 4.10(ii), the Independent Adviser acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread (which may be expressed as a specified quantum) or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero) which shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Subsequent Reset

Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 4.10;

(v) if any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4.10 and the Independent Adviser acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.10(vi), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 4.10(vi), the Trustee, the Principal Paying Agent, the Paying Agents and the Agent Bank shall (at the Issuer's expense and direction), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments required to the Trust Deed (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), the Agency Agreement and these Conditions and the Trustee, the Principal Paying Agent, the Paying Agents and the Agent Bank shall not be liable to any party for any consequences thereof, provided that none of the Trustee, the Principal Paying Agent, the Paying Agents and the Agent Bank shall be obliged so to concur if in its sole opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in the Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

Notwithstanding any other provision of this Condition 4.10, if, in the Agent Bank's opinion, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4.10, the Agent Bank shall promptly notify the Issuer and/or the Independent Advisor thereof and the Issuer shall direct the Agent Bank in writing as to which alternative course of action to adopt. If the Agent Bank is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer and/or the Independent Advisor (as the case may be) thereof and the Agent Bank shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the avoidance of doubt, neither the Principal Paying Agent and/or the Agent Bank shall be obliged to monitor or inquire whether a Benchmark Event has occurred or have any liability in respect thereof.

In connection with any such variation in accordance with this Condition 4.10, the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Subordinated Notes are for the time being listed or admitted to trading; and

(vi) the Issuer shall promptly notify the Trustee, the Agent Bank, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 18 (Notices), the Noteholders of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4.10. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories:

(A) confirming (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate and (z) the applicable Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4.10;

(B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread; and

(C) certifying that the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above.

The Trustee shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent Bank, the Principal Paying Agent, the Paying Agents and the Noteholders and Couponholders.

Without prejudice to the obligations of the Issuer under this Condition 4.10, the Original Reference Rate and the fallback provisions provided for in Condition 4.5 will continue to apply unless and until the Agent Bank has been notified of the Successor Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and Benchmark Amendments (if applicable), in accordance with Condition 4.10(vi).

Notwithstanding the fallback provisions relating to Benchmark Events discussed above, no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" (or such other nomenclature that the relevant Capital Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) assigned to the Subordinated Notes by any Capital Rating Agency when compared to the "equity credit" assigned to the Subordinated Notes immediately prior to the occurrence of the Benchmark Event from such Capital Rating Agency, (ii) result in shortening of the period of time "equity credit" is assigned / attributed to the Subordinated Notes by any Capital Rating Agency or (iii) otherwise prejudice the eligibility of the Subordinated Notes for "equity credit" from any Capital Rating Agency.

For the purposes of this Condition 4.10:

**Adjustment Spread** means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith and in a commercially reasonable manner determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) (if no such recommendation or option has been made (or made available), or in the case of an Alternative Rate) the Independent Adviser acting in good faith and in a commercially reasonable manner determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(c) (if no such customary market usage is recognised or acknowledged) the Independent Adviser acting in good faith and in a commercially reasonable manner determines to be appropriate;

**Alternative Rate** means an alternative to the Original Reference Rate which the Independent Adviser acting in good faith and in a commercially reasonable manner determines in accordance with Condition 4.10(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same reset period and in the same Specified Currency as the Subordinated Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith and in a commercially reasonable manner determines is most comparable to the Original Reference Rate;

**Benchmark Amendments** has the meaning given to it in Condition 4.10(v);

**Benchmark Event** means:

(a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (b)(i);

(c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (d)(i);

(e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i) above;

(f) it has or will prior to the next Reset Determination Date become unlawful for any Paying Agent, the Principal Paying Agent, the Agent Bank, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011 and/or Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, if applicable); or

(g) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense and approved in writing by the Trustee. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 4.10 shall act in good faith and in a commercially reasonable manner as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Paying Agents, the Agent Bank, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 4.10;

**Original Reference Rate** means the Mid Swap Benchmark Rate or the Singapore Dollar Swap Offer Rate (as applicable) or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 4.10(ii), such Successor Rate or Alternative Rate, as applicable, used to determine the Subsequent Reset Rate (or any component part thereof) on the Subordinated Notes;

**Relevant Nominating Body** means, in respect of an Original Reference Rate:

(a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 5. OPTIONAL INTEREST DEFERRAL

### 5.1 Deferral of Payments

The Issuer may, at its sole discretion, elect to defer any Interest Payment (a **Deferred Interest Payment**), in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date by giving notice (a **Deferral Notice**) of such election to the Noteholders in accordance with Condition 18 (Notices), the Trustee, the Registrar and the Paying Agents not more than 14 nor fewer than seven Business Days prior to the relevant Interest Payment Date.

Subject to Condition 5.2 (Mandatory Settlement of Arrears of Interest), if the Issuer elects to so defer any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Enforcement Event (as defined in Condition 11 (Enforcement Event)) or any other breach of its obligations under the Subordinated Notes or for any other purpose.

Arrears of Interest (as defined below) may be satisfied at the option of the Issuer in whole but not in part at any time (the **Optional Deferred Interest Settlement Date**) following delivery of a notice to such effect given by the Issuer to the Noteholders in accordance with Condition 18 (Notices), the Trustee, the Registrar and the Paying Agents not more than 14 nor fewer than seven Business Days prior to the relevant Optional Deferred Interest Settlement Date informing them of its election to so satisfy such Arrears of Interest and specifying the relevant Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment shall itself bear interest (such further interest together with the Deferred Interest Payment, being **Arrears of Interest**), at the Rate of Interest prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 5.2 (Mandatory Settlement of Arrears of Interest), in each case such further interest being compounded on each Interest Payment Date on which such interest remains unpaid.

The deferral of interest on any Interest Payment Date or the non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Subordinated Notes or for any other purpose, unless such payment is required in accordance with Condition 5.2 (Mandatory Settlement of Arrears of Interest). For the avoidance of doubt, payment of Arrears of Interest shall not be required other than in accordance with Condition 5.2 (Mandatory Settlement of Arrears of Interest).

**5.2 Mandatory Settlement of Arrears of Interest**

Notwithstanding the provisions of Condition 5.1 (Deferral of Payments) relating to the ability of the Issuer to defer Interest Payments, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.

Notice of the occurrence of any Mandatory Settlement Date shall be given to the Noteholders in accordance with Condition 18 (Notices), the Trustee, the Registrar and the Paying Agents not more than 14 and no fewer than seven Business Days prior to the relevant Mandatory Settlement Date.

**6. REDEMPTION**

**6.1 Redemption at Maturity**

(a) Unless previously redeemed or purchased and cancelled as specified below, each Dated Subordinated Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) Undated Subordinated Notes are perpetual subordinated notes in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3.1 (Status and Subordination) only have the right to repay them in accordance with the following provisions of this Condition 6.

(c) Subordinated Notes are not redeemable at the option of the Noteholders at any time.

## 6.2 Issuer's Call Option

If Issuer Call is specified as being applicable in the applicable Final Terms, then this Condition 6.2 shall apply.

The Issuer may, by giving not fewer than 10 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 18 (Notices), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Subordinated Notes on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together in each case with any accrued and unpaid interest up to (but excluding) the relevant Optional Redemption Date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

Where, in respect of any Optional Redemption Date, the Optional Redemption Amount is the Make-whole Amount, any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed.

The Optional Redemption Amount payable on each Optional Redemption Date will either be the specified percentage of the nominal amount of the Subordinated Notes stated in the applicable Final Terms or, if the Make-whole Amount is specified in the applicable Final Terms, will be the higher of (i) 100 per cent. of the nominal amount outstanding of the Subordinated Notes to be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Subordinated Notes to be redeemed and the Remaining Term Interest on such Subordinated Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Bond Rate, plus the Redemption Margin, all as determined by the Determination Agent on the Reference Date.

In this Condition:

**DA Selected Bond** means a government security or securities (which if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Determination Agent as having an actual or interpolated maturity comparable with the Remaining Period, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the Remaining Period;

**Determination Agent** means a leading investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee;

**Quotation Time** shall be as set out in the applicable Final Terms;

**Redemption Margin** shall be as set out in the applicable Final Terms;

**Reference Bond** shall be as set out in the applicable Final Terms or the DA Selected Bond (and shall be the DA Selected Bond if a government security is set out in the applicable Final Terms but is no longer outstanding on the date of determination pursuant to this Condition 6.2);

**Reference Bond Price** means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**Reference Bond Rate** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

**Reference Date** means the third business day in London preceding the Optional Redemption Date;

**Reference Government Bond Dealer** means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

**Remaining Period** means, as at the Reference Date, the period from such date to the Remaining Term Date;

**Remaining Term Date** means, in connection with any Optional Redemption Date for which the Optional Redemption Amount is the Make-whole Amount, the next following Optional Redemption Date for which the Optional Redemption Amount is other than the Make-whole Amount (or, in the case of any Dated Subordinated Notes for which no such next following Optional Redemption Date exists, the Maturity Date); and

**Remaining Term Interest** means, with respect to any Subordinated Note, the aggregate amount of interest scheduled to be paid on such Subordinated Note from, but excluding, the Optional Redemption Date to, and including, the Remaining Term Date (as if the Subordinated Notes were to be redeemed on such date).

**6.3 Redemption upon a Tax Deduction Event**

If Tax Deduction Event is specified as being applicable in the applicable Final Terms, then this Condition 6.3 shall apply.

Even if Tax Deduction Event is so specified as being applicable in the applicable Final Terms, this Condition 6.3 shall not apply if the Subordinated Notes are treated as equity for Luxembourg tax purposes from the Issue Date and are not subsequently re-classified as debt, save that if the Subordinated Notes are re-classified as debt for Luxembourg tax purposes this Condition 6.3 shall apply from the date of such re-classification.

If, immediately prior to the giving of the notice referred to below, a Tax Deduction Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 10 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 18 (Notices), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation), redeem in accordance with these Conditions at any time all, but not some only, of the Subordinated Notes at:

(a) 101 per cent. of their principal amount, where such redemption occurs prior to the first Optional Redemption Date; or

(b) their principal amount, where such redemption occurs on or after the first Optional Redemption Date,

together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

**6.4 Redemption upon a Capital Event**

If Capital Event is specified as being applicable in the applicable Final Terms, then this Condition 6.4 shall apply.

If, immediately prior to the giving of the notice referred to below, a Capital Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 10 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 18 (Notices), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation), redeem in accordance with these Conditions at any time all, but not some only, of the Subordinated Notes at:

(a) 101 per cent. of their principal amount, where such redemption occurs prior to the first Optional Redemption Date; or

(b) their principal amount, where such redemption occurs on or after the first Optional Redemption Date,

together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

**6.5 Redemption upon an Accounting Event**

If Accounting Event is specified as being applicable in the applicable Final Terms, then this Condition 6.5 shall apply.

If, immediately prior to the giving of the notice referred to below, an Accounting Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 10 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 18 (Notices), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation), redeem in accordance with these Conditions at any time all, but not some only, of the Subordinated Notes at:

(a) 101 per cent. of their principal amount, where such redemption occurs prior to the first Optional Redemption Date; or

(b) their principal amount, where such redemption occurs on or after the first Optional Redemption Date,

together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

**6.6 Redemption upon a Withholding Tax Event**

This Condition 6.6 shall not apply if the Subordinated Notes are treated as equity for Luxembourg tax purposes from the Issue Date and are not subsequently re-classified as debt, save that if (i) the Subordinated Notes are re-classified as debt for Luxembourg tax purposes, this Condition 6.6 shall apply from the date of such re-classification, and (ii) the Subordinated Notes are treated as equity and there is a Tax Law Change resulting in an increase in Additional Amounts payable by the Issuer, this Condition 6.6 shall apply.

If, immediately prior to the giving of the notice referred to below, a Withholding Tax Event has occurred, then the Issuer may, subject to having given not fewer than 10 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 18 (Notices), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation), redeem in accordance with these Conditions all, but not some only, of the Subordinated Notes at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

**6.7 Redemption upon a Substantial Repurchase Event**

If Substantial Repurchase Event is specified as being applicable in the applicable Final Terms, then this Condition 6.7 shall apply.

If, immediately prior to the giving of the notice referred to below, a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not fewer than 10 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 18 (Notices), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation), redeem in accordance with these Conditions all, but not some only, of the Subordinated Notes at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

**6.8 Redemption for Change of Control Event**

If Change of Control Event is specified as being applicable in the applicable Final Terms, then this Condition 6.8 shall apply.

If, immediately prior to the giving of the notice referred to below, a Change of Control Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 10 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 18 (Notices), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation), redeem in accordance with these Conditions all, but not some only, of the Subordinated Notes at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

*If applicable, the Issuer may elect to include a statement of intention in the applicable Final Terms with respect to launching a tender offer for all of its outstanding unsubordinated debt securities that do not contain a contractual right of the holders of such debt securities for such securities to be redeemed or repurchased as a result of the events giving rise to the Change of Control Event.*

## 7. SUBSTITUTION OR VARIATION

If an Accounting Event, a Capital Event, a Tax Deduction Event (subject to any such event being specified as applicable in the applicable Final Terms) or a Withholding Tax Event (each a **Substitution or Variation Event**) has occurred and is continuing, then the Issuer may, subject to Condition 8 (Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation) (without any requirement for the consent or approval of the Noteholders or Couponholders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 7 have been complied with, and having given not fewer than 30 nor more than 60 days' notice to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 18 (Notices), the Noteholders (which notice shall be irrevocable), at any time either:

(a) substitute all, but not some only, of the Subordinated Notes for Qualifying Subordinated Notes; or

(b) vary the terms of the Subordinated Notes with the effect that they remain or become (as the case may be), Qualifying Subordinated Notes,

and the Trustee shall (subject to the following provisions of this Condition 7 and subject to the receipt by it of the certificate of two Authorised Signatories of the Issuer referred to in Condition 8 (Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation)) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Subordinated Notes in accordance with this Condition 7.

The Trustee shall, at the expense of the Issuer, use reasonable endeavours to assist the Issuer in the substitution of the Subordinated Notes for, or the variation of the terms of the Subordinated Notes so that they remain, or as appropriate, become, Qualifying Subordinated Notes, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Subordinated Notes or the participation in or assistance with such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections. If the Trustee does not participate or assist as provided above, the Issuer may redeem the Subordinated Notes as provided in Condition 6 (Redemption).

In connection with any substitution or variation in accordance with this Condition 7, the Issuer shall comply with the rules of any stock exchange on which the Subordinated Notes are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not give rise to any other Substitution or Variation Event with respect to the Qualifying Subordinated Notes.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not result in the Qualifying Subordinated Notes no longer being eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Capital Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Subordinated Notes on the date notice is given to Noteholders of the substitution or variation.

In these Conditions:

**Qualifying Subordinated Notes** means subordinated notes that:

(a) are issued by the Issuer or any wholly-owned direct or indirect finance subsidiary of the Issuer with a guarantee of such obligations by the Issuer;

(b) rank and (save in the case of a direct issue by the Issuer) benefit from a guarantee that ranks in relation to the obligations of the Issuer under such subordinated notes and/or such guarantee (as the case may be), equally with the Subordinated Notes and *pari passu* in a winding-up or liquidation of the Issuer with any Parity Obligations;

(c) contain terms not materially less favourable to Noteholders than the terms of the Subordinated Notes (as reasonably determined by the Issuer) and which:

(i) provide for the same Rate of Interest from time to time as applied to the Subordinated Notes immediately prior to such substitution or variation and preserve the same Interest Payment Dates;

(ii) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to principal and as to redemption of the Subordinated Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption;

(iii) preserve any existing rights under these Conditions to any accrued interest, any Deferred Interest Payments, any Arrears of Interest and any other amounts payable under the Subordinated Notes which, in each case, has accrued to Noteholders and not been paid;

(iv) do not provide for the mandatory deferral or cancellation of payments of interest and/or principal;

(v) do not provide for loss absorption through principal write down or conversion to ordinary shares; and

(vi) may include a feature which contains a term for the mandatory repayment of such subordinated notes on a specified date which shall not be earlier than the date on which the next Optional Redemption Date (if any) would have fallen under the Subordinated Notes (and the inclusion of such feature shall be deemed not to be materially less favourable to Noteholders as compared with the terms of the Subordinated Notes);

(d) are (i) listed on the official list of Euronext Dublin and admitted to trading on its regulated market or (ii) listed on such other internationally recognised exchange platform in an OECD country as is selected by the Issuer and approved by the Trustee; and

(e) will, immediately after such substitution or variation, be assigned at least the same credit rating(s) by the same Rating Agencies as may have been assigned to the Subordinated Notes at the invitation of the Issuer immediately prior to such substitution or variation.

## 8. PRECONDITIONS TO SPECIAL EVENT REDEMPTION, CHANGE OF CONTROL EVENT REDEMPTION, SUBSTITUTION AND VARIATION

Prior to the publication of any notice of redemption pursuant to Condition 6 (Redemption) (other than redemption pursuant to Condition 6.2 (Issuer's Call Option)) or any notice of substitution or variation pursuant to Condition 7 (Substitution or Variation), the Issuer shall deliver to the Trustee:

(a) a certificate signed by two Authorised Signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary (as the case may be) is satisfied, and where the relevant Special Event requires measures reasonably available to the Issuer to be taken, the relevant Special Event cannot be avoided by the Issuer taking such measures. In relation to a substitution or variation pursuant to Condition 7 (Substitution or Variation), such certificate shall also include further certifications that the criteria specified in paragraphs (a) to (e) of the definition of Qualifying Subordinated Notes will be satisfied by the Qualifying Subordinated Notes upon issue and that such determinations were reached by the Issuer in consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing;

(b) in the case of a Tax Deduction Event and a Withholding Tax Event only, an opinion (addressed to the Trustee) of independent legal advisers of recognised standing to the effect that Condition 6.3 or 6.6, as the case may be, apply and a Tax Deduction Event or a Withholding Tax Event, as the case may be, has occurred;

(c) in the case of an Accounting Event only, a copy of a letter or report from a recognised international accounting firm confirming that an Accounting Event has occurred;

(d) in the case of a substitution or variation pursuant to Condition 7 (Substitution or Variation) only, an opinion from independent legal advisers of recognised standing confirming:

   (i) that the Issuer has capacity to assume all rights and obligations under the Qualifying Subordinated Notes and has obtained all necessary corporate or governmental authorisations to assume all such rights and obligations (either as primary debtor or as a guarantor of a wholly-owned direct or indirect finance subsidiary of the Issuer that assumes the role of primary debtor in respect of the Qualifying Subordinated Notes) and, in the case of a wholly-owned direct or indirect finance subsidiary of the Issuer that assumes the role of primary debtor in respect of the Qualifying Subordinated Notes, that such finance subsidiary has capacity to assume all rights and obligations under the Qualifying Subordinated Notes and has obtained all necessary corporate or governmental authorisations to assume all such rights and obligations; and

   (ii) the legality, validity and enforceability of the Qualifying Subordinated Notes,

   and the Trustee may rely absolutely upon and shall be entitled to accept such certificate and any such opinions without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out in such paragraphs in which event it shall be conclusive and binding on the Noteholders.

Any redemption of the Subordinated Notes in accordance with Conditions 6.2 (Issuer's Call Option), 6.3 (Redemption upon a Tax Deduction Event), 6.4 (Redemption upon a Capital Event), 6.5 (Redemption upon an Accounting Event), 6.6 (Redemption upon a Withholding Tax Event), 6.7 (Redemption upon a Substantial Repurchase Event), 6.8 (Redemption for Change of Control Event) shall be conditional on all outstanding Arrears of Interest being paid in full in accordance with the provisions of Condition 5 (Optional Interest Deferral) on or prior to the date thereof, together with any accrued and unpaid interest up to (but excluding) such redemption, substitution or, as the case may be, variation date.

The Trustee is under no obligation to ascertain whether any Special Event or Change of Control Event or Change of Control or any event which could lead to the occurrence of, or could constitute, any such Special Event, Change of Control Event or Change of Control, has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no such Special Event, Change of Control Event or Change of Control or such other event has occurred.

## 9. PURCHASES AND CANCELLATION

### 9.1 Purchases

The Issuer and any of its Subsidiaries may at any time purchase or procure others to purchase beneficially for its account Subordinated Notes (provided that, in the case of definitive Bearer Subordinated Notes, all matured Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price.

### 9.2 Cancellation

All Subordinated Notes redeemed or substituted by the Issuer pursuant to Condition 6 (Redemption) or 7 (Substitution or Variation), in each case, together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith at the time of redemption, will forthwith be cancelled. All Subordinated Notes purchased by the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation (together with all unmatured Coupons and all unexchanged Talons attached to them) to a Paying Agent or the Registrar. Subordinated Notes so surrendered shall be cancelled forthwith. Any Subordinated Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Subordinated Notes shall be discharged.

## 10. PAYMENTS

### 10.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Without prejudice to the terms of Condition 12 (Taxation), all payments in respect of principal, premium and interest on the Subordinated Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### 10.2 Presentation of definitive Bearer Subordinated Notes and Coupons

Payments of principal and premium in respect of definitive Bearer Subordinated Notes will (subject as provided below) be made in the manner provided in Condition 10.1 (Method of payment) above only against presentation and surrender of definitive Bearer Subordinated Notes, and payments of interest in respect of definitive Bearer Subordinated Notes will (subject as provided below) be made as aforesaid only against presentation and surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Subordinated Notes in definitive bearer form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), and all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

Upon any Subordinated Note in definitive bearer form becoming due and repayable on the due date for redemption of which notice hereunder may be given, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (to include another Talon for a further Coupon sheet, if appropriate) (but excluding any Coupons that may have become void pursuant to Condition 13 (Prescription).

If the due date for redemption of any definitive Bearer Subordinated Note is not an Interest Payment Date, interest accrued in respect of such Subordinated Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Subordinated Note.

### 10.3 Payments in respect of Bearer Global Subordinated Notes

Payments of principal, premium and interest in respect of Subordinated Notes represented by any Global Subordinated Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Subordinated Notes or otherwise in the manner specified in the relevant Global Subordinated Note, where applicable against presentation or surrender, as the case may be, of such Global Subordinated Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and premium and any payment of interest, will be made either on such Global Subordinated Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### 10.4 Payments in respect of Registered Subordinated Notes

Payments of principal and premium in respect of each Registered Subordinated Note (whether or not in global form) will be made against presentation and surrender of the Registered Subordinated Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Subordinated Note appearing in the register of holders of the Registered Subordinated Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest (including, for the avoidance of doubt Arrears of Interest) in respect of each Registered Subordinated Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Subordinated Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Subordinated Note on redemption will be made in the same manner as payment of the principal amount of such Registered Subordinated Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal, premium or interest in respect of Registered Subordinated Notes.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Subordinated Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### 10.5 General provisions applicable to payments

The holder of a Global Subordinated Note shall be the only person entitled to receive payments in respect of Subordinated Notes represented by such Global Subordinated Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Subordinated Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Subordinated Notes represented by such Global Subordinated Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Subordinated Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal, premium and/or interest in respect of Bearer Subordinated Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Subordinated Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Subordinated Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**10.6 Payment Day**

If the date for payment of any amount in respect of any Subordinated Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 13 (Prescription)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits);

(b) in the case of Subordinated Notes in definitive form only, in the relevant place of presentation; and

(c) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;

(d) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and

(e) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

**10.7 Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Subordinated Notes shall be deemed to include, as applicable:

(a) any Additional Amounts which may be payable with respect to principal under Condition 12 (Taxation) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed; and

(b) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Subordinated Notes.

Any reference in these Conditions to Interest Payments, Deferred Interest Payments, Arrears of Interest and/or any other amount in respect of interest in respect of the Subordinated Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 12 (Taxation) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## 11. ENFORCEMENT EVENT

### 11.1 Proceedings

If a default is made by the Issuer for a period of 7 days or more in the payment of principal or 14 days or more in the payment of interest, in each case in respect of the Subordinated Notes and which is due (an **Enforcement Event**), then the Issuer shall without notice from the Trustee be deemed to be in default under the Trust Deed, the Subordinated Notes and the Coupons, and the Trustee at its sole discretion may, and if so requested in writing by the Noteholders of at least one-fifth in principal amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to Condition 11.3 (Entitlement of the Trustee)), institute proceedings for the winding-up of the Issuer.

In the event of a winding-up (as more particularly described in the next paragraph) of the Issuer, (whether instituted by the Trustee as aforesaid or otherwise), the Subordinated Notes will become immediately due and payable at their principal amount together with all accrued and unpaid interest in respect thereof, and the Trustee may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to Condition 11.3 (Entitlement of the Trustee)), prove and/or claim in such winding-up in respect of the Subordinated Notes, such claim being for such amount, and being subordinated in such manner, as is provided under Condition 3 (Status and Subordination).

A **winding-up** includes, without limitation, any procedure or proceeding in relation to an entity becoming bankrupt (*faillite*), insolvency, voluntary or judicial liquidation, composition with creditors (*concordat préventif de faillite*), moratorium or reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), general settlement with creditors, reorganisation or any other similar proceedings affecting the rights of creditors generally under Luxembourg law, and shall be construed so as to include any equivalent or analogous liquidation or reorganisation proceedings.

### 11.2 Enforcement

The Trustee may at its discretion (subject to Condition 11.3 (Entitlement of the Trustee)) and without further notice institute such proceedings or take such steps or actions against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Subordinated Notes or the Coupons but in no event shall the Issuer, by virtue of the institution of any such proceedings, steps or actions, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

### 11.3 Entitlement of the Trustee

The Trustee shall not be bound to take any of the actions referred to in Condition 11.1 (Proceedings) or 11.2 (Enforcement) above to enforce the terms of the Trust Deed, the Subordinated Notes or any other action or step under or pursuant to the Trust Deed or the Subordinated Notes unless (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the holders of at least one-fifth in principal amount of the Subordinated Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

### 11.4 Right of Noteholders

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within 60 days, or (ii) is unable for any reason to do so, and the failure or inability shall be continuing.

### 11.5 Extent of Noteholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 11, shall be available to the Trustee, the Noteholders or the Couponholders, whether for the recovery of amounts owing in respect of the Subordinated Notes, the Coupons or under the Trust Deed or in respect of any other breach by the Issuer of any of its other obligations under or in respect of the Subordinated Notes, the Coupons or under the Trust Deed.

Nothing in this Condition 11 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or Agents or the rights and remedies of the Trustee or the Agents in respect thereof.

## 12. TAXATION

All payments of principal, premium and interest in respect of the Subordinated Notes and Coupons by or on behalf of the Issuer in respect of the Subordinated Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Tax Jurisdiction, unless such withholding or deduction of such Taxes is required by law. In such event, the Issuer will pay such additional amounts (**Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders or the Couponholders after such withholding or deduction shall equal the respective amounts of principal, premium and interest which would otherwise have been receivable in respect of the Subordinated Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that, only in the case of Subordinated Notes that are treated as debt for Luxembourg tax purposes, no such Additional Amounts shall be payable with respect to any Subordinated Note or Coupon:

(a) the holder of which is liable for such Taxes in respect of such Subordinated Note or Coupon by reason of his having some connection with a Relevant Tax Jurisdiction other than the mere holding of such Subordinated Note or Coupon;

(b) presented for payment in Luxembourg; or

(c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such Additional Amount on presenting such Subordinated Note or Coupon for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 10.6 (Payment Day)).

## 13. PRESCRIPTION

The Subordinated Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal, premium and/or interest are made within a period of 10 years (in the case of principal and premium) and five years (in the case of interest) after the Relevant Date (as defined in Condition 23 (Definitions) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 10.2 (Presentation of definitive Bearer Subordinated Notes and Coupons) or any Talon which would be void pursuant to Condition 10.2 (Presentation of definitive Bearer Subordinated Notes and Coupons).

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the **Involuntary Dispossession Act 1996**) requires that any amount that is payable under the Definitive Bearer Subordinated Notes and Coupons before opposition to such payment under the Subordinated Notes and Coupons that has been filed (by the relevant holder) but not yet been paid to the holder of these Definitive Bearer Subordinated Notes and Coupons is paid to the Caisse de Consignations in Luxembourg until the opposition to such payment under the Definitive Bearer Subordinated Notes and Coupons has been withdrawn or elapsed.

## 14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

### 14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders (including by means of audio or video conference call) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Subordinated Notes and the Coupons or any of the provisions of the Trust Deed and/or Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in principal amount of the Subordinated Notes for the time being remaining outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Subordinated Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Subordinated Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Subordinated Notes or the Coupons or the Trust Deed (including modifying any redemption date of the Subordinated Notes, reducing or cancelling the nominal amount payable upon redemption, reducing or cancelling the amount payable or modifying any date for payment of interest or the method of calculating the rate thereon and altering the currency of payment of the Subordinated Notes or the Coupons in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in principal amount of the Subordinated Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in principal amount of the Subordinated Notes for the time being outstanding.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the Noteholders of not less than three-fourths in principal amount of the Subordinated Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the Noteholders of not less than three-fourths in principal amount of the Subordinated Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

The agreement or approval of the Noteholders shall not be required in the case of any variation of the Subordinated Notes, the Coupons or the Trust Deed which is required to be made in the circumstances described in Condition 7 (Substitution or Variation) in connection with the substitution or variation of the terms of the Subordinated Notes so that they become Qualifying Subordinated Notes under Condition 7 (Substitution or Variation).

**14.2 Modification and Waiver**

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Subordinated Notes or the Trust Deed where it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. In addition, the Trustee shall be obliged to effect such modifications to these Conditions, the Trust Deed and the Agency Agreement as may be required in order to give effect to Condition 4.10 (*Benchmark Event*) in connection with effecting any Successor Rate, Alternative Rate, Adjustment Spread or any other related changes referred to in Condition 4.10 (*Benchmark Event*) subject to the provisions thereof, without the requirement for the consent or sanction of the Noteholders or Couponholders. Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 18 (Notices) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination or substitution pursuant to Condition 15 (Substitution of the Issuer)), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders, except to the extent already provided for in Condition 12 (Taxation) and/or any undertaking or covenant given in addition to, or in substitution for Condition 12 (Taxation), pursuant to the Trust Deed.

## 15. SUBSTITUTION OF THE ISSUER

The Trust Deed contains provisions under which a legal entity:

(a) formed by any consolidation or merger of the Issuer with or into any other corporation or corporations (whether or not affiliated with the Issuer), or successive consolidations or mergers into which the Issuer or its successor or successors shall have been merged or consolidated; or

(b) to which the Issuer has sold, conveyed or leased all or substantially all of the property of the Issuer (whether or not affiliated with the Issuer),

(any such legal entity, a **Substituted Obligor**) may, without the consent of the Noteholders or Couponholders assume the obligations of the Issuer on a subordinated basis equivalent to that referred to in Condition 3 (Status and Subordination) in place of the Issuer (or of any previous substitute under this Condition 15) as principal debtor under the Trust Deed, the Subordinated Notes and the Coupons *provided that:*

(i) the Substituted Obligor takes direct or indirect ownership of at least 80 per cent. of Consolidated Adjusted Total Assets;

(ii) the Substituted Obligor is a legal entity incorporated in a Member State of the European Economic Area;

(iii) the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and

(iv) certain further conditions specified in the Trust Deed are fulfilled.

No Noteholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder, except to the extent provided for in Condition 13 (Prescription) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

## 16. REPLACEMENT OF SUBORDINATED NOTES, COUPONS AND TALONS

Should any Subordinated Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Principal Paying Agent (in the case of Bearer Subordinated Notes or Coupons) or the Registrar (in the case of Registered Subordinated Notes) or such other Paying Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Subordinated Notes, Coupons or Talons must be surrendered before replacements will be issued.

The replacement of Subordinated Notes, Talons and Coupons in bearer form in the case of loss or theft is subject to the procedure of the Involuntary Dispossession Act 1996, which provides that the person who lost bearer Subordinated Notes may, subject to certain conditions, request the issuer of the Subordinated Notes to deliver new Subordinated Notes, Talons and Coupons.

## 17. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## 18. NOTICES

All notices regarding the Bearer Subordinated Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Subordinated Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Subordinated Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Subordinated Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Subordinated Notes are issued, there may, so long as any Global Subordinated Notes representing the Subordinated Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Subordinated Notes and, in addition, for so long as any Subordinated Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Subordinated Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Subordinated Note in definitive form) with the relative Subordinated Note or Subordinated Notes, with the Principal Paying Agent (in the case of Bearer Subordinated Notes) or the Registrar (in the case of Registered Subordinated Notes). Whilst any of the Subordinated Notes are represented by a Global Subordinated Note, such notice may be given by any holder of a Subordinated Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## 19. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further subordinated notes ranking *pari passu*, and having terms and conditions the same as the Subordinated Notes, in all respects (or in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single Series with the outstanding Subordinated Notes.

## 20. AGENTS

The initial Agents are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, without the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar;

(b) so long as the Subordinated Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Subordinated Notes) and a Transfer Agent (in the case of Registered Subordinated Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) whenever a function expressed in these Conditions to be performed by the Agent Bank or by the Reference Banks fails to be performed, the Issuer will appoint and (for so long as such function is required to be performed) there will at all times be an Agent Bank and/or, as appropriate, Reference Banks.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 10.5 (General provisions applicable to payments).

Notice of any variation, termination, appointment or change in the specified offices of the Trustee, the Registrar or any of the Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 18 (Notices). If any of the Registrar, the Agent Bank or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint, an independent financial institution to act as such in its place. All calculations and determinations made by the Agent Bank or the Principal Paying Agent in relation to the Subordinated Notes shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the other Agents and the Noteholders.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 21. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 21.1 Governing law

The Trust Deed, the Agency Agreement, the Subordinated Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Subordinated Notes and the Coupons are governed by, and construed in accordance with English law save for the provisions contained in Condition 3.2 (Status and Subordination) which shall, subject to the provisions of Condition 15 (Substitution of the

Issuer), be governed by Luxembourg law. For the avoidance of doubt, the provisions of articles 470-1 to 470-19 of the Luxembourg Companies' Act 1915 are excluded.

### 21.2 Submission to jurisdiction

(a) Subject to Condition 21.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Subordinated Notes and/or the Coupons including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Subordinated Notes and/or the Coupons (a Dispute) and accordingly, each of the Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 21.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### 21.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corpo[ra]te Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

### 21.4 Other documents

The Issuer has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## 22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Subordinated Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 23. DEFINITIONS

In these Conditions:

an **Accounting Event** shall be deemed to occur if a recognised international accounting firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, and the Issuer has notified the Noteholders in accordance with Condition 18 (Notices) that such a letter or report has been so delivered, stating that, as a result of a change in accounting principles (or the application thereof) which have been officially adopted by the International Accounting Standards Board (or any other body responsible for IFRS or any other accounting standards that may replace IFRS) after the Issue Date (as specified in the applicable Final Terms) (such date of adoption being the **Accounting Event Adoption Date**), the obligations of the Issuer under the Subordinated Notes must not or may no longer be recorded as "equity" in the audited annual consolidated financial statements of CPI Property Group prepared in accordance with IFRS or any other accounting standards that CPI Property Group may adopt in the future for the preparation of the audited annual consolidated financial statements of the Issuer in accordance with Luxembourg company law, the Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date;

**Additional Amounts** has the meaning given to it in Condition 12 (Taxation);

**Agency Agreement** has the meaning given to it in the preamble to these Conditions;

**Agent Bank** has the meaning given to it in the preamble to these Conditions;

**Agents** means the Agent Bank, the Registrar, the Paying Agents and the Principal Paying Agent or any of them;

**Arrears of Interest** has the meaning given to it in Condition 5.1 (Deferral of Payments);

**Authorised Signatory** means any person who is represented by the Issuer as being for the time being authorised to sign (whether alone or with another person or other persons) on behalf of the Issuer and so as to bind it;

**Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system (**T2**), is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open;

a **Capital Event** shall be deemed to occur if the Issuer has received, and notified the Noteholders in accordance with Condition 18 (Notices) that it has so received, confirmation from any Capital Rating Agency of an amendment to, clarification of or change in its assessment criteria or a change in the interpretation thereof which becomes effective on or after the Issue Date (or, if later, effective after the date on which the Subordinated Notes are assigned "equity credit" by a Capital Rating Agency for the first time) and as a result of which, but not otherwise, the Subordinated Notes will no longer be eligible (or if the Subordinated Notes have been partially or fully refinanced since the Issue Date, and are no longer eligible for "equity credit" from such Capital Rating Agency in part or in full as a result, any or all of the Subordinated Notes would no longer have been eligible as a result of such change had they not been refinanced) for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Capital Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the

Subordinated Notes at the Issue Date (or if "equity credit" is not assigned to the Subordinated Notes by the relevant Capital Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Capital Rating Agency for the first time) or if the period of time during which the relevant Capital Rating Agency attributes to the Subordinated Notes a particular category of "equity credit " would be shortened as compared to the period of time for which such Capital Rating Agency did attribute to the Subordinated Notes that category of "equity credit" on the date on which such Capital Rating Agency attributed to the Subordinated Notes such category of "equity credit" for the first time;

**Capital Rating Agency** means such rating agency(ies) specified as applicable in the applicable Final Terms, or any of their respective subsidiaries and their successors;

a **Change of Control Event** will be deemed to occur if:

(a) any person or any persons acting in concert (other than Mr Radovan Vítek, any member of his immediate family or any entity directly or indirectly controlled by him or them) shall acquire a controlling interest in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the issued or allotted ordinary share capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (each such event being a Change of Control); and

(b) on the date (the **Relevant Announcement Date**) that is the earlier of (x) the date of the earliest Potential Change of Control Announcement (if any) and (y) the date of the first public announcement of the relevant Change of Control, the Issuer's senior unsecured obligations carry:

    (i) an investment grade credit rating (Baa3/BBB-/BBB- or equivalent or better) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating from any Rating Agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+/BB+ or equivalent or worse) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or

    (ii) a non-investment grade credit rating (Ba1/BB+/BB+ or equivalent or worse) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+/BB+ to Ba2/BB/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

    (iii) no credit rating from any Rating Agency and a Negative Rating Event also occurs within the Change of Control Period, and

(c) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such downgrading and/or withdrawal resulted, directly or indirectly, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control shall have occurred at the time such rating is downgraded and/or withdrawn).

If the rating designations employed by Moody's, S&P or Fitch are changed from those which are described in paragraph (b) of the definition of "Change of Control Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's, S&P or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, S&P or Fitch and paragraph (b) shall be construed accordingly;

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 120 days after the occurrence of the Change of Control or, where a Rating Agency has publicly announced that any of the Issuer's senior unsecured obligations are under consideration for rating review or, as the case may be, rating (such public announcement being within the period ending 120 days after the Change of Control), the later of (i) such 120th day after the Change of Control and (ii) the date falling 60 days after such public announcement;

**Change of Control Step Up Date** shall be the date which is five days after the date following the expiry of the Exercise Period;

a **Compulsory Arrears of Interest Settlement Event** shall have occurred if:

(a) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Obligations, except where (x) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes of the Issuer or any other member of the Group or (y) the Issuer is obliged under the terms of such securities to make such dividend, distribution or other payment or (z) such dividend, distribution or payment is made (or to be made) only to the Issuer and/or any other entity in the Group; or

(b) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Obligations, except where such dividend, distribution or payment was required to be declared, paid or made under the terms of such Parity Obligations or except where such dividend, distribution or payment is made (or to be made) only to the Issuer and/or any other entity in the Group; or

(c) the Issuer has redeemed, repurchased or otherwise acquired any of its Junior Obligations, except where (x) such redemption, repurchase or acquisition was undertaken in respect of any stock option plans or employees' share schemes of the Issuer, or any other member of the Group, (y) the Issuer is obliged under the terms of such securities to make such redemption, repurchase or acquisition or (z) any payment in respect of such redemption, repurchase or acquisition is made (or to be made) only to the Issuer and/or any other entity in the Group; or

(d) the Issuer, or any Subsidiary of the Issuer, has redeemed, repurchased or otherwise acquired any Parity Obligations, except where (x) such redemption, repurchase or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value, (y) the Issuer or any Subsidiary of the Issuer is obliged under the terms of such securities to make such redemption, repurchase or acquisition or (z) any payment in respect of such redemption, repurchase or acquisition is made (or to be made) only to the Issuer and/or any other entity in the Group;

**Consolidated Adjusted Total Assets** means the total assets (excluding intangible assets and goodwill) of the Group as shown in the most recent consolidated statement of financial position of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared in accordance with IFRS or IAS 34, as applicable;

**Dated Subordinated Note** means any Note so specified in the applicable Final Terms;

**Day Count Fraction** has the meaning given to it in Condition 4.2 (Interest Accrual);

**Deferred Interest Payment** has the meaning given to it in Condition 5.1 (Deferral of Payments);

**Designated Account** has the meaning given to it Condition 6.4 (Payments in respect of Registered Subordinated Notes);

**EURIBOR** means the month Euro Interbank Offered Rate;

**Excluded Change** means the changes to the Luxembourg rules on tax deductibility of interest expenses that was introduced on 1 January 2019 following the law dated 21 December 2018 that was adopted by Luxembourg Parliament;

**Exercise Period** means the period from the date on which the Change of Control Event occurred to the day which is the earlier of (a) 60 days after such date and (b) the last day on which holders of senior indebtedness of the Issuer, which have a right to put (a **Put Option**) such senior indebtedness for redemption exercisable upon the occurrence of a Change of Control Event, and to the extent they have exercised such Put Option within any applicable put option redemption period (howsoever described), have received the redemption proceeds;

**Extraordinary Resolution** has the meaning given to it in the Trust Deed;

**First Fixed Interest Rate** has the meaning given to it in Condition 4.3 (First Fixed Interest Rate);

**Fitch** means Fitch Ratings Ireland Limited and its successors;

**Group** means the Issuer and its Subsidiaries taken as a whole;

**IAS** means International Accounting Standards issued by the International Accounting Standards Board;

**IFRS** means International Financial Reporting Standards as adopted by the European Union, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time);

**Interest Payment** means, in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 4 (Interest);

**Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

**Junior Obligations** means (a) any class of share capital of the Issuer; (b) all obligations of the Issuer issued or incurred directly or indirectly by it, which rank or are expressed to rank *pari passu* with any class of share capital of the Issuer; or (c) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the securities referred to in (a) or (b);

**Mandatory Settlement Date** means the earlier of:

(a) as soon as reasonably practicable (but not later than the fifteenth Business Day) following the date on which a Compulsory Arrears of Interest Settlement Event occurs; or

(b) the date on which the Subordinated Notes are redeemed or repaid in accordance with Condition 3.2 (Status and Subordination), Condition 6 (Redemption) or Condition 11 (Enforcement Event);

**Moody's** means Moody's Deutschland GmbH and its successors;

**Negative Rating Event** shall be deemed to have occurred, if at any time there is no rating assigned to the Issuer's senior unsecured obligations by any Rating Agency (at the invitation or with the consent of the Issuer), either (i) the Issuer does not, prior to or not later than 21 days after the occurrence of the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of its senior unsecured obligations or (ii) if the Issuer does so seek and use all such reasonable endeavours, it is unable to obtain such rating of at least investment grade (*Baa3/BBB-/BBB- or equivalent or better*) by the end of the Change of Control Period and the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that the failure to issue a rating of at least investment grade (*Baa3/BBB-/BBB- or equivalent or better*) was as a result, directly or indirectly, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control had occurred at such time);

**OECD** means the Organisation for Economic Co-operation and Development;

**Parity Obligations** means (if any) (a) any obligations of the Issuer, issued or incurred directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Subordinated Notes and (b) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Subordinated Notes;

**Potential Change of Control Announcement** means any public announcement or statement by or on behalf of the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs;

**Principal Paying Agent** has the meaning given to it in the preamble to these Conditions;

**Paying Agents** has the meaning given to it in the preamble to these Conditions;

**Qualifying Subordinated Notes** has the meaning given to it in Condition 7 (Substitution or Variation);

**Rate of Interest** means the First Fixed Interest Rate and/or each Subsequent Reset Rate, as the case may be;

**Rating Agency** means S&P, Moody's or Fitch, or any of their respective subsidiaries and their successors or any other rating agency (each a **Substitute Rating Agency**) of equivalent international standing specified by the Issuer from time to time and approved by the Trustee in writing;

**Record Date** has the meaning given to it in Condition 10.4 (Payments in respect of Registered Subordinated Notes);

**Relevant Date** means (a) in respect of any payment other than a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date on which such payment first becomes due and payable except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such date, it means the date on which the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 18 (Notices), and (b) in respect of a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

**Relevant Tax Jurisdiction** means Luxembourg or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal, premium and interest on the Subordinated Notes become generally subject;

**Reset Date** means the date(s) specified in the applicable Final Terms;

**Reset Period** means the period from one Reset Date to (but excluding) the next following Reset Date up to but excluding the Maturity Date (if any);

**S&P** means S&P Global Ratings Europe Limited or any of its subsidiaries and their successors;

**Senior Obligations** means all obligations of the Issuer, issued or incurred directly or indirectly by it, other than Parity Obligations and Junior Obligations;

**Special Event** means any of an Accounting Event, a Capital Event, a Substantial Repurchase Event, a Tax Deduction Event or a Withholding Tax Event or any combination of the foregoing;

**Subsequent Reset Rate** has the meaning given to it in Condition 4.4 (Subsequent Reset Rates);

**Subsidiary** means, in relation any person (the **first person**) at any particular time, any other person (the **second person**): (a) whose affairs and policies the first person controls or has power to control, whether by ownership or share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person;

**Substantial Repurchase Event** shall be deemed to occur if prior to the giving of the relevant notice of redemption the Issuer repurchases (and effects corresponding cancellations) or redeems a principal amount of the Subordinated Notes equal to or greater than the Substantial Repurchase Threshold Amount, as specified in the applicable Final Terms, of the aggregate principal amount of the Subordinated Notes initially issued (which shall for this purpose include any further Subordinated Notes issued pursuant to Condition 19 (Further Issues));

**Substitution or Variation Event** has the meaning given to it in Condition 7 (Substitution or Variation);

a **Tax Deduction Event** shall be deemed to have occurred if as a result of a Tax Law Change (other than an Excluded Change) in respect of the Issuer's obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would no longer be entitled to claim a deduction in respect of computing its taxation liabilities in Luxembourg, or such entitlement is materially reduced compared to such entitlement as at the Issue Date and the Issuer cannot avoid the foregoing in connection with the Subordinated Notes by taking measures reasonably available to it;

**Tax Law Change** means a change in or amendment to, the laws or regulations of a Relevant Tax Jurisdiction or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which a Relevant Tax Jurisdiction is a party, or any change in the application of official or generally published interpretation of such laws or regulations, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes, or would become, effective on or after the Issue Date;

**Undated Subordinated Note** means any Note so specified in the applicable Final Terms; and

a **Withholding Tax Event** shall be deemed to occur if, as a result of a Tax Law Change, in making any payments on the Subordinated Notes, the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts on the Subordinated Notes and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

*If applicable, the Issuer may elect to include a statement of intention with respect to replacement subordinated notes in Part B of the applicable Final Terms.*

## USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, including acquisitions and property developments, unless specified otherwise in the applicable Final terms.

The Issuer can specify in the "Use of Proceeds" section of the applicable Final Terms that it intends to apply the net proceeds from an issue of Notes specifically for Green Projects, as set out in the Issuer's framework for Green Bonds, which is included within the Issuer's Sustainability Finance Framework, dated 3 January 2022 (as amended or updated from time to time) (the **Sustainability Finance Framework**, and insofar as it relates to Green Bonds, the **Green Bond Framework**), which is available to view on the Issuer's website at https://cpipg.com/en/sustainability. Such Notes may also be referred to as "**Green Bonds**".

To be eligible for Green Bond proceeds, targeted projects must fall within one of the following eligible categories:

- Green Buildings;
- Energy Efficiency;
- Renewable Energy; and
- Environmentally Sustainable Management of Living Natural Resources and Land Use.

The Green Bond Framework is based on and aligned with the 2021 version of the 'Green Bond Principles' published by the International Capital Markets Association. To confirm such alignment, the Issuer has commissioned Sustainalytics as an external reviewer to provide a second-party opinion on the framework. The Green Bond Framework and the Sustainalytics SPO on the Sustainable Finance Framework (including the Green Bond Framework) are published on the Issuer's website at https://cpipg.com/storage/app/uploads/public/61d/feb/797/61dfeb797a48f837269241.pdf.

The Issuer may amend or update the Green Bond Framework in the future. Any changes to the Green Bond Framework will be publicly announced on the Issuer's website.

For the avoidance of doubt, the Green Bond Framework and Sustainalytics second party opinion are not incorporated by reference into, and do not form part of, this Base Prospectus.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes to fulfil any environmental, sustainability, social and/or other criteria. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. See further information under the risk factor above headed, "*Risk Factors – In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*".

## SUSTAINABILITY-LINKED BOND FRAMEWORK

The Issuer's sustainability strategy has long been a key focus of the Group. The Issuer recognises the important role that sustainable finance plays in supporting the transition to a low-carbon and more resource-efficient economy. The Issuer published a Sustainability Finance Framework dated 3 January 2022, which includes both the Issuer's Green Bond Framework and a sustainability-linked bond framework (in so far as it relates to sustainability-linked bonds, the **Sustainability-Linked Bond Framework**). The Issuer intends to integrate its environmental objectives and financing strategy by the future issuance of Sustainability-Linked Senior Notes under this Programme.

The Sustainability-Linked Bond Framework is based on and aligned with the following five core components of the 2020 version of the 'Sustainability-Linked Bond Principles', published by the International Capital Markets Association:

1. Selection of Key Performance Indicators;
2. Calibration of Sustainability Performance Targets;
3. Characteristics of the Sustainability-Linked Senior Notes;
4. Reporting; and
5. Verification.

*Key Performance Indicator*

The Issuer has identified one key performance indicator (**KPI**) related to greenhouse gas emissions, and selected an ambitious sustainability target relating to this KPI that is relevant, core and material to its business. The KPI selected is greenhouse gas emissions intensity reduction (GHG Scope 1 Emissions, GHG Scope 2 Emissions and GHG Scope 3 Emissions, calculated according to the GHG Protocol Standard or Categories 1 – 6 according to the International Organisation for Standardisation number 14064-1: 2018) expressed as the Group's aggregate GHG Scope 1 Emissions, GHG Scope 2 Emissions and GHG Scope 3 Emissions (in metric tonnes of carbon dioxide equivalent) per square metre of the gross leasable area of the Group's Property Portfolio (subject to the exceptions outlined below) (the **GHG Emissions Intensity**).

As defined in the Terms and Conditions of the Senior Notes the Property Portfolio definition excludes properties for which the Group does not collect rent. Among other things, excluded from the Property Portfolio are: (i) the Group's ski resort in Crans Montana, Switzerland; and (ii) the Group's farms in the Czech Republic (other than the biogas renewable power plant owned by the Issuer's subsidiary Spojené farmy which is included in limb (b) of the Property Portfolio definition). These properties are excluded from the KPI, for the purposes of enhancing the comparability of the GHG Emissions Intensity and due to these properties' limited contributions to the Group's greenhouse gas emissions. To the extent that a property is not within the Group's Property Portfolio for the entire year, the gross leasable area related to that Property Portfolio will be pro-rated to reflect that proportion of the year in which the relevant property was a part of the Group's Property Portfolio and greenhouse gas emissions attributable to the relevant property will also only be taken into account for the same period. The GHG Emissions Intensity also excludes all of the Group's GHG Scope 3 Emissions associated with the Group's investments, not already included in GHG Scope 1 Emissions or GHG Scope 2 Emissions, which fall within Category 15 of the document titled "*Technical Guidance for Calculating Scope 3 Emissions (version 1.0)*" published by the World Business Council for Sustainable Development and the World Resources Institute (as amended and updated as at the Issue Date of the relevant Sustainability-Linked Senior

Notes) (**Category 15 of Scope 3**) from GHG Scope 3 Emissions. For the year ended 31 December 2022, the Group's greenhouse gas emissions under Category 15 of Scope 3 accounted for 9.9 per cent. of the Group's GHG Scope 3 Emissions in that year. All exclusions are fully in line with the Science-Based Target initiative (**SBTi**) criteria.

*Sustainability Performance Target*

A Sustainability Performance Target, as more fully described in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes, will be selected for any offering of Sustainability-Linked Senior Notes, to reduce the Group's GHG Emissions Intensity as described in the version of the Issuer's sustainability finance framework published on the Issuer's website as at the Issue Date of the first Tranche of the relevant Series of Sustainability-Linked Senior Notes. The Sustainability Performance Targets have been selected by the Issuer to meet the Group's objective, by 31 December 2030, of reducing the Group's GHG Emissions Intensity compared to the Group's baseline 2019 levels.

The Sustainability Finance Framework dated 3 January 2022 specifies Sustainability Performance Targets of reducing the Group's GHG Emissions Intensity to equal or lower than any of the following: (i) 0.102 metric tonnes of carbon dioxide equivalent emissions per square metre in respect of the year ending 31 December 2025; (ii) 0.095 metric tonnes of carbon dioxide equivalent emissions per square metre in respect of the year ending 31 December 2027; or (iii) 0.085 metric tonnes of carbon dioxide equivalent emissions per square metre in respect of the year ending 31 December 2030. Only one Sustainability Performance Target will be applicable in respect of any Series of Sustainability-Linked Senior Notes issued under the Programme.

In July 2022, the Issuer's adjusted 2030 target of a reduction in its GHG Emissions Intensity by 32.4 per cent. (from 30 per cent. as set out in the Sustainability Finance Framework) compared to the 2019 Baseline by 31 December 2030 was validated by the SBTi as being in accordance with the 2015 Paris Agreement under the United Nations Framework Convention on Climate Change (as amended, the **Paris Agreement**), which target limiting limit global temperature increase versus pre-industrial levels to well below 2 degrees centigrade. As a result of the adjustment to the 2030 target, the Group, using linear interpolation and assuming a constant trajectory of improvement each year from the 2019 baseline, in good faith calculated interim GHG Emissions Intensity reduction targets of 23.6 per cent. (from 22 per cent. as set out in the Sustainability Finance Framework) compared to the 2019 Baseline by 31 December 2027, and 17.7 per cent. (from 16 per cent. as set out in the Sustainability Finance Framework) compared to the 2019 Baseline by 31 December 2025.

The table below sets out the Group's actual GHG Emissions Intensity performance for the years ended 31 December 2019 and 31 December 2020, and the Sustainability Performance Targets for the years ending 31 December 2025, 31 December 2027 and 31 December 2030, as described in the Sustainability Finance Framework dated 3 January 2022:

| | For the year ended/ending 31 December | | | | |
|---|---|---|---|---|---|
| *GHG Emissions Intensity* | **2019** | **2020** | **2025** | **2027** | **2030** |
| Target (t $CO_2$ eq/$m^2$) | 0.122 | 0.118 | 0.102 | 0.095 | 0.085 |
| Actual performance (t $CO_2$ eq/$m^2$) | 0.122 | 0.114 | - | - | - |
| Performance vs. target | 0.0% | 3.7% | - | - | - |

On 31 March 2023, the Issuer published its management report for the year ended 31 December 2022 (the **2022 Management Report**), which set out revised Sustainability Performance Targets adjusted in accordance with the Group's GHG Recalculation Policy (see further "*Calibration of Sustainability Performance Targets*" below), due to recalculation of the Group's 2019 baseline levels.

The recalculation of the Group's 2019 baseline levels as described in the 2022 Management Report therefore resulted in adjusted Sustainability Performance Targets of reducing the Group's GHG Emissions Intensity to equal or lower than any of the following: (i) 0.098 metric tonnes of carbon dioxide equivalent emissions per square metre in respect of the year ending 31 December 2025; (ii) 0.091 metric tonnes of carbon dioxide equivalent emissions per square metre in respect of the year ending 31 December 2027; or (iii) 0.080 metric tonnes of carbon dioxide equivalent emissions per square metre in respect of the year ending 31 December 2030. As mentioned above, only one Sustainability Performance Target will be applicable in respect of any Series of Sustainability-Linked Senior Notes issued under the Programme.

The table below sets out the Group's actual GHG Emissions Intensity performance for the years ended 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022, and the Sustainability Performance Targets as of the date of this Prospectus for the years ending 31 December 2025, 31 December 2027 and 31 December 2030, as adjusted in accordance with the GHG Recalculation Policy:

| | For the year ended/ending 31 December | | | | | | |
|---|---|---|---|---|---|---|---|
| *GHG Emissions Intensity* | **2019** | **2020*** | **2021** | **2022** | **2025** | **2027** | **2030** |
| Target (t $CO_2$ eq/$m^2$) | 0.119 | - | 0.112 | 0.108 | 0.098 | 0.091 | 0.080 |
| Actual performance (t $CO_2$ eq/$m^2$) | 0.119 | - | 0.105 | 0.092 | - | - | - |
| Performance vs. target | 0.0% | - | (6.0%) | (15.2%) | - | - | - |

**Figures for 2020 were not recalculated*.

*Calibration of Sustainability Performance Targets*

The Issuer may need to adjust its Sustainability Performance Target(s) mainly in case of structural changes such as acquisitions, divestitures or mergers, or methodological changes (such as: updated emission factors, improved data access or updated calculation methods or protocols, including any updated emissions scenarios) in line with the Issuer's GHG Recalculation Policy. According to the GHG Recalculation Policy, the Group will adjust the base year greenhouse gas emissions inventory and/or one or more of the greenhouse gas emissions reduction targets (including the Sustainability Performance Target specified in the applicable Final Terms) to account for significant changes that cause an increase or decrease in Gross Leasable Area (as defined in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes) of greater than 5 per cent..

If, at any future date, the SBTi approves sustainability performance targets in respect of the Group's GHG Emissions Intensity for any of the years ending 31 December 2025, 31 December 2027 and 31 December 2030 which are more ambitious than the Sustainability Performance Targets set out in the table above, the Issuer will update its Sustainability Performance Target(s) (including the interim targets for the years ending 31 December 2025 and 31 December 2027, which will be adjusted according to the linear interpolation and assuming a constant trajectory of improvement each year from the 2019 baseline to the future revised target). In that case, any Sustainability-Linked Senior Notes will thereafter be linked to the SBTi approved sustainability performance targets in respect of the Group's GHG Emissions Intensity for the relevant SPT Reference Year (as defined in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes) or, if applicable, the interim target adjusted on the basis of linear interpolation as described above.

In relation to any Sustainability-Linked Senior Notes issued prior to the Issuer being notified by the SBTi of any such adjustment to the relevant Sustainability Performance Target specified in the applicable Final Terms for a particular Series of Sustainability-Linked Senior Notes, the Issuer shall give notice to the holders of the Sustainability-Linked Senior Notes in accordance with Condition 14 (*Notices*) of the Senior Notes, to the Trustee and to the Principal Paying Agent as soon as reasonably practicable following receipt of such revised target. If the revised target relates to a year falling later than the SPT Reference Year of the Sustainability-Linked Senior Notes, the Issuer shall in good faith calculate a revised Sustainability Performance Target for the Sustainability-Linked Senior Notes using linear interpolation and assuming a constant trajectory of improvement each year from the 2019 baseline to the future revised target. The Issuer's notice to the holders of the Sustainability-Linked Senior Notes, the Trustee and the Principal Paying Agent shall include details of the SBTI Target, (if relevant) any resulting interpolated Sustainability Performance Target for the Sustainability-Linked Senior Notes (including details of the calculations employed in revising the Sustainability Performance Target), and shall specify whether the then-prevailing Sustainability Performance Target shall be reduced as a result thereof.

If the Issuer determines in good faith that the then-prevailing Sustainability Performance Target should be adjusted in accordance with the GHG Recalculation Policy, the Issuer shall give notice thereof to the holders of the Sustainability-Linked Senior Notes in accordance with Condition 14 (*Notices*) of the Senior Notes, to the Trustee and to the Principal Paying Agent as soon as reasonably practicable following determination of such revised target. Such notice shall (i) provide details of the event(s) giving rise to the application of the GHG Recalculation Policy, (ii) describe the calculations employed for the adjustment to the Sustainability Performance Target and (iii) set out the new Sustainability Performance Target (which, for the avoidance of doubt, may be increased or reduced as a result of the application of the GHG Recalculation Policy) and the date from which the adjustment shall take effect.

Details in respect of any adjustment to the relevant Sustainability Performance Target (whether as a result of application of the GHG Recalculation Policy or notification by the SBTi as described above) shall also be disclosed in the Group's annual reporting described under "*Reporting and Verification*" below.

*Additional Measures to further reduce the GHG Emissions Intensity*

The Issuer has identified a range of measures which it has implemented to continue to further reduce greenhouse gas emissions intensity, thereby supporting continued future progression against its Sustainability Performance Targets.

- **Renewable Energy**: the Issuer has committed to transition all electricity purchases by the Group to 100 per cent. renewable sources by 2024, which the Issuer believes will significantly reduce overall greenhouse gas emissions and intensity in the future, given that electricity derived from fossil fuel sources, have been a meaningful portion of the Group's energy consumption (more than 30 per cent. for 2019 and 2020).

- **Tenant involvement**: the main source of greenhouse gas emissions in the Group's portfolio stems from the operation of buildings by the Group's tenants, where the Group has indirect control. Therefore, the Issuer has identified tenant involvement and cooperation as an important measure to reduce greenhouse gas emissions.

- **Energy efficiency enhancements**: the Issuer identifies and implements opportunities to enhance day-to-day energy performance of its properties, extend the longevity of building systems and reduce future capital expenditure (**CAPEX**) requirements.

- **Green CAPEX**: the Issuer identifies and implements opportunities to upgrade systems in existing properties where relevant and where significant energy savings can be achieved. The Issuer considers Nearly Zero-Energy Building (**NZEB**) requirements for its CAPEX projects.

- **Waste management**: The Issuer set a target for recycling rate at a minimum 55 per cent. threshold by 2025 and 60 per cent. by 2030 and thus eliminate waste sent to landfills. The proposed targets are in line with the Directive (EU) 2018/851 requirements.

*Characteristics of the Sustainability-Linked Senior Notes*

The Issuer has set out below the proposed adjustment to the characteristics of any Sustainability-Linked Senior Notes, which will be applied if the Issuer does not achieve the specified Sustainability Performance Target in respect of the specified SPT Reference year.

The precise mechanism for the adjustment will be specified in the applicable Final Terms for any Series of Sustainability-Linked Senior Notes, and will comprise of an increase in the coupon margin as specified in the applicable Final Terms for any Series of Sustainability-Senior Linked Notes (a **Sustainability-Linked Step-Up Margin**) applicable from the Interest Payment Date immediately following the occurrence of a Sustainability-Linked Step Up Event (or such other date specified in the applicable Final Terms), until maturity of the relevant Sustainability-Linked Senior Notes.

The Sustainability-Linked Step-Up Margin will be applicable following the occurrence of a Sustainability-Linked Step Up Event, being the occurrence of any one or more of the following:

- the Issuer does not achieve the Sustainability Performance Target in respect of the SPT Reference Year or does not otherwise publish its Sustainability Performance Report in respect of the SPT Reference Year in accordance with the terms and conditions of any Sustainability-Linked Senior Notes;

- the SPT Verification Assurance Certificate (as defined in Condition 5.5 (*Sustainability-Linked Step Up Event*) of the Senior Notes) certifying whether or not the Group has achieved the Sustainability Performance Target in respect of the SPT Reference Year has not (for any reason) been published as required by the terms and conditions of any Sustainability-Linked Senior Notes; and

- the SPT Verification Assurance Certificate contains any reservation or other qualification about whether or not the Group has achieved the Sustainability Performance Target in respect of the SPT Reference Year.

In respect of any Series of Sustainability-Linked Senior Notes, an increase in the Rate of Interest may occur no more than once (and will not subsequently decrease thereafter) and there will only be one SPT Reference Year set.

For the purposes of the Sustainability Performance Targets, certain potential events can substantially impact the calculation of the KPI, and may require the restatement of the Sustainability Performance Targets and/or pro-forma adjustments of baselines or KPI scope in accordance with the GHG Recalculation Policy. Any such readjustment will be disclosed as part of the Group's annual reporting on the KPI. For more information on factors that can affect the calculation of the KPI, see above "—*Calibration of Sustainability Performance Targets.*"

*Reporting and Verification*

To confirm that the Sustainability-Linked Bond Framework is based on and aligned with the 2020 version of the 'Sustainability-Linked Bond Principles', published by the International Capital Markets Association, the Issuer commissioned Sustainalytics as an external reviewer to provide a SPO on the Sustainability-Linked Bond Framework. In addition, in connection with the issue of any Sustainability-Linked Senior Notes under the Programme, the Issuer has engaged an External Verifier to carry out the relevant assessments required for the purposes of providing a verification assurance certificate (**SPT Verification Assurance Certificate**) pursuant to the terms and conditions of any Sustainability-Linked Senior Notes, which will be published on the Issuer's website and will confirm whether the performance of the KPI meets the relevant Sustainability Performance Targets.

The Sustainability-Linked Bond Framework, the most recent Sustainalytics SPO and any SPT Verification Assurance Certificate are, or in the case of the latter, will be published on the Issuer's website at https://cpipg.com/en/sustainability.

The Issuer may amend or update the Sustainability-Linked Bond Framework in the future. Any changes to the Sustainability-Linked Bond Framework will be publicly announced on the Issuer's website.

For the avoidance of doubt, the Sustainability-Linked Bond Framework, any Sustainalytics SPO or any SPT Verification Assurance Certificate are not incorporated by reference into, and do not form part of, this Base Prospectus.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes to fulfil any green, social, environmental, sustainability, sustainability-linked and/or other criteria. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes, nor shall it be deemed to be incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. See further information under the risk factors above headed, "*Risk Factors – Notes issued as Sustainability-Linked Senior Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics" and "Risk Factors – No assurance or representation is given by the Issuer, the Joint Arrangers, the Dealers, the Trustee any SPO providers or any External Verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report, certification or validation of any third party in connection with the offering of any Sustainability-Linked Senior Notes or any Sustainability Performance Targets to fulfil any sustainable, sustainability-linked and/or other criteria. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus*".

## MARKET OVERVIEW

The Group is a leading long-term investor in income-generating real estate, predominantly in the Czech Republic, Berlin, Warsaw and the CEE region. The Group's five key segments are Office, Retail, Residential, Hotels and Resorts and the Complementary Assets Portfolio. While the largest sectors of the Group are office and retail, the Group also has hotels, residential, agricultural, industrial and logistics properties and holds a landbank primarily in the Czech Republic, Berlin and Italy. As at 31 December 2022, approximately 61 per cent. of the Group's properties are located in the Czech Republic, Germany and Poland, with the remaining properties in other countries in the CEE region (Austria, Hungary, Slovakia, Slovenia, Croatia, Serbia, Bulgaria, Turkey, Romania, and a small investment in Russia) and in Western Europe (the UK, Italy, France and Switzerland). The Group has an asset management team which actively manages the portfolio to improve occupancy rates, and tenant mix.

Below is an overview of the Group’s portfolio and the real estate market in these key segments.

### Office

As at 31 December 2022, the Group's Office segment represented approximately 48 per cent. of the Group's property portfolio. The Group's office portfolio is centred around Berlin, Prague, Vienna and Warsaw and the Group is a leading landlord in each city. Through its acquisition of IMMOFINANZ and S IMMO, the Group expanded its existing office portfolio in Warsaw, Prague and Budapest and gained new office properties in Vienna and Bucharest.

#### *Prague*

The Group's office portfolio in the Czech Republic is primarily located in Prague, followed by Brno. Brno is known as the research and development centre of the Czech Republic, and has the second largest office market in the country. Management believes the office rental market in the Czech Republic has benefited from continued demand from multinational companies seeking headquarters in the CEE region, as well as positive economic conditions and relatively low supply in the market. The valuation of the Group's office portfolio in Prague stood at EUR 1,012 million as at 31 December 2022, comprising 10 per cent. of the Group's Office segment.

Occupancy in the Group's Prague office portfolio as at 31 December 2022 was at 93.5 per cent., a decrease of 1.3 per cent. since the end of 2021. This decrease was primarily attributable to space reduction by tenants when extending their leases and the insolvency of Bohemian Energy, which resulted in early termination of the lease.

As at 31 December 2022, net rental income generated from the Group's office buildings in Prague increased by 10.9 per cent. to EUR 39.7 million (as per the 2022 Financial Statements), due mainly to the addition of 10 months' rental income contribution from the acquisition of IMMOFINANZ's Prague portfolio, combined with resilient like-for-like rents across the rest of the portfolio. The increase in rental income was partially offset by the disposal of the ČEZ Group headquarters (BB Centrum E) and the BBC's Gamma office in Prague which was sold for more than its book value.

In 2022, total new supply in the Prague office market reached 75,400 sqm, and at the end of the year, total modern office stock in Prague reached to 3.8 million sqm, which is approximately 45 per cent. below the 10 year long-term average of approximately 130,000 sqm. In 2022, total gross take-up reached 550,100 sqm, with positive net absorption for a total of 73,200 sqm. Of the known lease transactions, tenants from the IT sector were the most active (36 per cent.), followed by the pharmaceutical sector (10 per cent.) and the finance sector (10 per cent.).

In general, the office sector does not reflect any significant structural changes in the occupational market, although the pandemic has shifted occupancy strategies. Tenants are increasingly looking for more flexibility in their workspaces to accommodate hybrid working patterns and emphasise wellness and sustainability in their building selection. Despite this, many corporate entities in Prague have adopted a 'back-to-office' approach to complement remote working flexibility, and physical occupancy is estimated at 75 to 80 per cent. of pre-pandemic levels. During 2022, nearly 48,000 sqm of new leases, extensions and prolongations were signed by the Group.

In 2022, the vacancy rate remained stable at 7.7 per cent., which is approximately the same as the vacancy rate at the end of 2021, which stood at 7.8 per cent. The variation of vacancy rates across districts in Prague remain significant, with the lowest vacancy rate in Prague 8 being 4.8 per cent. and the highest in Prague 3 at 23.8 per cent.

During 2022, prime rents in Prague increased by 10.4 per cent. to EUR 26.5 per sqm per month, and average rents at good locations ranged from EUR 16 to EUR 18 per sqm per month.

The third-party data contained in this section has been sourced from Prague Research Forum, Cushman & Wakefield, and Jones Lang LaSalle (**JLL**).

***Warsaw***

The Group's Warsaw office portfolio grew to nearly EUR 1.8 billion in 2022, from just over EUR 1 billion in 2021 and just under EUR 1 billion at the end of 2020. At the end of 2022, the portfolio comprised 24 properties and 561,000 sqm of space, making the Group the largest office landlord in the city. The Group's modern and green portfolio in Warsaw comprises 18 per cent. of the Group's office segment.

Occupancy in the Group's Warsaw office portfolio increased to 95.8 per cent. in 2022 compared to 95.1 per cent. in 2021, which is above the market average in Warsaw of 88.4 per cent. In 2022, the Group signed over 60,100 sqm of new leases, extensions and prolongations with an average increase in headline rents of 9.6 per cent.

Demand for traditional offices in Warsaw amounted to 860,000 sqm in 2022, including over 253,000 sqm in the fourth quarter of 2022, representing a 33 per cent. growth compared to 2021. Tenants are taking a more conservative approach to leasing and renegotiating existing leases rather than moving to new locations.

In 2022, overall new supply in the Warsaw market was 237,000 sqm as twelve new office schemes were built. However, developer activity is continuing to slow down with only 185,000 sqm of office space either under or planned for construction between 2023 and 2025, and developers are more cautious about starting new constructions. This is the lowest level since 2010.

During 2022, Warsaw's vacancy rate declined by 1.1 per cent. to 11.6 per cent, with lower rates inside central zones at 10.5 per cent..

Prime office property rent in Warsaw increased in 2022 by 16.7 per cent. Compared to 2021, ranging from between EUR 26 and EUR 28 per sqm per month in central locations and up to EUR 19 per sqm per month outside the centre.

Office investments in Poland totalled EUR 5.9 billion in 2022, an increase compared to the figure for 2021 of EUR 5.7 billion. At the end of 2022, prime office yields in Warsaw were at around 5.25 per cent. compared to 4.5 per cent in 2021.

The third-party data contained in this section has been sourced from JLL, CBRE Group Inc. (**CBRE**) and the Polish Chamber of Commercial Real Estate (**PINK**), Avison Young and BNP Paribas Real Estate.

### *Berlin*

As at 31 December 2022, occupancy in Berlin was at 91.4 per cent. compared to 92.5 per cent. as at 31 December 2021. Around half of the vacancy in the portfolio relates to space vacated for refurbishment in order to support the Group's ability to secure higher rents in the future.

As at 31 December 2022, the total value of the Group's Berlin property portfolio was EUR 3,000 million compared to EUR 2,934 million as at 31 December 2021, an increase of 2.25 per cent. At the end of 2022, net rental income increased by 8.1 per cent. to EUR 92 million compared to EUR 85.3 million in 2021, driven mostly by organic growth in like-for-like rents combined with the contribution of developments completed in 2021, and partially offset by the sale of six smaller assets in Berlin which were sold for higher than their book value at the end of the first quarter of 2022. Average rents increased by 8.3 per cent., rising to EUR 10.34 per sqm per month in 2022 compared to EUR 9.55 per sqm per month in 2021. A 2022 analysis by Savills suggests that average rents for the portfolio could potentially be EUR 14.4 per sqm per month if marked to market at current rents.

Total office take-up in Berlin over 2022 amounted to 741,200 sqm, representing a 9 per cent. decrease compared to 2021, due to companies from the technology sector, which were partly responsible for increased demand in recent years, being less active. In 2022, tenants in the technology, media, and telecommunications sector had the highest take up.

The Berlin market remains fundamentally strong, with vacancy rates still close to historical levels, significant supply/demand imbalance and meaningfully lower rents compared to many other major European cities. In recent years, the strength of the Berlin office market is partly attributed to the consistent growth of dynamic industries and start-ups in the city from the IT, fintech and creative sectors. Based on 2022 data, despite only representing 4.3 per cent. of the German population and 4.5 per cent. of national GDP, around 50 per cent. of all investment in German start-ups was invested in Berlin-based companies in 2022.

The vacancy rate increased slightly by 0.6 per cent. to 3.1 per cent. at the end of 2022. This was due to completions of developments with a total area of 396,000 sqm. For 2023, 972,000 sqm of developments are expected to be delivered, with more than half of the development pipeline (by sqm) already pre-let.

Despite the rising vacancy rate, the prime rent in Berlin rose by 12.8 per cent. over the year to EUR 45 per sqm per month. Average rents remained increased by 2.3 per cent to EUR 27.23 per sqm per month.

In terms of the investment market, Berlin saw a decline of 24 per cent. to EUR 8.54 billion in 2022 due to rising interest rates creating uncertainty around valuations.

The third party data contained in this section has been sourced from JLL, Savills, CBRE, Ernst & Young (**EY**), Start-up Barometer Deutschland, and Cushman & Wakefield.

### *Budapest*

As at 31 December 2022, the value of the Group's Budapest office portfolio increased to EUR 700 million from EUR 310 million at the end of 2021. The Group's Budapest office portfolio consists of 20 offices.

Occupancy of the Group's Budapest office portfolio increased from 85.2 per cent. at the end of 2021 to 86.8 per cent. at the end of 2022, mainly due to tenants taking up vacant spaces in Andrássy 9 and Haller Gardens.

Net rental income increased from EUR 18.5 million in 2021 to EUR 32 million in 2022. This was due to a combination of increased occupancy and contribution from the S IMMO and IMMOFINANZ portfolios, together with positive like-for-like rents developments.

Budapest's total modern office stock stood at 4.2 million sqm at the end of 2022. There were approximately 265,700 sqm of new completions during the year, with parts of the new stock being owner-occupied.

Total demand amounted to 391,670 sqm in 2022, representing an increase of 7 per cent. year-on-year. Net absorption amounted to 158,510 sqm, and the strongest leasing activities were recorded in the Váci Corner (37 per cent.) and Central Pest (21 per cent.) sub-markets, where the Group’s office properties are primarily located.

The Group signed over 62,300 sqm of new leases, extensions and prolongations in 2022. Several major new leases and prolongations were achieved, including a 4,900 sqm lease with the Hungarian state and an approximately 14,000 sqm prolongation with Citibank.

As at 31 December 2022, the Budapest office market average vacancy rate ended the year at 11.3 per cent. representing an increase of 2.1 per cent. year-on-year. Average rents increased to EUR 14 sqm per month increasing by 1.7 per cent. in the previous year, and prime rents were EUR 24 per sqm per month.

The transaction volume in the Hungarian commercial real estate market grew by 18 per cent. to EUR 1.4 billion during 2022. Office properties were the most popular asset class at approximately 61 per cent. or EUR 836 million.

The third party data contained in this section has been sourced from Budapest Research Forum and CBRE.

***Vienna***

At the end of 2022, the Group's Vienna office portfolio was valued at EUR 900 million, representing 9 per cent. of the Group's office segment. Through its acquisitions of IMMOFINANZ and S IMMO, the Group became a leading property owner in the Vienna office market.

Net rental income in the Vienna office segment was EUR 27 million in 2022, which represents ten months of net rental income contribution from the IMMOFINANZ office portfolio, and six months of net rental income contribution from the S IMMO Vienna portfolio. Occupancy for the Group's Vienna office portfolio was at 94.4 per cent.

As at 31 December 2022, Vienna's total modern office stock was 11.6 million sqm. Take-up on Vienna's office market rose by 5.5 per cent. to 190,000 sqm compared to 2021. Completions of developments remained low at 126,000 sqm, leading to a slight decline in the vacancy rate by -0.3 per cent. to 4.0 per cent.

Prime rents increased to EUR 27 per sqm per month and average rents ranged from EUR 14.0 per sqm per month to EUR 19.0 per sqm per month compared to the previous years. The transaction volume in the Austrian real estate market fell by nearly 12 per cent. to EUR 4 billion in 2022 compared to 2021 and was generated predominantly in the residential and office sectors.

The third-party data contained in this section has been sourced from CBRE, EHL, Vienna Research Forum and IMMOFINANZ.

**Retail**

The Group is the leading retail landlord in the Czech Republic and has other CEE platforms. At the end of 2022, the total value of the Group's retail segment was EUR 4.8 billion. Net rental income increased by 94 per cent. during 2022, increasing to EUR 267.9 million from EUR 137.8 million at the end of 2021, primarily due to the acquisition of IMMOFINANZ and S IMMO, like-for-like rental growth, increasing occupancy rates and immaterial discounts provided to tenants.

***The Czech Republic***

The Group's portfolio in the Czech Republic is mainly focused on regional shopping centres, retail parks and grocery stores such as supermarkets and hypermarkets. The Czech Republic represents 33 per cent. of the Group's retail segment. As of 31 December 2022, the Group's total retail GLA in the Czech Republic totalled 650,000 sqm across 132 properties.

Like-for-like rents have seen positive developments, supported by solid lease activity, one-time discounts provided to selected tenants in need of support, and the resilient performance of tenants in the Group's retail parks, hypermarkets, and supermarkets.

Like-for-like rents in Czech shopping centres grew by 7.6 per cent. supported by increased lease activity, with over 50,000 sqm of new leases and renegotiations agreed on during 2022.

Occupancy rates in the Group's Czech retail portfolio decreased slightly at the end of 2022. Nonetheless, they remained at a very high level of 97.2 per cent., including in shopping centres where occupancy increased to 96.8 per cent., clearly demonstrating the strength of the Group's platform and the benefits of support measures.

Footfall in the Group's shopping centres remained 18 per cent. below pre-pandemic levels. Regional shopping centres continue to perform better than inner-city locations which have been affected by lower footfall from office workers.

As at 31 December 2022, the value of the Group's retail portfolio in the Czech Republic increased to EUR 1,563 million in 2022 compared to EUR 1,498 million as at 31 December 2021.

Retail spending in the Czech Republic decreased by 7.3 per cent. year-on-year driven, primarily by decreased sales of food and non-food goods. Oxford Economics, a leading specialist in global economic forecasting, expects retail sales to decline by 0.3 per cent. year-on-year for 2023, followed by a return to growth in 2024.

Tenant quality remained strong – in 2022, there were a few exceptional cases of retailer bankruptcies and departures. Notable lease prolongations included larger leases with tenants Marks & Spencer, H&M and Albert (Ahold Delhaize). New leases were signed for example with Half Price, New Yorker and Intersport. Rising operational expenses, mainly driven by rising energy and labour costs, may negatively impact tenants' margins, however, affordability ratios of the Group shopping centre tenants remain low at 10 per cent. (see *"Risk Factors – The Group faces business risks stemming from rising inflation and central banks' monetary policy decisions. Any rise in interest rates could have material adverse effects on real estate markets and on the Group*").

The discount-focused and convenience-oriented retail park format proved its resilience throughout the pandemic when most physical retail faced severe challenges. During the lockdowns in the Czech Republic throughout the pandemic, retail parks became a safe haven, partly because the accessible store formats were able to enact social distancing measures more easily than shopping centres. This meant that after the lockdowns during the pandemic, retail parks were able to remain operational, even when other non-essential retail was forced to close. As a result, almost all retail park tenants reported higher year-to-date turnovers in 2021 and 2020 compared to 2019, and this meant that tenants entered 2022 in relatively strong health. Consequently, the Group has not experienced any retail park tenants entering bankruptcy in 2022. Occupancy in the Group's retail parks was 98.9 per cent. at the end of 2022.

Hypermarkets and supermarkets also represent a very stable part of the Group's retail segment, which was clearly demonstrated during the Covid-19 pandemic. Turnovers of hypermarkets and supermarkets continued to grow throughout the pandemic and 2022. This can be attributed to essential retail continuing to operate despite lockdowns and the continued higher spending on food and other daily goods.

Shopping trends also adapted to the pandemic as shoppers decreased the frequency of supermarket/hypermarket visits but increased average basket sizes per visit. According to research by Nielsen IQ based on shopper behaviour in the Czech Republic during 2020, the volume of transactions decreased by 8 per cent. in hypermarkets and 19 per cent. in supermarkets. However, the e-commerce share of total retail sales remains relatively low compared to other markets such as Western European markets.

In light of the buoyant activity during the year, the hypermarkets and supermarkets portfolio continues to be close to 100 per cent. occupied.

The third-party data contained in this section has been sourced from Cushman & Wakefield, CBRE, Nielsen IQ and Savills.

***Italian retail market***

The Italian retail sector's performance saw a return to pre-pandemic levels. Footfall for the year remained below 2019 levels.

Rents for shopping centres remained stable at around EUR 75 per sqm per month, while prime high street rents in the top cities slightly increased.

Italy recorded an investment volume of EUR 700 million for retail assets in 2022.

The third-party data contained in this section has been sourced from Cushman & Wakefield.

***Hungarian retail market***

During the first half of 2022, monthly sales increased in the Hungarian retail market, before declining towards the end of 2022. In 2022, retail volume was up by 1.7 per cent. compared to 2021.

Development activity in 2022 focused on refurbishments with the reopening of GoBuda (formerly Euro Centre) in March 2022 with a total of 25,000 sqm Campona mall (a Group property) and Corin aruhaz.

Headline rents declined to between EUR 70 to 90 per sqm per month for Budapest prime shopping centres, and between EUR 20 to 35 per sqm per month for regional shopping centres, in the prior year, partly driven by the high fluctuation of the HUF/EUR exchange rate. In 2022, seven new retail brands entered the Hungarian market, including Realme and Bloom.

The third-party data contained in this section has been sourced from CBRE and Cushman & Wakefield.

***Polish retail market***

Retail sales at constant prices grew slightly by 0.2 per cent. in 2022 compared to 2021, driven by GDP expansion and low unemployment. E-commerce’s retail share declined to around 10 per cent. after having peaked at 11 per cent. during the pandemic. The strongest growth was recorded in fashion and footwear (an increase of 22 per cent. compared to 2021) and pharmaceuticals, cosmetics, and orthopaedic equipment (an increase of 12 per cent. compared to 2021).

The supply of modern retail spaces grew by approximately 400,000 sqm in 2022 in the form of new retail parks in smaller cities, standalone retail warehouses and extensions. This represented a decline of new supply close to 95,000 sqm in 2022 compared with 2021. The total retail stock in Poland currently amounts to over 15.9 million sqm. For 2023, a further decline is expected with only 250,000 sqm of new supply.

As at 31 December 2022, prime shopping centre rent increased by 9 per cent.

The third-party data contained in this section has been sourced from Cushman & Wakefield.

***Slovak retail market***

The Slovak retail market is split by shopping centres in Bratislava and other larger cities, representing around two-thirds of the total retail area, with retail parks dominant outside Bratislava.

Slovakia saw new supply in spaces from the opening of shopping centres Nitra and Košice, as well as several new retail parks.

In 2022, the total supply in the Slovakian retail market amounted to 66,700 sqm. The only other large-scale development project underway is Eurovea 2 which is set to open in April 2023. Other ongoing projects are focused on smaller retail parks and extensions. New tenants' entry into the market are mainly international food & beverage concepts.

Rents remained stable at around EUR 65 per sqm per month for shopping centres and EUR 9.5 per sqm per month for retail parks.

The third party data contained in this section has been sourced from Cushman & Wakefield.

***Romanian retail market***

In 2022, retail sales volume declined by 0.4 per cent. compared to the previous year according to Moody's Analytics. Despite the decline in sales volume, several new retailers entered the market, such as fashion chain Primark, Bath & Body Works and JD Sports with stores in shopping centres, while discount retailer TEDi and pet-supply retailer Fressnapf focused on retail park formats.

The total modern retail stock reached 4.08 million sqm with 86,700 sqm delivered with eleven new retail parks delivered throughout the year. This represents 81 per cent. of the total new area.

Prime rents remained unchanged from 2021 at between EUR 70 per sqm per month to EUR 75 per sqm per month. Investment volume in Romania exceeded EUR 1 billion for the first time with retail representing 24 per cent. of the total investment.

The third party data contained in this section has been sourced from Cushman & Wakefield, CBRE and Moody's Analytics.

**Residential**

***The Czech Republic***

The valuation of the Group's residential portfolio in the Czech Republic increased to EUR 873 million year-on-year from EUR 733 million in 2021. The Group is the second-largest residential property owner in the country. Gross rental income for the Group's residential portfolio grew significantly in 2022 compared to the prior year, increasing by 18 per cent. to EUR 29.3 million, driven by like-for-like rents and stable occupancy on high levels. This performance is attributed to the Group's multi-year strategy to gradually refurbish vacated units, and increased occupancy and market rents. Average residential market rents in the Czech Republic are still significantly higher than the current rents in the Group's portfolio.

Occupancy rates remained high at 94.5 per cent. a slight decline of 1.2 per cent. compared to the previous year due to natural fluctuation. Central Bohemia reached 100 per cent. occupancy rate. Liberec and other regions saw declines mainly due to the renovation of units before renting to new tenants.

Market rents have been consistently rising in Prague and major regional cities for a number of years, buoyed by economic factors such as very low unemployment. In addition, residential development has not kept pace with population growth in recent decades, especially in regional cities. Rents across the

Czech Republic increased by 0.4 per cent. in the fourth quarter of 2022, with the strongest growth in Pardubice (up 5.9 per cent.) while Prague recorded an increase of 2.2 per cent. rental growth with average rents of CZK 368 per sqm per month equivalent to approximately EUR 15.5 per sqm per month. Zlin recorded the biggest price decrease of 4.7 per cent. while overall, the southern and eastern regions of the Czech Republic saw slight declines in rents.

In recent years, low-interest rates supported value growth in residential real estate investments, an easing of regulations around mortgage loans by the Czech National Bank (**CNB**), and the abolition of a long-debated real estate acquisition tax contributed to the recent increase in demand for real estate. However, in April 2022, the CNB reintroduced limits on mortgage lending that are expected to slow down price increases together with rising mortgage rates due to steep policy rate hikes of 675 basis points over the year by the CNB to 7 per cent. as of January 2023. As a result, demand for rental residential is expected to remain buoyant.

Net rental income declined slightly in 2022 compared to the prior year, decreasing by around 2.0 per cent. to EUR 19.5 million from EUR 19.9 million, due to slight occupancy declines as units are renovated before renting to new tenants.

The third party data contained in this section has been sourced from Deloitte Czech Republic, and Colliers.

***The UK***

The value of the UK residential portfolio stood at EUR 255 million as at 31 December 2022. The Group established a small presence in the London residential market beginning in 2018. The Group's acquisitions primarily relate to prime properties in prime locations, typically acquired at significant discounts to fair value. In late 2020, the Group added additional apartments situated in St. John's Wood and South Kensington, taking advantage of the market mispricing from Brexit and the Covid-19 pandemic.

***Germany***

The German residential property portfolio is currently valued at EUR 743 million and was acquired through the acquisition of S IMMO. In March 2023, S IMMO announced the disposal of a larger portfolio of residential properties in Berlin, which will reduce the value of the remaining portfolio. The Group intends to dispose of all German residential properties over time, using the proceeds for debt repayments and investments in higher-yielding assets.

**Hotels and Resorts**

The value of the Group's hotels and resorts portfolio increased to EUR 995 million at the end of 2022 from EUR 823 million at the end of 2021.

***The Czech Republic and Prague***

Due to the Omicron variant of Covid-19, travel demand across Europe and the European hotel sector was still reduced in the first few months of 2022. Occupancy and the Average Daily Rate (**ADR**) in Prague in 2022 was 58 per cent. and EUR 98.35, respectively. The European hotel sector had an occupancy rate of 64.6 per cent. in 2022, with an ADR of EUR 132.20.

Several new hotel properties were opened in Prague in 2022, and by 2024, more accommodation facilities are expected to be open, especially in the luxury segment.

Prague continues to rank highly as one of the most popular congress and convention destinations, securing seventh place in International Congress and Convention Association (ICCA) global rankings, on par with other European destinations such as Barcelona, Paris, Vienna, and London.

Real estate investments in the hospitality sector were dampened by the economic growth outlook and stalled in the region in general. Notable trends in the transaction market in 2022 highlight the premium for the leisure segment, preference for managed rather than leased assets, and an increase in private buyer acquisitions that are less reliant on debt markets.

The third party data contained in this section has been sourced from STR Inc. (**STR**), Cushman & Wakefield, the Czech Statistical Office and Prague Convention Bureau.

**Complementary Assets**

***Landbank in the Czech Republic***

The majority of the Czech landbank is situated in Prague, mainly relating to Bubny, a 201,000 sqm area strategically located close to the central business district (**CBD**) and where the Group completed the redevelopment of flagship office Bubenská 1 in late 2020.

The majority of the remainder of the Czech Republic's landbank relates to Nová Zbrojovka, Brno – where the Group is completing the regeneration and redevelopment of one of the largest brownfields in Brno and in 2020, the Group completed the redevelopment of its first office property in the new neighbourhood, ZET.office.

Given the scarce availability of land in Prague and across the country and constraints in obtaining building permits, the value of strategic land plots has been increasing.

***Landbank & Development in Berlin***

In Berlin, the Group owns landbank plots with a land area of more than 300,000 sqm, located in attractive areas. This provides opportunities for low-risk extensions and developments.

The Group has completed several office developments in Berlin in recent years. These developments have proven highly successful in occupancy, rent and value growth. Building on this success, selective development of its strategic landbank provides another source of future growth.

In its new developments, the Group is able to attract blue-chip tenants with prime-level rents.

The Group also has a number of attractive future developments in its pipeline, largely relating to extensions in and around the portfolio’s existing properties, such as:

- Zossener Straße: involving the creation of 6,600 sqm of new construction space and the modernisation of a further 4,500 sqm of existing space in modular and flexible design. An excellent central location in the centre of Kreuzberg with modern design and technology harmoniously combined with historical character.
- Adil & Berta: involving the creation of 2,600 sqm of modern office spaces in an industrial style. The development is expected to be a green building with a Building Research Establishment's Environmental Assessment Method (**BREEAM**) rating of 'Excellent.' The Group has achieved pre-lets at over EUR 30 per sqm per month.

The value of the landbank in Berlin increased in 2021 due to the acquisition of an 81,500 sqm plot in Schönefeld directly adjacent to the new airport in Berlin, together with 50 per cent. stakes in three future office and residential developments in central Berlin locations.

***Landbank in Italy***

The majority of landbank in Italy is primarily located just outside Rome and is strategically focused on holistic mixed-use (residential and commercial) development with ample green public community spaces envisaged.

These strategic land plots offer significant opportunistic potential upside, having been purchased at exceptional discounts to fair value through acquisitions of non-performing loans. The Group aims to take advantage of the decades-long undersupply of much needed modern, energy-efficient buildings in Rome. The Group intends to assess future development plans and its holding strategy on a case by case basis in the medium term.

## DESCRIPTION OF THE ISSUER

### General

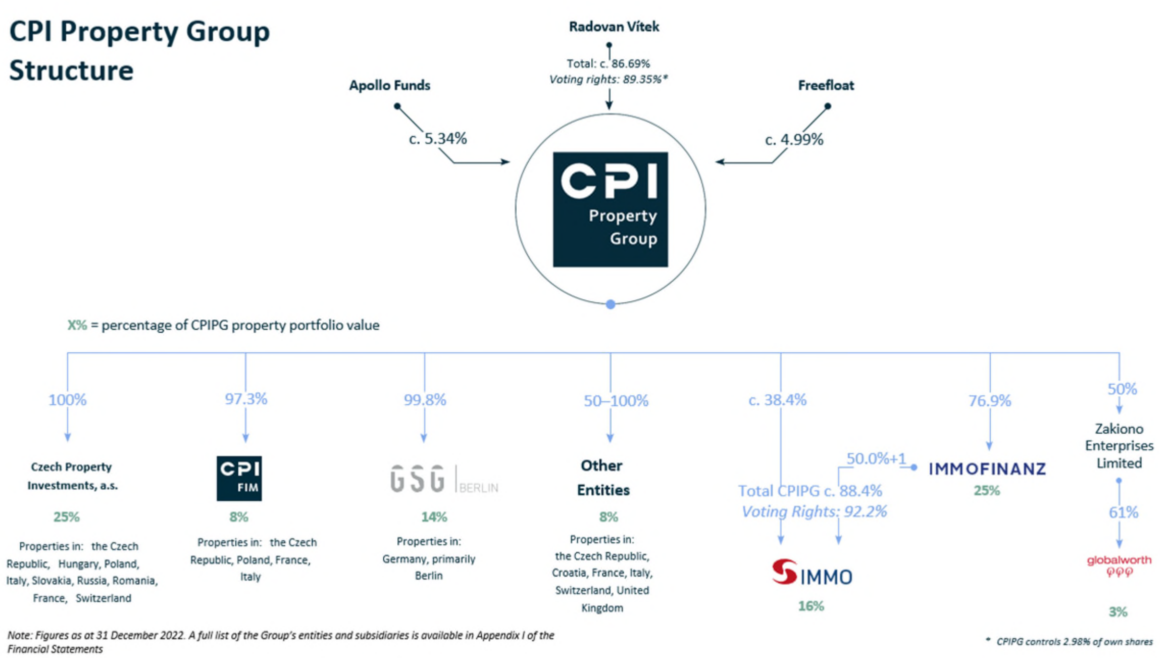
The Group is a leading long-term investor in income-generating real estate, predominantly in the Czech Republic, Berlin and Poland and the CEE region. The Group's five key segments are Office, Retail, Residential, Hotels and Resorts and the Complementary Assets Portfolio. While the largest sectors of the Group are office space and retail, the Group also has hotels, residential, agricultural, industrial, and logistics properties and holds a landbank primarily in the Czech Republic, Berlin and Italy, of which the largest portions are located in Prague and Rome. As at 31 December 2022, approximately 61 per cent. of the Group's properties are located in the Czech Republic, Germany and Poland, with the remaining properties in other countries in the CEE region (Austria, Hungary, Slovakia, Slovenia, Croatia, Serbia, Bulgaria, Turkey, Romania, and a small investment in Russia) and in Western Europe (the UK, Italy, France, Switzerland and Austria).

Management believes that the Group was, as at 31 December 2022, one of Europe's largest owners of real estate, with a diversified property portfolio worth EUR 20,855 million. This value represents an increase of 59 per cent. compared to 2021, primarily due to the Group's acquisitions of two real estate owners IMMOFINANZ and S IMMO.

The Group has an asset management team which actively manages the portfolio to improve occupancy rates, and tenant mix. The Group conducts asset management at the headquarters level, and at the local level for all key segments and geographies.

The Issuer's management team has on average more than 17 years of experience in the property industry, mainly in the CEE region, with particular expertise in asset and property management, finance, leasing and development. The Group benefits from the local knowledge and expertise of its regional managers, whose input is integral to the business.

The following table sets out an overview of the Group's corporate structure as at 31 March 2023:




A full list of the Group's entities and subsidiaries is available at Appendix I to the 2022 Financial Statements.

The Issuer was incorporated on 22 July 2004 under the laws of the Grand Duchy of Luxembourg in the form of a public limited liability company (*société anonyme*). The Issuer is registered with the trade and companies register under number B102254. The registered office of the Issuer is located at 40 rue de la Vallée, L-2661 Luxembourg, the Grand Duchy of Luxembourg. The telephone number of the Issuer is +352 26 47 67 58.

Mr Radovan Vítek is the majority shareholder of the Group. Mr Vítek has been active as an investor in the real estate market for more than 25 years and became the majority owner of the Issuer in 2014 through the incorporation of the Czech CPI Group into the GSG Group in 2014. See "*Description of the Issuer —Major Shareholders*".

**Competitive Strengths**

Management believes that the Group's key competitive strengths are its:

- ***Market leading position in the Czech Republic, Berlin and the CEE region, benefiting from scale and diversity of income***. The Group is a leading long-term investor in income-generating real estate, predominantly in the Czech Republic, Berlin and Poland. Management believes the Group is one of Europe's largest owners of real estate, with a diversified portfolio worth in aggregate EUR 20,855 million as of 31 December 2022, including 855 commercial properties, in aggregate 16,767 residential units and in aggregate 7,810 hotel rooms (including hotels operated, but not owned by, the Group). In particular, the Group is the clear market leader in commercial real estate and the second largest residential property owner in the Czech Republic, a leading landlord of office properties in Berlin and Vienna, the number one office landlord in Prague and Warsaw, and has a solid market position with high-quality office and retail assets in Hungary and Slovakia.

- ***Well diversified business by geography, segment, asset portfolio and tenants***. The Group's real estate business is well diversified by geography, segment, asset portfolio and tenants. The Group's largest sectors are office, retail and residential. The Group also has hotels and resorts, agricultural, industrial and logistics properties and holds a landbank primarily located in the Czech Republic, Berlin and Italy, the largest segments of which are in Prague and Rome. Approximately 61 per cent. of the Group's properties are located in the Czech Republic, Germany and Poland, with the remaining properties located in other CEE and Western European countries. As of 31 December 2022, the Group's top ten income-generating properties represented 12.2 per cent. of the total property portfolio by value. The Group’s top ten tenants represented 8.4 per cent. of gross rental income as at 31 December 2022. In recent years, the CEE region has benefited from strong GDP growth, declining unemployment rates and significant yield compression on real estate and rental growth underpinned by positive inflation expectations.

- ***Robust occupancy rates supported by a balanced lease maturity profile and a track record of renewals***. Occupancy rates in the Group are high at 92.8 per cent. and 93.8 per cent. as of 31 December 2022 and 31 December 2021, respectively. The Group generally maintains a balanced lease maturity profile which is carefully managed to mitigate against the risk of re-leasing and provides the Group with resilient income streams. The Group has maintained shorter leases in its Berlin office portfolio in order to capture higher market rents.

- ***High quality property portfolio augmented by acquisitions and refurbishments***. The Group's properties were valued in aggregate at EUR 20,855 million as of 31 December 2022, having grown from EUR 13,119 million as of 31 December 2021. The growth in valuation between these dates was primarily due to acquisitions and the positive revaluations reflecting the strong performance of the Group's core markets. The Group's recent material acquisitions are detailed in *"Description of Issuer – History"* and further subsections.

- ***Prudent financial policy and robust credit metrics***. The Group maintains a prudent financial policy. Foreign exchange risks are effectively managed by shifting risks associated with movements in exchange rates to its tenants in most of its Euro-denominated contracts in order to hedge exposure to currency risks in its loans; it uses interest rate swaps to hedge against interest rate risks and uses a credit rating scorecard to manage credit risk associated with its tenants. The Group is also able to draw on a diverse range of capital and liquidity sources including issuances of bonds under the Programme, secured loans from its relationship banks and equity investment from its majority shareholder and also with funds from Apollo Funds, managed by affiliates of Apollo Global Management, Inc. (together with its consolidated subsidiaries, **Apollo**). The Group's landbank represents 10.8 per cent. or EUR 2,245 million of its total property portfolio, representing a source of flexibility and liquidity for the Group. The Group also has strong credit metrics, which management believes provide it with the capacity to further de-lever. As of and for the year ended 31 December 2022, the Group's net loan to value was 50.9 per cent. and the Net Interest Coverage Ratio was 3.2x.
- ***Experienced management team backed by strong shareholder support***. The Issuer's management has on average more than 17 years of experience in the property industry, mainly in the CEE region, with particular expertise in asset and property management, finance, leasing and development. The Group benefits from the local knowledge and expertise of its regional managers, whose input is integral to the business. The Issuer is committed to the continued and progressive implementation of best practices with respect to corporate governance and continues to adjust and improve its internal practices in order to meet evolving standards. The Issuer aims to communicate regularly with its shareholders and stakeholders regarding corporate governance and follows the principles and recommendations of the Luxembourg Stock Exchange as a reference for its corporate governance rules. This management team is backed by strong shareholder support. The majority shareholder, Mr Radovan Vítek, has been active as an investor in the Czech real estate market for more than 25 years and became the majority owner of the Issuer in 2014. Mr Radovan Vítek and entities owned by him have invested more than EUR 2 billion in the Issuer. This includes cash contributions of EUR 150.0 million in November 2021, EUR 100.0 million in September 2021, EUR 50.0 million in April 2018, EUR 100.0 million in November 2017 and EUR 51.5 million in June 2017; an in-kind contribution of EUR 4.45 million in December 2016; a cash contribution of EUR 130 million in November 2016; a cash contribution of EUR 55 million in June 2016; a EUR 297 million bond contribution in exchange for shares in April 2016; and a EUR 149 million bond and loan contribution in exchange for shares in December 2014. The Group has not historically paid dividends but has reinvested retained earnings in the business. The Group does not have any current plans to commence dividend payments.

**Strategy**

The Group's strategy is focused on:

- ***growing net operating income and long-term property value*** by (i) reinvesting the Group's profits in upgrades and refurbishment of its properties, and (ii) opportunistic acquisitions of stable, income-generating assets in markets where the Group has an active presence. The Group remains primarily focused on office assets, but is also open to selective and strategic acquisitions in other segments including retail, hotels and landbank assets, where superb long-term value can be captured;

- ***reshaping the strategies of IMMOFINANZ and S IMMO*** to focus on the retail and office segments, respectively, while disposing of lower yielding assets (e.g., in Austria, Germany) and focusing on higher-yielding assets in the CEE region;
- ***active asset management in capital cities and large regional cities to increase net rental income*** by expanding occupancy rates, increasing rent per square metre, offering new services and spaces to satisfy and retain existing tenants, reducing operational costs and divesting non-core assets which do not contribute to the Group's strategy;
- ***diversifying the Group's debt financing portfolio and utilising opportunities created by the Group's credit rating and the low-interest environment*** to reduce its financing costs, consolidate debt at the holding company level and attract new investors; and
- ***maintaining a disciplined approach to pricing and leverage***, which demonstrates the Group's commitment to strong investment grade credit ratings and draws on the Group's ability to buy property assets from short-term investors or over-leveraged sellers, and manage its leverage through the use of external sources of financing and its well-established relations with financial institutions.

**History**

The Issuer was founded in 2004 as an investor, developer and asset manager in the real estate market.

In 2007, the Issuer acquired a majority interest in *Gewerbesiedlungs-Gesellschaft mit beschränkter Haftung* (**GSG**). GSG and its respective subsidiaries (GSG, together with its subsidiaries, **GSG Berlin**) is a real estate group with a property portfolio located exclusively in Berlin. The roots of GSG Berlin can be traced back to 1965, with its incorporation as a joint venture by the Government of the Federal State of Berlin, the Berlin Chamber of Skilled Crafts (*Handwerkskammer Berlin*) and the Berlin Chamber of Commerce and Industry (*Industrie- und Handelskammer Berlin*) to establish a state-backed commercial development company to promote the development of regional economic infrastructure in what was then West Berlin by developing or redeveloping suitable office and commercial space to offer to small and medium sized enterprises (**SMEs**), start-ups and nascent companies at affordable, often subsidised, rents. Also in 2007, the shares of the Issuer were admitted to trading on the regulated market of the Frankfurt Stock Exchange.

In 2014, Mr Radovan Vítek acquired a majority interest in the Issuer in exchange for 100 per cent. of the issued shares in Czech Property Investments, a.s. (**CPI**). CPI is a real estate group concentrating on long-term investments and the lease of real estate, mainly in the CEE region. CPI has been operating in the real estate market since the late 1990s and was active across the Czech Republic, Hungary, Poland, Slovakia and Romania. The Group's acquisition of CPI brought not only a valuable real estate portfolio comprising a diverse range of assets in the CEE region, but also more than 20 years of investment experience of operating in the CEE markets.

In 2015, the Group acquired the Ullsteinstrasse 73 industrial complex in Berlin-Tempelhof, and entered the mountain resort sector by acquiring a majority shareholding in Remontées Mécaniques Crans-Montana-Aminona, a Swiss entity owning and operating cable cars in the Crans-Montana ski resort, and CMA Immobilier SA, a Swiss entity owning real estate and rights to develop a high-end hotel complex and car park in Crans-Montana.

In 2016, the Group acquired a majority shareholding in Sunčani Hvar d.d. (**SHH**), a hotel company operating on the island of Hvar, Croatia; a majority shareholding in Orco Property Group (**OPG**) and

CPI Hotels, a.s. (**CPI Hotels**), a hotel operator which operates 29 of the Group's hotels situated in the Czech Republic, Slovakia, Poland and Hungary.

Also in 2016, the Group launched the revitalisation of a 20-hectare of brownfield site in central Brno in the Czech Republic, which is expected to comprise 800 apartments and 30,000 sqm of office space, with total investments planned to exceed EUR 150 million; and increased its share capital by over EUR 500 million.

In 2017, the Group acquired a retail portfolio of 11 shopping centres located in the Czech Republic, Hungary, Poland and Romania with a total leasable area of approximately 280,000 sqm from CBRE Global Investors. The acquired portfolio consists of: (i) major shopping centres Olympia Plzeň and Nisa Liberec in the Czech Republic, Ogrody in Poland, Pólus and Campona in Hungary and Felicia in Romania; (ii) two multifunctional complexes (Zlatý Anděl in Prague and Andrássy Complex in Budapest); and (iii) two Interspar stores in Nyíregyháza and Zalaegerszeg (Hungary). It also disposed of the Lozorno logistics park, located outside Bratislava in Slovakia.

In December 2017, the Group acquired a 94.9 per cent. shareholding in "ARMO Verwaltungsgesellschaft mit beschrankter Haftung", a German company which owns four commercial assets, two of which, with a total GLA of approximately 75,800 sqm, are in Berlin and the remaining two of which, with a total GLA of approximately 31,500 sqm, are in Karlsruhe. In December 2017, the Group also acquired (i) a historical building in Český Krumlov which it plans to refurbish into a four star boutique hotel with approximately 30 rooms; (ii) a hotel, Ibis Olomouc Centre, in Olomouc with 90 rooms and (iii) a building in central Budapest with approximately 3,700 sqm of GLA, which it intends to refurbish into a three star hotel.

In 2018, the Group made a number of property asset acquisitions. This included a 100 per cent. shareholding in Zgorzelec Property Development sp. z o.o., the owner of a retail park in Zgorzelec, Poland; Futurum Hradec Králové Shopping Centre with a total floor area of 39,000 sqm and 1,350 parking spaces; four existing retail parks in Poland – Retail park HopStop Zamość 1, Retail park HopStop Zamość 2, Retail park HopStop Rembertów and Retail park Hop Stop Radom; two office properties, Atrium Centrum and Atrium Plaza, in Warsaw with a total floor area of 32,000 sqm; and 11 luxury apartments at Buxmead in North London.

Also in 2018, the Group acquired the hotel operator of the Holiday Inn hotel in Rome. The Group also disposed of ten subsidiaries, which were considered as non-core assets.

In the final quarter of 2019, the Group acquired three properties in Warsaw for more than EUR 560 million (Equator IV, Eurocentrum Office Complex and Warsaw Financial Centre), with a total GLA exceeding 156,000 sqm. As a result, the level of green certification in the Group's property portfolio also increased to more than 14 per cent. of GLA by the end of 2019, from 8 per cent. in 2018. In February 2019, the Group acquired Hotel Park Inn in Ostrava, Czech Republic. In June 2019, the Group acquired a four star Holiday Inn hotel in Brno. In June 2019, the Group also acquired 7 St James's Square in London, offering up to 33,000 square feet of GLA for offices. In September 2019, the Group acquired seven fully let homes at West Village, a development of contemporary homes in Notting Hill, London. In December 2019, the Group acquired a land plot in central Prague with a total area of more than 10,000 sqm. The Group also made disposals of EUR 77 million in 2019, principally the sale of inventories in France and in the Czech Republic, and the sale of non-strategic retail assets in the Czech Republic.

During 2020, the Group continued the Warsaw office acquisition strategy that began in the final quarter of 2019 and acquired six offices for more than EUR 260 million (Green Corner A, Equator II, Equator I, Moniuszki 1A, Chałubinskiego 8 and Concept Tower), bringing the total value of the Group's

Warsaw office portfolio to nearly EUR 1 billion, representing over 315,000 sqm of leasable area. As a result, the Group established itself as the city's leading office landlord.

On 27 January 2020, the Group invested in Globalworth and announced its initial acquisition of 13,391,959 shares. The Group has since increased its shareholding in Globalworth through subsequent investments. For more information, see "*Description of the Issuer – Globalworth*" below.

On 28 January 2020, the Group announced its acquisition of the Green Corner A an office building in Warsaw, Poland from DWS Group. Green Corner A is a 14,860 square metre office building, Leadership in Energy and Environmental Design (**LEED**) Platinum certified and located in the central business district of Warsaw.

On 30 January 2020, the Group announced its acquisition of the Equator II office building, covering 23,000 square metres over 14 floors, in Warsaw, Poland from Karimpol Polska.

On 6 March 2020, the Group announced the acquisition of Equator I. located on Aleje Jerozolimskie, in the vicinity of Zawisza Square, Equator I was completed in 2008 and comprises over 19,500 square metres of class A office space located on 15 floors. Equator I was acquired from IMMOFINANZ.

On 25 March 2020, the Group announced its acquisition of the Moniuszki 1A office building, which offers 10,000 square metres across 18 floors, and was fully refurbished in 2015. Moniuszki 1A is located near Świętokrzyska metro station and offers direct access to two metro lines as well as several tram and bus stops.

On 24 April 2020, the Group acquired a 50.3 per cent. shareholding in Tower-Service sp. z o.o., the owner of the Chałubinskiego 8 office building in Warsaw. Located in the heart of the city, Chałubinskiego 8 is one of the most recognisable and distinctive high-rise office properties in central Warsaw. The property comprises 46,000 square metres of GLA across 47 floors, and features a high-quality roster of tenants including the Capital City of Warsaw, National Health Fund and MAPEI.

On 26 August 2020, the Group announced the acquisition of Concept Tower, an office building located in the dynamic Wola district at Grzybowska Street in Warsaw. Concept Tower was built in 2012 and includes 9,000 square metres of A+ office space across 15 floors. The building is easily accessible from the city centre and is closely linked to the rest of Warsaw by metro line. It is certified LEED Gold.

In November 2020, the Group acquired 50.1 per cent. of Next RE (formerly Nova RE), an Italian real estate company. For more information, see "*Description of the Issuer – Next RE (formerly Nova RE)*" below.

In the third quarter of 2020, the Group completed two small acquisitions which complement its existing UK residential platform. The first is St. Mark's Court, with 24 apartments and the potential for expansion, located in St. John's Wood, London. The second, Metrogate House, consists of three interconnected properties located in South Kensington, London. The purchase prices for both acquisitions were below £1,000 per square foot, representing exceptional value for these locations. The Group intends to refurbish both properties over time.

In the first half of 2021, the Group continued its highly selective approach to investing in the UK by acquiring 27 Savile Row in Mayfair, London. Recently decommissioned as London's West End Central Police Station and comprising over 5,500 sqm of space, 27 Savile Row was purchased from the police as a development opportunity which may be converted into offices, residential or a mixed-use scheme in line with the building's heritage and prime location.

In April 2021, the Group acquired Hibiscus, an office in Rome, from the Armellini Family. The property is located near major transport and infrastructure hubs. The tenant base is diversified and includes mainly Italian public and private sector companies, including SOSE, a company owned by the Ministry of Economic and Finance and the Bank of Italy.

On 28 May 2021, the annual general meeting of the shareholders of the Group (the **AGM**) was held in Luxembourg, with approximately 93.6 per cent. of the voting rights present or represented. The AGM approved the statutory and consolidated annual accounts and the allocation of financial results for the financial year ending 31 December 2020. The AGM also granted a discharge to the Company's Board of Directors and the auditor for the performance of their duties during the financial year ending 31 December 2020. The AGM further resolved to re-appoint the following persons as members of the Group's Board of Directors until the AGM of 2022: Edward Hughes, Philippe Magistretti, Martin Němeček, Tomáš Salajka, Omar Sattar, Jonathan Lewis and Oliver Schlink. Martin Němeček was appointed as the managing director (*administrateur délégué*) of the Group. The AGM also approved EY as an auditor of the Group until the AGM of 2022.

The AGM also approved the Group's buy-back programme's terms and conditions, enabling the Company's repurchase of its own shares. In particular, the AGM authorised the Board of Directors of the Company to repurchase, in one or several steps, a maximum of one billion (1,000,000,000) shares in the Company, for a purchase price in the range of EUR 0.01 to EUR 5.

On 25 June 2021, the Group acquired a portfolio of assets in Italy which originated from the restructuring of loans from UniCredit S.p.A. to an Italian family company. The portfolio primarily consists of Maximo, which opened in October 2020 as the first new shopping centre in Rome for more than 15 years. Maximo, which has approximately 100 per cent. occupancy, has a 60,578 sqm location along Via Laurentina in Rome and includes the first Primark in Rome. Through the restructuring, the Issuer also acquired 404,400 sqm of land for development in the Tor di Valle area of Rome, along with other smaller assets in Italy. The total consideration paid by the Issuer represented a significant discount on the expected market value, and consisted of EUR 368.3 million, including a EUR 116.6 million reduction in shareholder loans.

On 28 June 2021, the Group announced the completion of certain acquisitions in Berlin and Italy. On 25 June 2021, GSG Berlin acquired (i) a land plot with an area of 81,500 sqm in Schönefeld, directly adjacent to the new airport in Berlin, and (ii) a 50 per cent. stake in three future developments in central Berlin locations for an aggregate amount of EUR 15.3 million.

On 5 August 2021, a framework agreement was signed between the Issuer, certain companies of the DeA Capital Group (**DeA Capital**) and Next RE (formerly Nova RE). The Group is the majority owner of Next RE (formerly Nova RE), one of only five Italian companies to hold Società di Investimento Immobiliare Quotata (SIIQ) status, which is similar to the REIT regime, and is listed on the Milan Stock Exchange. DeA Capital is the leading independent platform for alternative asset management in Italy, with combined assets under management of nearly USD 25 billion, including more than USD 10 billion invested in real estate. Pursuant to the framework agreement, DeA Capital Real Estate SGR S.p.A. will become Next RE (formerly Nova RE)'s exclusive external asset management advisor and will provide a broad range of services to enhance the investment, financial and operational capabilities of Next RE (formerly Nova RE). In connection with the framework agreement, DeA Capital has agreed to purchase approximately 1.1 million shares (about 5 per cent.) of Next RE (formerly Nova RE) from the Group and intends to remain a long-term shareholder for the future growth and capital raising of Next RE (formerly Nova RE).

On 31 August 2021, the Group's subsidiary GSG Berlin successfully completed the sale of a non-core asset in Ettlingen, Germany for approximately EUR 32 million. The property is an industrial production unit in the wider Stuttgart area, and the sale price was approximately 10 per cent. above its book value.

On 16 December 2021, the extraordinary general meeting of the shareholders of the Group (the **EGM**) was held in front of a notary public, with shareholders holding approximately 89 per cent. of the Group's shares entitled to vote present or represented. The EGM resolved to modify the Company's articles of association and to appoint Tim Scoble, a non-executive director representing shareholder Apollo, to the Board of Directors of the Group.

On 22 December 2021, the Group, including its subsidiaries, signed an investment framework agreement with DeA Capital Real Estate SGR S.p.A. to establish and commit to a closed-ended alternative investment fund, named Generation Fund, to invest in real estate assets located in Italy. Generation Fund will be professionally managed by DeA Capital Real Estate SGR S.p.A., a licensed asset management company.

In January and February 2022, the Group sold an Airport City logistics asset and a small office property in Budapest and a retail property in the Czech Republic. On 2 February 2022 the Group acquired AGROFANDA spol. s.r.o., an owner of one farm in the Czech Republic. Total consideration for the acquisition was EUR 1.9 million, which was fully allocated to the investment property value.

On 9 March 2022, the Group acquired Terminal Nord S.r.l., a provider of a newly acquired retail park in Italy. Total consideration for the acquisition was EUR 2.9 million, which was primarily allocated to current assets of the target company.

On 11 May 2022, the Group acquired 100 per cent. of the issued share capital of FVE CHZ s.r.o., a company holding land and photovoltaics related property in the Czech Republic. Total consideration for the acquisition was EUR 6.1 million.

On 25 May 2022, the Group acquired OZ Trmice, a.s., an owner of one building in Trmice, Czech Republic for EUR 5.4 million.

During 2021 and 2022, the Group acquired shares in IMMOFINANZ. On 3 December 2021, the Group announced its intention to launch a mandatory takeover offer of IMMOFINANZ, and filed a mandatory takeover offer on 12 January 2022. As at the date of this Base Prospectus, the Group holds 106 579,581 shares in IMMOFINANZ representing a participation of 76.9 per cent. For more information, see *"Description of Issuer – IMMOFINANZ"*, *"Risk Factors – Risks related to each of IMMOFINANZ's and S IMMO's activities and the non-realisation of the expected synergies following the Takeovers",* "*Risk Factors – Risks related to each of IMMOFINANZ's and S IMMO'S performance and unforeseen liabilities following the Takeovers"*, and *"Unaudited Pro Forma Financial Information"*.

In 2021 and 2022, the Group directly and indirectly acquired through its ownership of IMMOFINANZ 65,045,543 shares of S IMMO AG, corresponding to a participation of 88.4 per cent. S IMMO is a Vienna Stock Exchange-listed real estate investment company focusing on Austria, Germany and the CEE region. S IMMO's EUR 3.42 billion valued property portfolio consists of approximately 70 per cent. commercial office, retail and hotel assets, and 30 per cent. residential portfolio. On 20 December 2022, the Group announced the sale of 17,305,012 shares in S IMMO to IMMOFINANZ, resulting in IMMOFINANZ obtaining a controlling stake in S IMMO of 50 per cent. plus one share. As at the date of this Base Prospectus, the Group directly holds 38.4 per cent. of S IMMO shares, and together, indirectly through its controlling ownership of IMMOFINANZ, the Group's total shareholding amounts to 88.4 per cent. For more information, see *"Description of Issuer – S IMMO"*, *"Risk Factors – Risks related to each of IMMOFINANZ's and S IMMO's activities and the non-realisation of the expected synergies following the Takeovers",* "*Risk Factors – Risks related to each of IMMOFINANZ's and S IMMO'S performance and unforeseen liabilities following the Takeovers"*, and *" Unaudited Pro Forma Financial Information"*.

In the final quarter of 2022, the Group made a number of disposals as part of its EUR 2 billion disposal pipeline for the period of August 2022 – 2024. In September 2022, the Group disposed of a shopping centre in the Czech Republic, and IMMOFINANZ sold the BBC Gamma office building in Prague to a local real estate investor and developer. The building has roughly 31,000 sqm and is rented to a full single tenant through a long-term lease. The transaction was concluded at a premium to the book value as of 30 June 2022.

On 27 September 2022, the Group acquired (through its acquisition of Seattle, s.r.o.) a 99.5 per cent. stake in Italian investment fund Vision-Fondo di Investimento Alternativo Immobiliare di Tipo Chiuso Riservato (**Vision Fund**). The fund is operated by DeA Capital but is controlled by the Group.

In October 2022, S IMMO completed the sale of two portfolios of German residential properties in Rostock and Leipzig. The Rostock portfolio comprises 17 properties, including two additional properties in Berlin. The properties are apartment buildings as well as mixed-use residential and commercial buildings in very central locations. The sale included 210 residential and 26 commercial units with a total rental area of over 16,000 sqm. The Leipzig portfolio consisted of a total of 32 residential properties with over 450 residential and almost 50 commercial units and a total rental area of over 37,000 sqm.

In November 2022, IMMOFINANZ disposed of two office buildings in Vienna to Wienegg Group, a local Austrian real estate investor. The two properties comprise a total lettable area of approximately 7,000 sqm. The transaction was concluded at a premium to the book values of the properties.

In November 2022, the Group sold a landbank in Slovakia to an international investor. The land plot has a site area of more than 138,000 sqm and is located in the Bratislava region, with a connection to the D1 highway, and is suitable for industrial and logistic developments. The sale was closed at a premium to book value.

On 9 November 2022, the Group proceeded with a buy-back of certain shares of the Group under a share buy-back programme. On 30 November 2022, the Group announced the completion of the acquisition of 198,065,039 tendered shares for an aggregate price of EUR 190,340,502.48 (or EUR 0.961 per tendered share). The Group intends to cancel the tendered shares through a share capital reduction at the next general meeting. Of the total tendered shares, 184,587,371 were tendered by Larnoya Invest, a company owned by the Group's primary shareholder, Radovan Vítek, for an aggregate price of EUR 177,388,463.53. The remainder of the shares were primarily tendered by Clerius Properties Sarl, with a small amount tendered by the Group's management and a minority shareholder.

On 1 March 2023, the Group acquired two new subsidiaries, VÍTEK FAMILY TRUST MVI 2 and VÍTEK FAMILY TRUST KVI 2 from the majority shareholder of the Group for EUR 164,000.

**Globalworth**

In 2020, the Group invested in Globalworth, a leading owner of income-generating office properties in Poland and Romania. As of 31 December 2022, Globalworth held an income-generating property portfolio valued at approximately EUR 3.2 billion with EUR 189.2 million of contracted rent. The Group invested in Globalworth because of the quality of the company's properties, its strong management team, steady dividend, and conservative capital structure. The Group believes that the acquisition of a shareholding in Globalworth has strengthened the Group's financial and business profile through greater exposure to top-quality office properties. In addition, through the acquisition of Zakiono Enterprises Limited (**Zakiono**) (as described below), the Group was able to acquire special shareholder rights in Globalworth. Globalworth was founded in 2013 and its assets include Skylight & Lumen in Warsaw and Globalworth Tower in Bucharest.

On 27 January 2020, the Group announced its acquisition of 13,391,959 shares of Globalworth, or 6.03 per cent. of shares outstanding. The shares were acquired through a broker on the secondary market.

On 3 February 2020, the Group announced its acquisition of Zakiono on 31 January 2020 from Mr. Ioannis Papalekas, the founder and CEO of Globalworth. At the time, Zakiono held 23,734,670 shares in Globalworth, representing 10.7 per cent. of voting rights. Zakiono also owns warrants which are exercisable into an additional 2,830,020 Globalworth shares.

On 4 February 2020, the Group announced that it had acquired 24,258,408 shares in Globalworth on 3 February 2020.

On 5 February 2020, the Group announced it had acquired 3,680,494 shares in Globalworth, representing 1.659 per cent. of voting rights, on 4 February 2020. All shares were acquired through a broker on the secondary market. As at 31 December 2020, the Group held and controlled in aggregate 65,250,000 shares in Globalworth, which represented 29.55 per cent. of voting rights, making the Group the largest shareholder in Globalworth by a small margin.

On 14 April 2021, the Group formed a joint venture with Aroundtown, Germany’s largest listed real estate company (together with the Group, the **Consortium**) and announced a cash offer for the entire issued share capital of Globalworth that the Consortium did not already hold.

The Consortium currently owns 60 per cent. of Globalworth’s issued share capital. On 12 May 2021, the Consortium published an offer document in relation to the entire issued share capital of Globalworth.

The Group funded its proportion of the offer in cash. Aroundtown purchased shares in Globalworth first to equalise ownership with the Group, with further share purchases split equally.

The Group now holds all of its shares in Globalworth through its subsidiary Zakiono. Under Globalworth's articles of incorporation, Zakiono has embedded rights as a major shareholder which, among other rights, allows the Group to appoint members of Globalworth's board.

In December 2021, the Group and Aroundtown exercised its rights as majority shareholders and implemented changes to the Board of Directors.

As at 31 December 2021, the Consortium owns 134,347,223 (representing 60.63 per cent.) Globalworth shares. The Group classifies the investment as a joint venture using the equity method of accounting.

In 2022, the Group acquired an additional 4,400 Globalworth shares. As at 31 December 2022, the Group directly and indirectly held 71,573,611 shares in Globalworth representing a 32.3 per cent. of its share capital.

**Next RE (formerly Nova RE)**

On 2 October 2020, the Group submitted a binding offer to participate in a capital increase of Next RE (formerly Nova RE), an Italian real estate company with a property portfolio valued at EUR 123 million as at 31 December 2020. The offer was approved by the board of Next RE (formerly Nova RE) on 7 October 2020. The Group subscribed for shares of Next RE (formerly Nova RE) at a price of EUR 2.36 per share, for a total consideration of approximately EUR 26 million. Following the capital increase of Next RE (formerly Nova RE), the Group owned more than 50 per cent. of the shares of Next RE (formerly Nova RE) and in November 2020 launched a mandatory tender offer (the **Offer**) for the remaining 9,348,018 shares in Next RE (formerly Nova RE) for a consideration of EUR 2.36 per share and total value of EUR 22.1 million. The Offer was filed with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) on 23 November 2020 and, on 9 December 2020, CONSOB approved the Offer and the documentation submitted in connection with the Offer (the **Offer Document**). Pursuant to CONSOB's approval, the acceptance period in relation to the Offer began on 14 December 2020 and concluded on 22 January 2021. On 11 December 2020, the Group announced the publication of the Offer Document, which contained a detailed description of the terms of the Offer and is available on the website of the Group (www.cpipg.com). Following the closing of the mandatory tender offer, the Group held in total 20,360,573 ordinary shares of Next RE (formerly Nova RE), approximately 92.44 per cent. of the relevant share capital (or 92.62 per cent. including treasury shares). As at 31 March 2021, the Group held 19,180,573 shares of Next RE (formerly Nova RE), equal to approximately 87.1 per cent. of its share capital.

Next RE (formerly Nova RE) owns income-generating properties primarily in Rome, Milan and Bari valued at EUR 140.3 million as of 31 December 2021. The Group expects that Next RE (formerly Nova RE) will be a platform for the Group's current and future investments in Italy. The Next RE (formerly Nova RE) management team is experienced and capable, and will likely benefit from the Issuer's organisation, resources, support and expertise. Through Next RE (formerly Nova RE), the Group may consider further investments in Italy where value can be created. By acquiring control of an SIIQ, the Group also gains a tax-efficient platform to attract third-party equity investors in the future.

In 2021, a total of 3,377,498 shares were sold by the Group for EUR 10.9 million. The loss of EUR 3.4 million from the transaction was recognised against retained earnings. As at 31 December 2022, the Group held 18,073,318 shares of Next RE (formerly Nova RE), equal to approximately 82.1 per cent. of its share capital.

**IMMOFINANZ**

On 1 December 2021, the Group and Mountfort Investments S.à r.l. (**Mountfort**), an investment vehicle owned by Patrick Vítek, an independent investor and the eldest son of the Group's founder Radovan Vítek, entered into a share purchase agreement for the acquisition by the Group of all of the outstanding shares of WXZ1 a.s., which owned 14,071,483 IMMOFINANZ shares, corresponding to a participation of approximately 11.4 per cent. of the registered nominal share capital of IMMOFINANZ.

On 3 December 2021, the Group and RPPK Immo GmbH (**RPPK**) entered into a share purchase agreement, conditional upon receipt of antitrust approvals, for the acquisition by the Group of 13,029,155 IMMOFINANZ shares, corresponding to a participation of 10.6 per cent. of the registered nominal share capital of IMMOFINANZ.

Both Mountfort's and RPPK's shares were purchased at or below the share offer price announced by the Group in its 3 December 2021 public announcement of the IMMOFINANZ Takeover.

As at 3 December 2021, the Group owned (directly and indirectly) a total of 26,387,094 shares in IMMOFINANZ, corresponding to a participation of approximately 21.4 per cent. and represented its largest shareholder, with an additional 13,029,155 IMMOFINANZ shares, corresponding to a participation of 10.6 per cent. contracted subject to regulatory approval.

On 3 December 2021, the Group announced its intention to make an anticipatory mandatory takeover offer for all of IMMOFINANZ's outstanding shares at a price of EUR 21.20 (in cash) per share on a *cum* dividend basis, which is the closing share price of IMMOFINANZ on the Vienna Stock Exchange on 2 December 2021, representing a premium of 4.2 per cent. versus the six months volume weighted average price per share and for all outstanding convertible bonds of IMMOFINANZ maturing in 2024 (**IMMOFINANZ Convertible Bond**). The offer document was published in accordance with the Austrian Takeover Act (*Übernahmegesetz*), which among other places, included the Issuer's website.

IMMOFINANZ is a large and well-regarded owner of Central European commercial real estate, with a primary listing on the Vienna Stock Exchange and has a property portfolio of approximately EUR 5 billion (source: *IMMOFINANZ Annual Report, 2020*) in key Central European countries such as

Germany, the Czech Republic, Poland, and Hungary. IMMOFINANZ is also a significant owner of commercial real estate in Austria.

On 3 December 2021, the Group announced the purchase of a 10.8 per cent. stake in S IMMO AG (**S-IMMO**), following which the Issuer owned an aggregate stake of approximately 11.6 per cent. of the registered nominal share capital of S-IMMO.

On 12 January 2022, the Group announced that the offer document in relation to the IMMOFINANZ Takeover was approved by the Austrian Takeover Commission and was published. The initial acceptance period started from 12 January 2022 and lasted until 23 February 2022 (5:00 PM, Vienna time). The IMMOFINANZ Takeover is subject to clearances by the competent competition authorities, as further specified in the offer document. The offer price is EUR 21.20 per IMMOFINANZ Share, cum dividend for the 2021 financial year and EUR 102,746.53 (102.747 per cent.) for each nominal amount of EUR 100,000 per IMMOFINANZ Convertible Bond.

On 26 January 2022, the Group announced that it signed a conditional share purchase agreement with Petrus Advisers Investments Fund L.P. (**Petrus**) to acquire 9,413,253 IMMOFINANZ shares, corresponding to a participation of approximately 6.81 per cent. of the total registered nominal share capital of IMMOFINANZ. The purchase price per share amounted to EUR 22.70 *cum* dividend.

On 31 January 2022, the Group announced that it had signed an agreement with CEE Immobilien GmbH (**CEE**), a wholly owned subsidiary of S IMMO AG, concerning the acquisition by the Group of 17,543,937 IMMOFINANZ shares, corresponding to a participation of approximately 12.69 per cent. of the total nominal share capital of IMMOFINANZ.

As of 31 January 2022, the Group owned a total of 26,621,030 IMMOFINANZ shares, corresponding to a participation of approximately 19.25 per cent., with additional 39,986,345 IMMOFINANZ shares, corresponding to a participation of approximately 28.92 per cent. conditionally contracted. This represented a combined stake of 66,607,375 IMMOFINANZ shares, corresponding to a participation of approximately 48.18 per cent. of the total registered nominal share capital of IMMOFINANZ.

The offer and completion of the share purchase agreements between the Issuer and each of RPPK, Petrus and CEE are subject to merger control clearance in Austria, Germany, the Czech Republic, Hungary, Poland, Romania, Serbia, and Slovakia. As of 23 February 2022, merger control clearance was obtained by all relevant national competition authorities.

As at 5 May 2022, the Group held a total of 76,138,702 IMMOFINANZ shares representing 54.93 per cent. shares of IMMOFINANZ's registered share capital and total outstanding voting rights (including the effects of the bonds conversion).

An additional three-month acceptance period began on 28 February 2022 and lasted until 30 May 2022. Following the end of this acceptance period, and as at the date of this Base Prospectus, the Group holds 106 579,581 shares in IMMOFINANZ representing a participation of 76.88 per cent in the share capital of IMMOFINANZ.

For more information, see *"Note 3.3.1, The Group Structure – IMMOFINANZ AG Group* in the 2022 Financial Statements and "*Unaudited Pro Forma Financial Information*".

**S IMMO**

In 2021, the Group acquired 9,160,240 shares of S IMMO AG (**S IMMO**), corresponding to a participation of 12.4 per cent. S IMMO is a Vienna Stock Exchange-listed real estate investment company focusing on Austria, Germany and the CEE Region. S IMMO's EUR 3.4 billion property portfolio consists of approximately 70 per cent. commercial office, retail and hotel assets, and 30 per cent. residential portfolio.

As at 30 September 2021, S IMMO held a total of 367 standing properties with an annualised gross rent of EUR 129.7 million and GLA 1,307,000 sqm and an occupancy rate of 93 per cent.

As at 31 March 2022, the Group directly held 16.1 per cent. of S IMMO shares, and indirectly through its controlling ownership of IMMOFINANZ, the Group's total shareholding amounted to 42.6 per cent.

S IMMO's articles of incorporation included an unusual voting cap feature which limited the voting rights of shareholders to 15 per cent., regardless of their actual shareholding. In recent years, the voting cap along with the inefficient cross-ownership between IMMOFINANZ and S IMMO had prevented shareholders from driving an effective long-term strategy, resulting in failed mergers and share price underperformance.

On 14 April 2022, the Group requested the management and supervisory boards of S IMMO to convene an extraordinary general meeting to resolve on the abolishment of the 15 per cent. voting cap. The Group proposed that the resolution would become effective upon merger control clearances, which had already been initiated.

On 1 June 2022, the annual general meeting of the shareholders of S IMMO voted with a majority of 98.44 per cent. in favour of abolishing the voting cap. The change in respect of abolishing the voting cap was approved and registered on 28 June 2022. Since that date, the Group can exercise the total of 44.41 per cent. voting rights and effectively controls S IMMO. The Group filed a mandatory takeover offer (the **S IMMO Offer**) for all outstanding shares of S IMMO not held by the Group or parties acting in concert with the Group, and an offering document was published on 15 July 2022. The acceptance period was between 15 July 2022 and 12 August 2022, and the final offer price was set at EUR 23.50 per share *cum* dividend.

Until the end of the acceptance period, 26,983,707 S IMMO shares representing approximately 36.66 per cent. of S IMMO's registered nominal share capital and approximately 38.26 per cent. of the total outstanding voting rights were tendered for sale into the offer. Together with the S IMMO shares held by the Group directly and indirectly via the Group's acquisition of IMMOFINANZ, as at 12 August 2022 the Group held 58,301,812 S IMMO shares in total representing a participation of approximately 82.67 per cent. in the voting rights of S IMMO, and approximately 79.20 per cent. in S IMMO's registered nominal share capital.

An additional acceptance period commenced on 18 August 2022 and lasted until 18 November 2022. Following the conclusion of the additional acceptance period, in which 6,743,731 shares of S IMMO were tendered, the Group held 45,546,106 shares directly in S IMMO and 19,499,437 shares through their subsidiary IMMOFINANZ.

On 20 December 2022, the Group announced the sale of 17,305,012 shares in S IMMO to IMMOFINANZ. The total number of shares sold resulted in IMMOFINANZ obtaining a controlling stake in S IMMO of 50 per cent. plus one share. The total purchase price was EUR 19.50 per share in S IMMO and was financed through a bridge loan facility provided by the Group to IMMOFINANZ. As at the date of this Base Prospectus, the Group directly holds 38.4 per cent. of the share capital in S IMMO and indirectly holds a share capital of 50 per cent. plus one share in S IMMO through its controlling interest in IMMOFINANZ.

As at the date of this Base Prospectus, in aggregate, the Group holds 88.4 per cent of S IMMO shares.

**Disposals pipeline**

In August 2022, the Issuer's board of directors approved a plan to complete up to EUR 2 billion of disposals, with proceeds intended to reduce leverage and recharge the Group's financial profile for future growth. The pipeline consists of assets across the Group's geographies that were generally considered non-core, and which would fetch highly attractive prices.

As at 31 March 2023, the Group had achieved over EUR 750 million in gross disposal proceeds since August 2022, which included the following assets:

- The Group sold one shopping centre in the Czech Republic and IMMOFINANZ sold the BBC Gamma office building in Prague;
- S IMMO completed the sale of its Rostock and Leipzig residential and commercial property portfolios;
- IMMOFINANZ sold two office properties in Vienna;
- The Group sold a landbank in Slovakia;
- S IMMO sold a commercial park near Munich; and
- S IMMO sold a residential portfolio in Berlin and IMMOFINANZ sold an office property in Vienna.

The Group has achieved over EUR 750 million of gross disposal proceeds since August 2022. The Group still has more than 30 disposal projects in execution, with letters of intent signed in relation to disposals valued at approximately EUR 1,000 million.

**Overview of the Property Portfolio**

The Group is a leading long-term investor in income-generating real estate, predominantly in the Czech Republic, Berlin and Poland. The Group's five key segments are Office, Retail, Residential, Hotels and Resorts and the Complementary Assets Portfolio, which generated net business income/loss of EUR 333 million, EUR 268 million, EUR 32 million, EUR 40 million and EUR 4 million in 2022, respectively. While the largest sectors of the Group are office and retail, the Group also has hotels, residential, agricultural, industrial and logistics properties and holds a landbank primarily in the Czech Republic, of which the largest segment is in Prague. Approximately 61 per cent. of the Group's properties are located in the Czech Republic, Germany and Poland, with the remaining properties in other CEE and Western European countries.

Management believes that the Group was, as at 31 December 2022, one of Europe's largest owners of real estate, with a diversified property portfolio of EUR 20,855 million.

In August 2022, the Group approved a plan to complete up to EUR 2 billion of disposals over the following twelve to twenty-four months to reduce leverage and increase the Group's financial profile. The Group plans to use proceeds of the disposals to repay acquisition bridge financings.

The following table provides certain information on the Group's property portfolio as of the dates indicated:

| Segment | Country | As at 31 December 2022 | | As at 31 December 2021 | |
|---|---|---|---|---|---|
| | | **€ million** | **Share of total (%)** | **€ million** | **Share of total (%)** |
| **Office** | | **10,010** | **48.0** | **6,354** | **48.4** |
| | Germany | 3,811 | 18.3 | 2,934 | 22.4 |
| | Poland | 1,789 | 8.6 | 1,062 | 8.1 |
| | Czech Republic | 1,098 | 5.3 | 890 | 6.8 |
| | Austria | 900 | 4.3 | - | - |
| | Globalworth | 591 | 2.8 | 589 | 4.5 |
| | Hungary | 700 | 3.4 | 310 | 2.4 |
| | Romania | 596 | 2.9 | - | - |

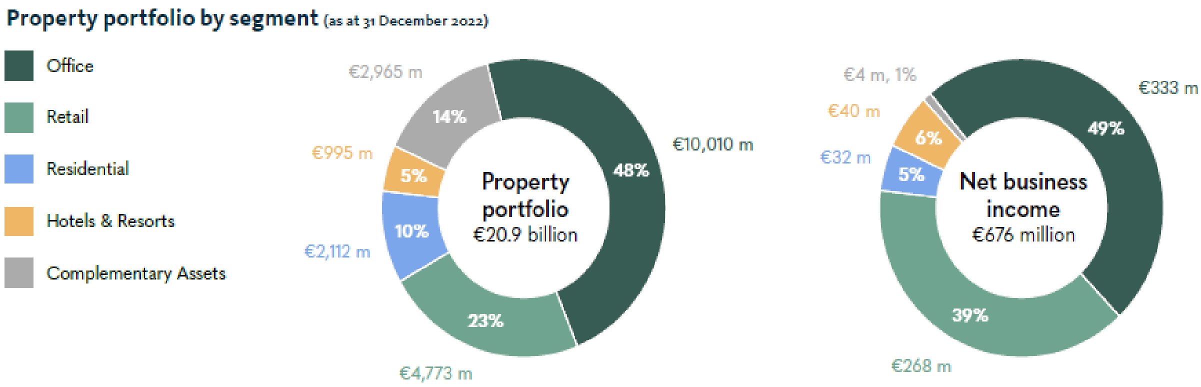
| Segment | Country | As at 31 December 2022 | | As at 31 December 2021 | |
|---|---|---|---|---|---|
| | | € million | Share of total (%) | € million | Share of total (%) |
| | Italy | - | - | 185 | 1.4 |
| | Other | 525 | 2.5 | - | - |
| | IMMOFINANZ | - | - | 297 | 2.3 |
| | S IMMO | - | - | 87 | 0.7 |
| **Retail** | | **4,773** | **22.9** | **2,697** | **20.6** |
| | Czech Republic | 1,563 | 7.5 | 1,498 | 11.4 |
| | Hungary | 423 | 2.0 | 227 | 1.7 |
| | Poland | 428 | 2.1 | 159 | 1.2 |
| | Slovakia | 418 | 2.0 | 115 | 0.9 |
| | Italy | 616 | 3.0 | 423 | 3.2 |
| | Romania | 578 | 2.8 | 30 | 0.2 |
| | Other | 748 | 3.6 | - | - |
| | Globalworth | - | - | 31 | 0.2 |
| | IMMOFINANZ | - | - | 181 | 1.4 |
| | S IMMO | - | - | 34 | 0.3 |
| **Residential** | | **2,112** | **10.1** | **1,214** | **9.3** |
| | Czech Republic | 873 | 4.2 | 733 | 5.6 |
| | Germany | 743 | 3.6 | - | - |
| | Other | 495 | 2.1 | | |
| | United Kingdom | - | - | 247 | 1.9 |
| | France | - | - | 108 | 0.8 |
| | Globalworth | - | - | 14 | 0.1 |
| | Italy | - | - | 51 | 0.4 |
| | S IMMO | - | - | 60 | 0.5 |
| **Hotels & Resorts** | | **995** | **4.8** | **823** | **6.3** |
| | Czech Republic | 393 | | 380 | 2.9 |
| | Other | 431 | 2.1 | - | - |
| | Croatia | 171 | 0.8 | 168 | 1.3 |
| | Switzerland | - | - | 51 | 0.4 |
| | Hungary | - | - | 67 | 0.5 |
| | Italy | - | - | 91 | 0.7 |
| | Poland | - | - | 25 | 0.2 |
| | Russia | - | - | 17 | 0.1 |
| | S IMMO | - | - | 15 | 0.1 |
| | Slovakia | - | - | 10 | 0.1 |
| **Complementary Assets** | | **2,965** | **14.2** | **2,031** | **15.5** |
| **Landbank** | | **2,245** | **10.8** | **1,524** | **11.6** |
| **Industry & Logistics** | | **79** | **0.4** | **223** | **1.7** |
| **Agriculture** | | **139** | **0.7** | **121** | **0.9** |
| **Development** | | **311** | **1.5** | **138** | **1.0** |
| **Other hospitality** | | **145** | **0.7** | **-** | **-** |
| **Other** | | **46** | **0.2** | **25** | **0.2** |
| **Total** | | **20,855** | **100** | **13,119** | **100** |

Notes:

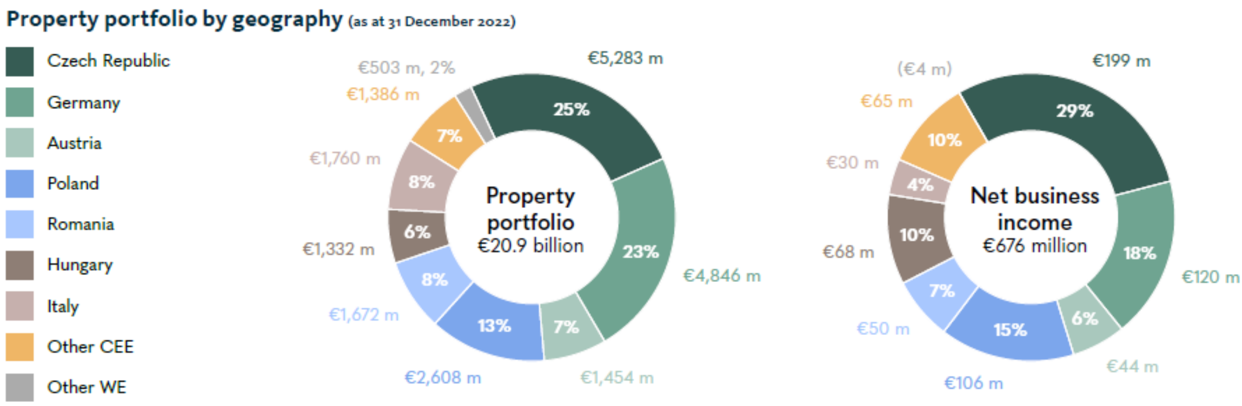
(1) Data includes the book value of the Group's 32.3 per cent. stake in Globalworth according to the geographic and segment split percentages of Globalworth's portfolio (as at 31 December 2022).

(2) The figures for IMMOFINANZ and S IMMO are not set out separately as the property portfolios are fully consolidated with the Group as at 31 December 2022.

The following charts provide a breakdown of the Group's asset value and the Group's net business income by each property type as of 31 December 2022:




The following charts provide a geographical breakdown of the Group's asset value and the Group's net business income as of 31 December 2022:




Notes:
(1) 'Other W. Europe' includes France, Switzerland and the UK.
(2) 'Other CEE' includes Croatia, Romania, Slovakia and Russia.
(3) Data disclosed in these charts include differences due to rounding.
Data includes the book value of the Group's 32.3 per cent. stake in Globalworth, a 76.9 per cent. stake in IMMOFINANZ and a 88.4 per cent. stake in S IMMO according to the geographic and segment split percentages of Globalworth's (as at 31 December 2022), IMMOFINANZ's (as at 31 December 2022) and S IMMO's portfolio (as at 31 December 2022).

The Group's properties were valued in aggregate at EUR 20,855 million as at 31 December 2022, compared to EUR 13,119 million as at 31 December 2021. The growth in valuation between these dates was mainly due to acquisitions of two leading real estate owners in the Group's region including a 76.9 per cent. stake in IMMOFINANZ and an 88.4 per cent. stake in S IMMO for a total of EUR 3.3 billion. Additionally, capital expenditure and development for the Group stood at EUR 382 million for the year 2022. Disposals in 2022 stood at EUR 889 million and included the sale of three shopping centres in the Czech Republic, the ČEZ Group office in Prague, industrial properties in the Czech Republic and Hungary, six office properties in Berlin, three offices in Vienna, landbank in the Czech Republic and a small office in Budapest. There was a decrease in fair value of EUR 49 million.

The Group's portfolio mostly comprises income-generating assets. As of 31 December 2022, 87.7 per cent. or EUR 18,299 million of the portfolio, comprised income-generating assets and the landbank and development accounted for the remaining 12.3 per cent. or EUR 2,556 million (2021: 13 per cent. or EUR 1,524 million; 2020: 8 per cent. or EUR 857 million).

As of 31 December 2022, 100 per cent. or EUR 2,245 million of the landbank consisted of non-income generating assets.

***Property value***

As of 31 December 2022, the Group's top ten income generating properties by value represented 12 per cent. of the total property portfolio. The following table sets out certain information on the Group's top ten income generating properties by value as of 31 December 2022:

| | Location | Value as of 31 December 2022 | Share of Total as of 31 December 2022 | GLA |
|---|---|---|---|---|
| | | *€ (millions)* | *%* | *sqm (thousands)* |
| myhive Warsaw Spire | Warsaw, Poland | 391 | 1.9 | 72 |
| SC Maximo | Rome, Italy | 302 | 1.4 | 61 |
| Warsaw Financial Center | Warsaw, Poland | 280 | 1.3 | 50 |
| Quadrio | Prague, Czech Republic | 253 | 1.2 | 25 |
| Eurocentrum | Warsaw, Poland | 249 | 1.2 | 85 |
| FLOAT | Düsseldorf, DE | 232 | 1.1 | 30 |
| Helmholtzstraße | Berlin, DE | 226 | 1.1 | 45 |
| Franklinstraße | Berlin, DE | 212 | 1.0 | 36 |
| myhive am Wienerberg Twin Towers | Vienna, Austria | 210 | 1.0 | 66 |
| Reuchlinstraße | Berlin, DE | 199 | 1.0 | 49 |
| **Total** | | **2,554** | **12.2** | **519** |

Note: [(1)] Excludes value of separate landbanks and development projects.

***Rent Collection Rates***

In 2021, the Group invoiced and collected rent normally across the vast majority of its portfolio. The quality of the Group's office assets and tenants in Berlin, Prague and Warsaw meant that tenants continued paying rent without disruptions. The strength of the Czech housing market meant that residential collections were normal. In retail, about 50 per cent. of the Group's retail units were deemed essential during the pandemic, with many experiencing strong sales. Government aid to the retail sector was swift and effective. Hotels posed the greatest challenge but the Group was able to manage costs effectively.

The Group's rent collection rate for the entire year of 2021 was 96.6 per cent. before discounts and 99.3 per cent. after discounts.

Total discounts agreed by the Group for the year ended 2021 amounted to EUR 11.5 million, less than 3 per cent. of the Group's gross rental income.

In 2022, the Covid-19 pandemic's related impact on rent collections and discounts was limited. Rent collection, per the ordinary course of business, remained high at approximately 99.2 per cent, and was closely monitored and enforced in cooperation with the legal team. The Group's tenant base was well diversified and there was limited exposure to individual tenants.

***Occupancy rates and lease maturity profile***

The Group experiences high levels of occupancy in its properties overall. In the year ended 31 December 2022, the Group's property portfolio's average occupancy rate decreased to 92.8 per cent., compared to 93.8 per cent. and 93.7 per cent. in the years ended 31 December 2021 and 2020, respectively.

The following table sets out information on the occupancy levels in the Group's properties during the periods indicated:

| | As of 31 December | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| | | % of occupancy | |
| The Group | 92.8 | 93.8 | 93.7 |
| Office | 89.9 | 91.9 | 92.4 |
| Retail | 97.9 | 97.0 | 96.7 |

The following table sets out the lease maturity profile (in per cent.) of the Group's properties as of 31 December 2022:

| | As of 31 December 2022 | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028+ |
| The Group | 13 | 23 | 16 | 15 | 13 | 19 |

The following table sets out a breakdown of the weighted average unexpired lease term for the Group by country and segment for the periods indicated:

| | | Weighted average unexpired lease term | |
|---|---|---|---|
| Segment | Country | 2022 | 2021 |
| | | Years | |
| **Office** | | | |
| | Germany | 3.2 | 3.2 |
| | Poland | 2.9 | 3.0 |
| | Czech Republic | 4.0 | 4.7 |
| | Austria | 4.7 | - |
| | Hungary | 2.7 | 3.0 |
| | | **3.3** | **3.5** |
| **Retail** | | | |
| | Czech Republic | 4.0 | 4.1 |
| | Italy | 5.5 | 7.0 |
| | Romania | 3.1 | - |
| | Hungary | 2.8 | 2.9 |
| | Poland | 3.4 | 4.1 |
| | Slovakia | 4.1 | 5.9 |
| | | **3.8** | **4.5** |
| **Total Group** | | **3.4** | **3.8** |

### *Tenant base*

The Group has a diverse tenant base. In the year ended 31 December 2022, the aggregate amount of rent paid by the Group's top ten tenants amounted to 8.4 per cent. of the total rental income received by the Group. The following table sets out certain information on the Group's top tenants by amount of rent paid as of and in the year ended 31 December 2022:

| | As of 31 December 2022 | | |
|---|---|---|---|
| | Total rent from the Group's properties | Rent | Weighted average unexpired lease term |
| | (%) | € (millions) | (years) |
| AHOLD Delhaize | 0.9 | 8.4 | 6.0 |
| Justiz | 0.9 | 8.1 | 10.0 |
| Takko Fashion | 0.9 | 7.9 | 2.8 |
| Kik | 0.9 | 7.9 | 3.2 |
| LPP | 0.9 | 7.8 | 3.0 |
| Deichmann | 0.9 | 7.8 | 2.7 |
| Uniper | 0.8 | 7.6 | 6.3 |
| dm | 0.8 | 7.4 | 3.0 |
| Tesco | 0.8 | 7.3 | 6.7 |
| Samsung | 0.7 | 6.2 | 3.1 |
| **Total** | **8.4** | **76.5** | **4.7** |

## Sectors

### *Office*

The Office segment’s total value increased from EUR 6,354 million in 2021 to EUR 10,000 million in

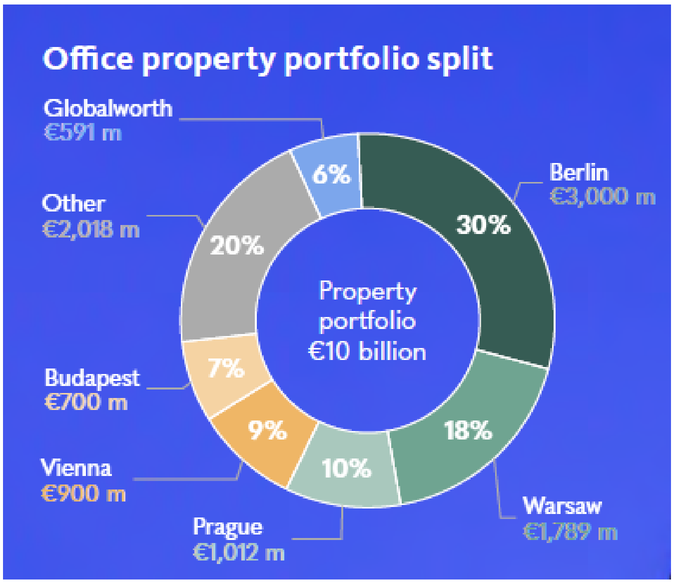
2022 primarily due to recent investments in IMMOFINANZ and S IMMO. The Group's office segment represents 48 per cent. of its property portfolio.

At the end of 2022, the Group's office portfolio values in Berlin, Warsaw, Prague, Vienna and Budapest were EUR 3,000 million, EUR 1,789 million, EUR 1,012 million, EUR 900 million and EUR 700 million, respectively, establishing the Group as the market leader in each area.

Net rental income increased by 61 per cent. to EUR 206.5 million in 2022 (as per the 2022 Financial Statements), primarily due to continued improvements in like-for-like rent and acquisitions.

Occupancy declined slightly in 2022 to 89.9 per cent. Occupancy in Budapest and Warsaw increased as previously vacated spaces were in occupancy rated regions. Berlin and Prague experienced slight declines mainly due to space reduction by tenants at lease prolongation. The Vienna office segment was newly added, with a high occupancy of 94.4 per cent.

The following chart provides a breakdown of the Group's Office Property Portfolio as of 31 December 2022:




The following table provides a breakdown of the Group's Office Property Portfolio as at 31 December 2022 and 31 December 2021:

| | As of 31 December 2022 | | | | As of 31 December 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | PP value (€ million) | Occupancy (%) | GLA ($m^2$) | No. of properties | PP value (€ million) | Occupancy (%) | GLA ($m^2$) | No. of properties |
| Berlin | 3,000 | 91.4 | 932,000 | 48 | 2,934 | 92.5 | 903,000 | 46 |
| Warsaw | 1,789 | 95.8 | 561,000 | 24 | 1,062 | 95.1 | 316,000 | 14 |
| Prague | 1,012 | 93.5 | 316,000 | 22 | 808 | 94.8 | 256,000 | 18 |
| Vienna | 900 | 94.4 | 244,000 | 22 | - | - | - | - |
| Budapest | 700 | 86.8 | 332,000 | 20 | 310 | 85.2 | 131,000 | 8 |
| Other | 2,018 | 81.2 | 884,000 | 75 | 266 | 77.7 | 153,000 | 17 |
| Globalworth | 591 | | | - | 589 | - | - | - |
| IMMOFINANZ | - | | | - | 297 | - | - | - |
| S IMMO | - | | | - | 87 | - | - | - |
| **Total** | **10,010** | **89.9** | **3,270,000** | **211** | **6,354** | **91.9** | **1,759,000** | **103** |

*Berlin Office Portfolio*

The Group's Berlin Office portfolio is held by a Group subsidiary, GSG Berlin. GSG Berlin is a leading provider of office and commercial space with approximately 873,000 sqm in total lettable area as of 31 December 2022. GSG Berlin's real estate business has been in operation for more than 50 years. See "—*History*". GSG Berlin is one of the largest operators of *Gewerbehof* properties in Berlin, which are typically highly integrated and multi-functional property complexes, comprising a mixture of office buildings, light industrial properties, value-added service facilities, community space and infrastructure, typically targeted towards SMEs, together with a small number of residential units. GSG Berlin's tenant base is comprised of approximately 1,700 tenants, many of which are SMEs.

The Group's Berlin Office portfolio is divided into three main clusters:

- Kreuzberg, which includes assets located in Friedrichshain-Kreuzberg – a central business district popular with tech and start-up industries with a high demand for premises;
- Rest-West, which includes assets located in several western districts of Berlin, most of which were popular among industrial tenants in the past, but where the buildings have undergone a change of use during the past ten years as manufacturing sector tenants have declined and there has been an increasing demand by tenants from the service, technology and creative industries; and
- econoparks, which includes assets in the eastern parts of Berlin with good inner city connections and plenty of space enabling tenants to adjust their areas to match their business and development needs.

The portfolio’s total value decreased from EUR 2,934 million in 2021 to EUR 2,856 million in 2022.

Occupancy decreased to 91.9 per cent. in 2022 compared to 92.5 per cent. in 2021.Since the end of 2020, occupancy has increased in the Group's Rest-West portfolio, with a modest increase in the econoparks and a minor decline in Kreuzberg.

Leasing activity picked up across the portfolio following a slowdown in 2020. The Group signed a large number of leases at materially higher rent levels during 2022. In 2021 the Group signed new leases, extensions and prolongations across over 102,000 sqm of leasable area, where headline rents increased by nearly 52 per cent. on average.

Like-for-like rents grew by 10.2 per cent. across the portfolio in 2022, compared to a 9.1 per cent. increase in 2021. Growth was positive across all clusters of the portfolio.

Net rental income increased by 8.1 per cent. to EUR 92 million in 2022 compared to EUR 85.3 in 2021, driven mostly by organic growth in like-for-like rents, combined with the contribution of developments completed towards the end of 2020 (The Benjamin and Prinzessinnenstraße) and 2021 (Torhaus), partially offset by the sale of six smaller assets in Berlin above book value in 2022.

The following table provides certain information on the Group's Berlin Office portfolio as of 31 December 2022:

| | **Number of properties** | **PP value** | **Occupancy** | **GLA** |
|---|---|---|---|---|
| | | *€ (millions)* | *%* | *sqm (thousands)* |
| Rest-West | 15 | 1,423 | 90.4 | 423 |
| Kreuzberg | 21 | 1,033 | 91.9 | 191 |
| econoparks | 5 | 400 | 95.9 | 259 |
| **The Group** | **41** | **2,856** | **91.9** | **873,000** |

GSG Berlin operates as a full-service real estate provider that offers a range of high-margin value-added services (such as construction, office decoration and bespoke IT software) to its tenants, thereby enhancing the attractiveness of its properties. GSG Berlin's overall strategy is to focus on its existing portfolio and continue the optimisation of rent and occupancy levels for this portfolio. In addition to its core property investment activities, GSG Berlin has established a number of key subsidiaries which provide support services, including GSG Solar Berlin GmbH (GSG Solar), which leases space on roof surfaces of various real estate assets of GSG Berlin and erects solar panels to generate solar energy which it resells to the public grid. GSG Solar is the largest producer of solar energy in Berlin, owning 45,000 sqm of photovoltaic area, spanning across 29 assets and 65 separate buildings. Annual production of renewable energy amounted to 4,762 MWh, representing a savings of 1,771 metric tonnes of carbon dioxide equivalent emissions per square metre in 2022.

*Prague Office Portfolio*

The value of the Group's Prague Office Portfolio increased to EUR 1,000 million at the end of 2022 from EUR 808 million at the end of 2021.

Occupancy of the Prague Office Portfolio decreased by 1.3 per cent. year-on-year to 93.5 per cent. in 2022, mainly due to space reduction by tenants at lease prolongation and the insolvency of Bohemian Energy.

Net rental income in the Czech Republic increased by 10.9 per cent. to EUR 39.7 million (as per the 2022 Financial Statements), due to the ten months' income contribution from the acquisition of the IMMOFINANZ Prague portfolio, combined with positive like-for-like rents across the rest of the portfolio. The increase in rental income was partially offset by the disposal of the ČEZ Group headquarters (BB Centrum E) and the BBC's Gamma office in Prague which was sold for more than its book value.

Throughout 2022, the Group was able to continue signing new leases on favourable terms. Over the year, the Group signed over 48,000qm of new leases, extensions and prolongations.

*Warsaw Office Portfolio*

The Warsaw office portfolio grew to over EUR 1.8 billion in 2022. At the end of 2022, the portfolio comprised 24 properties and 561,000 sqm of space, which, management believes, makes the Group the largest office landlord in the city, and comprises 18 per cent. of the Group's office segment.

Net rental income increased in 2022 by 49 per cent. to EUR 80 million, which was driven primarily by the acquisition of IMMOFINANZ and leasing activity. In addition, like-for-like rents have remained robust across the portfolio.

In 2021, the Group signed almost 60,100 sqm of new leases, extensions and prolongations with an average increase in headline rents of 9.6 per cent.

*Budapest Office Portfolio*

The value of the Budapest office portfolio increased to EUR 700 million at the end of 2022 from EUR 310 at the end of 2021.

Occupancy of the Budapest office portfolio increased to 86.8 per cent. in 2022 from 85.2 per cent. in 2021. The increase in occupancy was mainly driven by new tenants taking up vacant spaces in Andrássy 9 and myhive Haller Gardens.

Net rental income increased in 2022 to EUR 32 million.

During 2022, the Group signed over 62,300 sqm of new leases, extensions and prolongations. Several major new leases and prolongations have been achieved, such as the 4,900 sqm new lease with the Hungarian state and the over 14,000 sqm prolongation with Citibank.

*Vienna Office Portfolio*

At the end of 2022, the Group's Vienna office portfolio was valued at EUR 900 million, representing 9 per cent. of the Group's office segment. Through its acquisitions of IMMOFINANZ and S IMMO, the Group became a leading property owner in the Vienna office market.

Net rental income in the Vienna office segment was EUR 27 million, which represents ten months of contribution from the IMMOFINANZ office portfolio, and six months of contribution from the S IMMO Vienna portfolio. Occupancy of the Group's Vienna office portfolio was at 94.4 per cent.

***Retail***

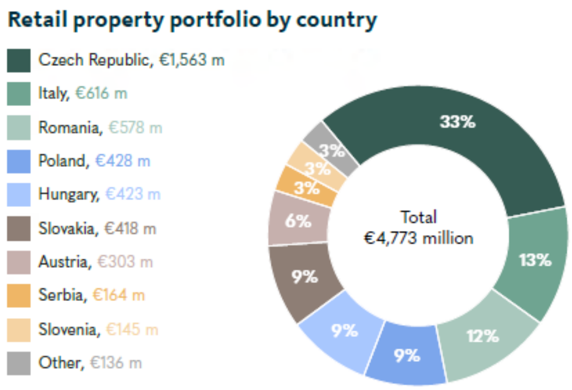
*Retail Segment Summary*

The total value of the retail segment increased to EUR 4,773 million at the end of 2022 from EUR 2,697 million at the end of 2021, primarily due to the acquisitions of IMMOFINANZ and S IMMO.

Net rental income also increased by 94 per cent. for 2022 from EUR 135.3 million in 2021 to EUR 267.9 million in 2022. This was primarily due to the acquisitions of IMMOFINANZ and S IMMO, strong like-for-like rental growth, increasing occupancy and robust discounts provided to tenants.

Occupancy for the overall segment remained stable throughout 2022 rising from 96.8 per cent. in 2016 despite the rise of e-commerce and throughout the pandemic. During 2022, occupancy for the Group's retail portfolio increased to 97.9 per cent. from 97.0 per cent. in 2021.

The following chart provides a breakdown of the Group's Retail Property Portfolio as of 31 December 2022:




The following table provides certain information on the Group's retail segment during the periods indicated:

| | As of 31 December 2022 | | | | As of 31 December 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | PP value (€ million) | Occupancy (%) | GLA ($m^2$) | No. of properties | PP value (€ million) | Occupancy (%) | GLA (m2) | No. of properties |
| Czech Republic....... | 1,563 | 97.2 | 650,000 | 132 | 1,498 | 96.3 | 595,000 | 121 |
| Hungary................. | 423 | 96.2 | 274,000 | 21 | 227 | 93.9 | 138,000 | 7 |
| Poland.................... | 428 | 98.5 | 253,000 | 22 | 159 | 97.8 | 68,000 | 8 |
| Slovakia................. | 418 | 96.7 | 255,000 | 35 | 115 | 99.9 | 76,000 | 15 |
| Italy ....................... | 616 | 99.1 | 198,000 | 20 | 423 | 99.8 | 82,000 | 5 |
| Austria................... | 303 | 97.8 | 112,000 | 20 | - | - | - | - |
| Serbia..................... | 164 | 100.0 | 124,000 | 14 | - | - | - | - |
| Slovenia................. | 145 | 99.2 | 95,000 | 14 | - | - | - | - |
| Germany................ | 49 | 91.9 | 44,000 | 7 | - | - | - | - |
| Croatia................... | 56 | 98.0 | 39,000 | 6 | - | - | - | - |
| Romania ................ | 578 | 99.0 | 244,000 | 8 | 30 | 100 | 11,000 | 1 |
| Globalworth........... | 31 | | | | 31 | - | - | - |
| IMMOFINANZ...... | - | | | | 181 | - | - | - |
| S IMMO ................ | - | | | | 34 | - | - | - |

| | As of 31 December 2022 | | | | As of 31 December 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | PP value (€ million) | Occupancy (%) | GLA ($m^2$) | No. of properties | PP value (€ million) | Occupancy (%) | GLA (m2) | No. of properties |
| **Total** ...................... | **4,773** | **97.9** | **2,290,000** | **299** | **2,697** | **97.0** | **970,000** | **157** |

*The Czech Republic Retail Portfolio*

The Group's Czech Republic retail portfolio focuses on shopping centres, convenience shopping, retail parks and supermarkets. While the Group has a meaningful number of high-quality properties in Prague, the largest portion of the Czech Republic retail portfolio is located outside of Prague with a focus on regionally dominant schemes.

Like-for-like rents have seen positive developments, supported by solid lease activity, one-time discounts provided to selected tenants in need of support, and the resilient performance of tenants in the Group's retail parks, hypermarkets, and supermarkets.

Occupancy rates in retail parks remained at a high level of 97.2 per cent. at the end of 2022, including in shopping centres where occupancy remained at 96.8 per cent. In addition, occupancy in the Group's supermarkets and hypermarkets stood at 100 per cent.

For more information on the Italian, Polish, Slovak and Hungarian retail markets, see *"Market Overview"*.

***Residential***

The Group's Czech Republic residential portfolio was valued at EUR 873 million at the end of 2022, an increase from EUR 733 million at the end of 2021, due to improving rental growth per sqm and high demand.

The business generated a gross rental income of EUR 29.3 million in 2022, an increase of 18 per cent. compared to 2021, due to stable occupancy rates and like-for-like rental growth.

Occupancy decreased slightly by 1.2 per cent. to 94.5 per cent. at the end of 2022 from 95.7 per cent. at the end of 2021 due to slight occupancy declines as units were renovated before renting to new tenants. Central Bohemia saw an improvement of 1.3 per cent. reaching 100 per cent. occupancy rates. Liberec and other regions saw some declines mainly due to the renovation of units before renting to new tenants.

The following table provides certain information on the Group's Czech Republic residential portfolio as of 31 December 2022:

| | Number of units | Number of rented units | PP value | Occupancy* |
|---|---|---|---|---|
| | | | *(€ million)* | *(%)* |
| Prague.......... | 463 | 441 | 111 | 95.2 |
| Ostrava region .......... | 4,134 | 3,864 | 291 | 93.5 |
| Ústí region.......... | 4,983 | 4,682 | 302 | 94.0 |
| Liberec region .......... | 2,018 | 1,972 | 160 | 97.7 |
| Central Bohemia.......... | 77 | 77 | 10 | 100.0 |
| **The Group..........** | **11,675** | **11,036** | **873** | **94.5** |

* Occupancy based on rented units.

*UK Residential Portfolio*

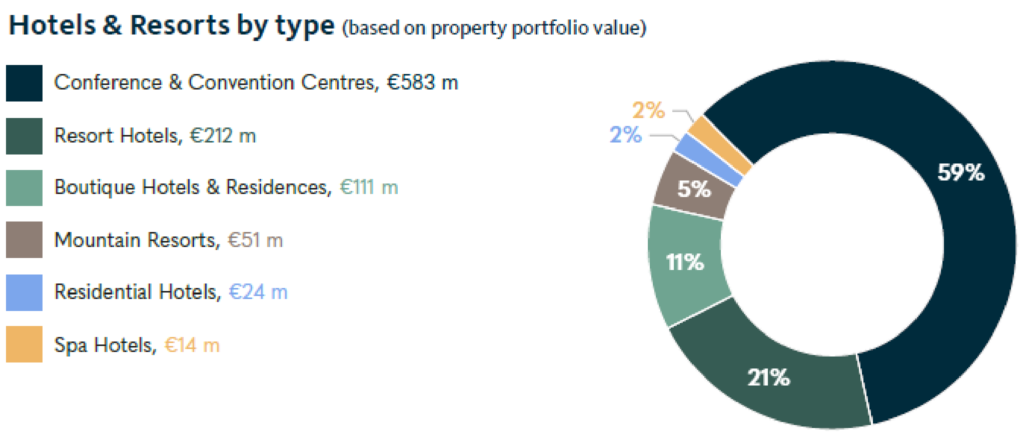
The Group acquired its first residential property in the UK during 2018, followed by two properties in 2019. During the third quarter of 2020, the Group completed two small acquisitions that complement the existing UK residential platform, both located in London – St. Mark's Court, 24 apartments situated in St. John's Wood, and Metrogate House, three terraced properties located in South Kensington. The purchase prices for both St. Mark's Court and Metrogate House were below £1,000 per square foot, representing exceptional value for these locations. In the first half of 2021, the Group acquired the recently decommissioned West End Central Police Station at 27 Savile Row, which consists of 60,000 square feet over nine floors. The Group intends to refurbish these properties over time.

The value of the UK residential portfolio increased in 2022 to EUR 255 million from EUR 247 million in 2021.

### *Hotels and Resorts*

The Group is one of the largest owners and developers of hotels in central Europe and operates in several segments: Congress and Convention Centres, Resort Hotels, Boutique Hotels and Residences, Residential Hotels, Mountain Resorts and Spa Hotels. The Group has a diversified portfolio of owned and operated hotels, with about half relating to conference and convention centres in the Czech Republic and a quarter relating to resort hotels in Hvar. The remaining quarter is split primarily between boutique, residential and spa hotels and the Crans-Montana mountain resort.

The following chart provides a breakdown of the Group's Hotels and Resorts by type of property as of 31 December 2022:




The following table provides certain information on the Group's Hotels and Resorts portfolio as of 31 December 2022:

| | As of 31 December 2022 | | | | |
|---|---|---|---|---|---|
| | Number of properties | PP value | Hotel rooms | Revenue per available room change YoY | Average daily rate change YoY |
| | | (€ million) | | (%) | (%) |
| Czech Republic [(1)] | 23 | 393 | 4,501 | 175 | 18 |
| Croatia | 7 | 171 | 1,113 | 36 | 24 |
| Hungary | 4 | 162 | 704 | 314 | 84 |
| Austria | 1 | 103 | 328 | - | - |
| Italy | 4 | 78 | 752 | 332 | 28 |
| Poland | 2 | 25 | 106 | 213 | 21 |
| Russia | 1 | 0 | 84 | 0 | 9 |
| Switzerland | 1 | 51 | - | - | - |
| Slovakia [(1)] | 1 | 13 | 222 | 135 | 20 |
| S IMMO | - | - | - | - | - |
| The Group | 44 | 995 | 7,810 | 184 | 30 |

Note:

(1) Czech Republic and Slovakia includes hotels operated, but not owned by the Group.

In 2022, the value of the Group's hotels and resorts portfolio increased to EUR 995 million at the end of 2022 from EUR 823 million at the end of 2021.

Revenues generated by the Group's Hotels in 2022 totalled EUR 165 million, more than doubling the Group's Hotel revenues from EUR 66.4 million in 2021. For 2022, average occupancy across the portfolio was 51 per cent.[1], an improvement of 24 per cent. compared to 2021.

Since April 2022, the Group's hotels were recording between 70 per cent. and 90 per cent. of pre-pandemic monthly occupancies. Furthermore, the resurgence in leisure traveller demand, despite concerns of a cost-of-living crisis due to high inflation, led to improvements in the Group's resort destination of Hvar, where occupancy reached 71 per cent., just 5 per cent. behind 2019 levels.

Over the year, the Group maintained flexibility and control over its cost base. At the onset of the Covid-19 lockdown, the Group quickly implemented cost-saving measures including clustering functions, reducing headcount, and cross-utilising staff across the properties. For the full year of 2022, net hotel income reached EUR 46 million versus EUR 14 million in 2021.

***Complementary Assets Portfolio***

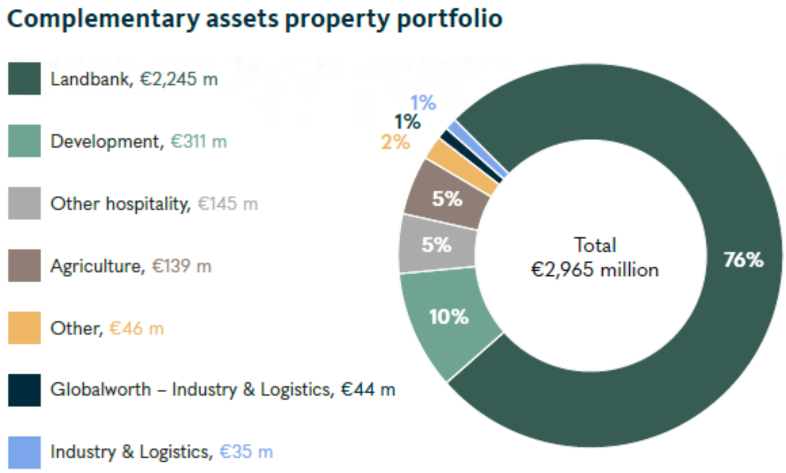
The Group’s Complementary Assets segment consists of landbank plots in the Czech Republic, Berlin, and Italy, selective development projects and smaller portfolios that are complementary to the Group's overall strategy.

As at 31 December 2022, in the Czech Republic, the Group held landbanks valued at EUR 1,078.5 million, an increase from EUR 910.7 million as at the 31 December 2021. The majority of Czech landbank is situated in Prague, mainly relating to Bubny, a 201,000 sqm area strategically located close to the CBD and where the Group recently completed the redevelopment of flagship office Bubenská 1. The majority of the remainder of the Czech Republic landbank related to Nová Zbrojovka, Brno – where the Group is completing the regeneration and redevelopment of one of the largest brownfields in Brno and recently completed the first office development in the new neighbourhood, ZET.office.

In Berlin, the Group owns landbank plots located in attractive areas that were valued at EUR 155.9 million, a slight decrease from EUR 157.4 million as at 31 December 2021. This provides opportunities for low-risk extensions and developments.

[1] Excluding S IMMO hotel properties that are externally managed or leased, and Hvar resorts that are seasonally operated.

The following chart provides a breakdown of the Group’s Complementary Assets Portfolio by value as of 31 December 2022:




The following tables provide certain information on the Group's Complementary Assets portfolio for the periods indicated:

| | As of 31 December 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **PP value (€ million)** | **Occupancy (%)** | **GLA (m2)** | **Potential GLA (m2)** | **Potential GSA (m2)** | **Land area (m2)** | **No. of properties** |
| Landbank ............................ | 2,245 | - | - | - | - | 32,289,000 | - |
| Industry & logistics............. | 35 | 94.1 | 78.000 | - | - | - | 4 |
| Agriculture.......................... | 139 | - | - | - | - | 232,394,000* | - |
| Development....................... | 311 | - | - | 120,000 | 19,000 | - | 30 |
| IMMOFINANZ – Development....................... | | - | - | - | - | - | |
| Globalworth – Industry & logistics............................... | 44 | - | - | - | - | - | - |
| Other................................... | 46 | - | - | - | - | - | 2 |
| Other hospitality | 145 | 99.6 | 68,000 | | | | 7 |
| S IMMO ............................ | - | - | - | - | - | - | - |
| **Total..................................** | **2,965** | **98.4** | **146,000** | **120,000** | **19,000** | **264,683,000** | **43** |

| | As of 31 December 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **PP value (€ million)** | **Occupancy (%)** | **GLA (m2)** | **Potential GLA (m2)** | **Potential GSA (m2)** | **Land area (m2)** | **No. of properties** |
| Landbank ............................ | 1,520 | - | - | - | - | 24,917,000 | - |
| Industry & logistics............. | 187 | 97.3 | 189,000 | - | - | - | 21 |
| Agriculture.......................... | 121 | - | - | - | - | 230,347,000* | - |
| Development....................... | 82 | - | - | 6,000 | 16,000 | - | 8 |
| IMMOFINANZ – Development....................... | 56 | - | - | - | - | - | - |
| Globalworth – Industry & logistics............................... | 36 | - | - | - | - | - | - |
| Other................................... | 24 | - | - | - | - | - | 2 |
| S IMMO ............................ | 4 | - | - | - | - | - | - |
| **Total .................................** | **2,031** | **97.3** | **189,000** | **6,000** | **16,000** | **255,264,000** | **31** |

* Note: Includes farmland operated, but not owned by the Group

## Overview of Financial and Operational Results

The Group maintains a prudent financial policy. Foreign exchange and interest rate risks arising from the Group’s operations, financial assets and liabilities are carefully managed and mitigated through the use of a range of hedging instruments. Tenant credit risk is managed by utilising a range of measures including credit rating scorecards. The Group has strong credit metrics supported by investment grade ratings, long-dated debt maturity profile, strong liquidity through cash and a large committed revolving credit facility from ten banks expiring in 2026, and access to multiple sources of capital, including international bonds issued across multiple jurisdictions under the Programme, private placements, Schuldschein, secured loans from its relationship banks and equity investment from its majority shareholder. As at 31 December 2022, the Group's landbank comprised 10.8 per cent. or EUR 2,245 million of the Group's total property portfolio representing a source of flexibility and liquidity for the Group.

As at and for the year ended 31 December 2022, the Group's net loan to value was 50.9 per cent., compared to 35.7 per cent, and the Net Interest Coverage Ratio was 3.2x, compared to 4.6x, each against the prior year.

The Group's unencumbered assets ratio decreased from 70.4 to 54.4 per cent. The Group's proportion of secured debt to total debt increased at the end of 2022 to 38.9 per cent., primarily due to the full consolidation of IMMOFINANZ and S IMMO. The Group has not historically paid dividends but has reinvested retained earnings in the business. The Group does not have any current plans to commence dividend payments.

Following a review of the Group's financial policy in 2019, management is committed to maintaining a net loan to value below 40 per cent., although it will consider increasing this to 45 per cent. in cases of acquisition of high strategic merit and to maintaining a Net Interest Coverage Ratio above 3x over the long term (See – "*Policies*"), in support of a strong investment grade profile. The Group has a plan to restore its credit ratios by the end of 2024. The Group's goal is a Net LTV of 45 to 49 per cent. by the end of 2023, and lower thereafter. During 2022, the Group continued to manage its debt maturity profile through multiple liability management exercises, by issuing EUR 1,244 million of senior unsecured bonds and other debt instruments. The Group used proceeds from the issuance of inaugural its EUR 700 million 8-year sustainability-linked senior unsecured bonds in January 2022 to fund the full repayment of USD 376.9 million outstanding of senior unsecured bonds maturing in March 2023 and EUR 239.4 million outstanding of senior unsecured bonds maturing in October 2024.

As at 31 December 2022, the Group's Net LTV increased to 50.9 per cent. (from 35.7 per cent. in the previous year), which is above the Group's financial policy target maximum of 40 to 45 per cent. This was largely due to the success of the takeover offers of IMMOFINANZ and S IMMO, the closure of the hybrid bond market, and slower disposals as the real estate sector adapted to an environment where small or medium-sized sales were easiest to execute.

Other key financial metrics remain in line with the Group's financial policy and future rating objectives. Net Interest Coverage Ratio was 3.2x at the end of 2022, a decrease from 4.6x at the end of 2021, which was due to higher interest expenses from the acquisition bridge financings, which are being repaid gradually.

As at the end of 2022, the Group had EUR 2 billion of available liquidity between cash and cash equivalents plus undrawn revolving credit facilities. The Group's liquidity position is supported by EUR 700 million committed revolving credit facility with ten international banks that expires in 2026 and by EUR 100 million and a EUR 110 million committed revolving credit facilities at the IMMOFINANZ and S IMMO levels, respectively. Revolving credit facilities offer the Group significant flexibility to access cash quickly and at low cost.

The Group's revolving credit facilities have remained fully undrawn during 2022.

The following tables provide certain information on the Group's financial results in the periods and as of the dates under review:

*Selected consolidated statement of comprehensive income data*

| | **As at 31 December** | |
|---|---|---|
| *€ millions (unless otherwise indicated)* | **2022** | **2021** |
| Net rental income | 632 | 363 |
| Net business income | 676 | 385 |

| € millions (unless otherwise indicated) | As at 31 December 2022 | 2021 |
|---|---|---|
| Operating result | 701 | 1,586 |
| Profit before income tax | 682 | 1,561 |

*Selected consolidated statement of financial position data*

| € millions (unless otherwise indicated) | As at December 2022 | 2021 |
|---|---|---|
| Total assets | 23,521 | 14,369 |

*Selected additional information*

| € millions (unless otherwise indicated) | As at, and for the year ended, 31 December 2022 | 2021 |
|---|---|---|
| Consolidated Adjusted EBITDA | 608 | 368 |
| Consolidated total indebtedness | 11,690 | 5,187 |
| Property portfolio value | 20,855 | 13,119 |
| Net loan to value | 50.9% | 35.7% |
| Net Interest Coverage Ratio | 3.2x | 4.6x |
| Secured leverage ratio | 19.5% | 9.8% |
| Unencumbered assets ratio | 54.4% | 70.4% |
| Vacancy rate(1) | 7.2% | 6.2% |
| EPRA Net reinstatement value | 8,005 | 7,039 |
| Gross leasable area (thousand sqm) | 6,784 | 3,667 |
| Average cost of debt | 2.45% | 1.73% |

Notes:
(1) Excluding hotels and calculated on the basis of EPRA vacancy.

As at 31 December 2022, net rental income increased by 74.0 per cent. to EUR 632 million (31 December 2021: EUR 363 million) and annualised net rental income increased by 98 per cent. to EUR 736 million (31 December 2021: EUR 372 million). The positive development in net rental income was predominantly driven by an increase in the Group's gross rental income (partially offset by higher property operating expenses) and the Group's recent acquisitions (for more information, see " *– History*", "*– IMMOFINANZ*", "*– S IMMO*", *"Risk Factors – The Group may not be able to manage its growth successfully"*, *"Risk Factors – Risks related to each of IMMOFINANZ's and S IMMO's performance and unforeseen liabilities following the Takeovers"*, *"Risk Factors – Risks related to the integration of each of IMMOFINANZ's and S IMMO's activities and the non-realisation of the expected synergies following the Takeovers"* and *"Risk Factors – Risks related to the triggering of change of control clauses following the IMMOFINANZ Takeover"*.

In the year ended 31 December 2022, the operating result decreased to EUR 701 million (31 December 2021: EUR 1,586 million) and profit before income tax decreased to EUR 682 million (31 December 2021: EUR 1,561 million). The primary drivers for this decrease were the lack of valuation gains compared to 2021, offset by the increase in net rental income from recent acquisitions and developments, and the recovery of net hotel income.

In the year ended 31 December 2022, the Group's net business income increased by 75.3 per cent. to EUR 676 million from EUR 385 million and the Group's Consolidated Adjusted EBITDA increased by 64.9 per cent. to EUR 608 million from EUR 368, each compared to the prior year (note that this includes pro-rata EBITDA of equity accounted investees and other financial assets. In 2022, this includes 12 months for Globalworth, six months for S IMMO prior to its full consolidation and two months for IMMOFINANZ prior to full consolidation.

Total assets increased by 63.7 per cent. to EUR 23,521 million as of 31 December 2022 (31 December 2021: EUR 14,369 million). This increase was primarily driven by higher portfolio value and cash and cash equivalents. The Group's property portfolio increase is primarily due to acquisitions of EUR 3,326 million, primarily relating to the EUR 1.84 billion for additional IMMOFINANZ shares, EUR 0.83 billion for S IMMO shares and other acquisitions of EUR 0.66 billion.

The net loan to value ratio increased to 50.9 per cent. as of 31 December 2022 (31 December 2021: 35.7 per cent.). This increase was primarily the result of the acquisitions of IMMOFINANZ and S IMMO in 2022 and the full consolidation of both companies in the Group's financial statements (see "*Overview of the Financial and Operation Results*" above).

The ratio of Secured Debt to Total Debt increased to 38.9 per cent. as of 31 December 2022 (31 December 2021: 27 per cent.). The ratio of unencumbered assets decreased to 54.4 per cent. as of 31 December 2022 (31 December 2021: 70.4 per cent.). These movement were due to higher encumbrance on the IMMOFINANZ and S IMMO levels.

In the year ended 31 December 2022, the Net Interest Coverage Ratio decreased to 3.2x (31 December 2021: 4.6x).

As of 31 December 2022, the overall vacancy rate increased to 7.2 per cent. (31 December 2021: 6.2 per cent.).

**Debt Overview**

The Group's sources of funding comprise senior unsecured Eurobonds issued to international investors under the Programme, secured loans from its relationship banks, unsecured revolving credit facilities and equity investment from its majority shareholder.

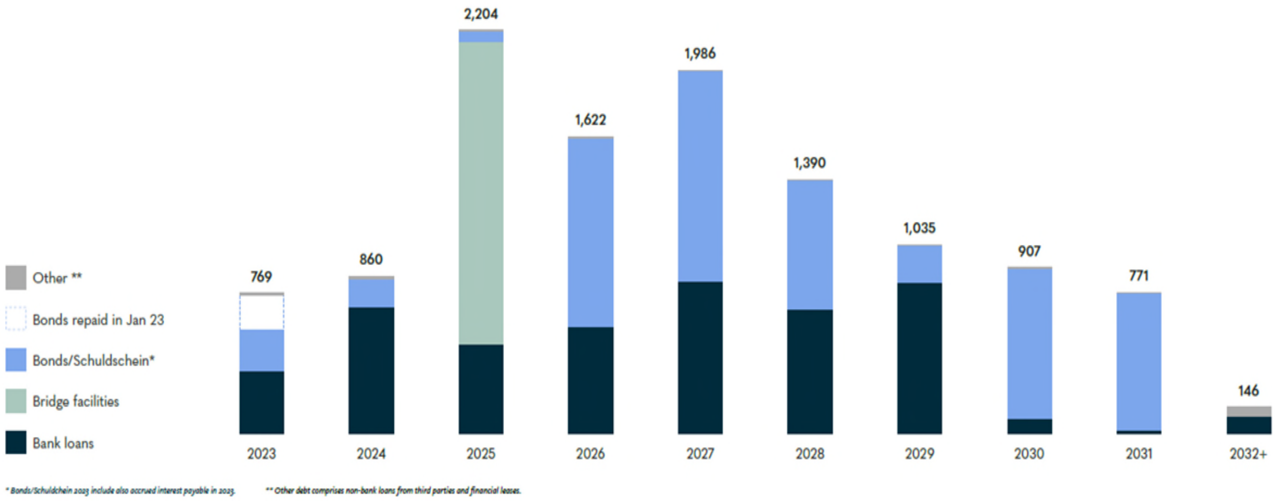
Total Debt (which includes bonds issued, financial debts and financial debts linked to assets held for sale) increased by EUR 6,503 million or 125 per cent., to EUR 11,690 million as of 31 December 2022 (31 December 2021: EUR 5,187 million). Long-term debt (which includes bonds issued and financial debts) increased by EUR 5,988 million, or by 123 per cent. to EUR 10,846 million as of 31 December 2022 (31 December 2021: EUR 4,858 million). Short-term debt (that is, short-term borrowings and the current portion of long-term debt) increased by EUR 492 million, or 179 per cent. to EUR 766 million as of 31 December 2022 (31 December 2021: EUR 275 million).

Secured financial debts increased to EUR 4,552 million as of 31 December 2022 (31 December 2021: EUR 1,398.1 million). The Group's secured financial debts as a percentage of Total Debt increased to 38.9 per cent. as of 31 December 2022 from 27.0 per cent. as at 31 December 2021. Unsecured debt (which includes unsecured bonds issued and unsecured financial debts) increased by to EUR 7,138 million as of 31 December 2022 (31 December 2021: EUR 3,789 million).

The ratio of fixed-rate debt decreased from approximately 93 per cent. as at 31 December 2021 to approximately 75 per cent. as at 31 December 2022.

As of 31 December 2022, the total value of unsecured bonds issued by the Issuer amounted to EUR 5,086.2 million (31 December 2021: EUR 3,734.8 million). These bonds are denominated in EUR, HKD, USD, CHF, JPY, GBP and HUF.

The following graph illustrates the maturity profile of the Group's external financing as of 31 December 2022, broken down by type of funding source (in millions of EUR):




In September 2017, the Issuer established an EMTN Programme which has subsequently been updated. In April 2019, the Issuer authorised an increase in the maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme from EUR 3,000 million to EUR 5,000 million.

In October 2017, the Issuer issued EUR 600 million of senior unsecured bonds under the Programme, due in 2024. In December 2017, the Issuer increased the bond issue by EUR 225 million.

In February 2018, the Issuer signed a five year EUR 114.8 million loan agreement with UniCredit Bank to refinance Quadrio.

In March 2018, the Issuer entered into a EUR 150 million two year revolving credit facility with a group of leading international and regional banks, including Barclays, Credit Suisse, Deutsche Bank, JP Morgan, Komerční Banka and UniCredit Bank.

In May 2018, the Issuer issued EUR 550 million of undated 4.375 per cent. fixed rate resettable subordinated notes. The notes were issued under the Issuer's EMTN programme, and the proceeds were used to repay debt, including secured loans and subsidiary bonds. These notes have no fixed maturity date and are callable by the Issuer from 9 November 2023. The notes are listed on Euronext Dublin. The notes are commonly known as "hybrids", and contain features of both debt and equity. Such perpetual hybrid instruments are accounted as equity under IFRS as reflected in the consolidated financial statements of the Group.

In August 2018, the Issuer signed a EUR 80 million two year revolving credit facility with HSBC, Nomura and Raiffeisen Bank International AG as lenders.

In October 2018, the Issuer agreed with Komerční Banka on the refinancing of IGY shopping centre in České Budějovice, Czech Republic. The loan totalled EUR 60 million for a term of five years.

During the fourth quarter of 2018 the Issuer issued EUR 840 million of senior unsecured bonds under the EMTN Programme, EUR 610 million of which were issued in Euro with a maturity in 2022, and EUR 145 million in Swiss Franc bonds with a maturity in 2023. In December 2018, the Issuer became the first European real estate company to complete a public bond offering in Japan. The Issuer issued EUR 85 million in Japanese Yen maturing in 2021 and 2028.

In February 2019, the Issuer issued HKD 450 million of notes due in 2024 under the Programme. The Issuer converted the proceeds from the notes into Euros through a cross-currency swap.

In March 2019, the Issuer issued USD 350 million of notes due in 2023 under the Programme. The

Issuer subsequently increased the issue by USD 100 million in July 2019. The Issuer converted the US Dollar principal and coupons into Euros through cross-currency swaps. Also in March 2019, the Issuer signed a EUR 510 million 3-year unsecured revolving credit facility. This facility replaced the Issuer´s existing EUR 230 million facilities, which were scheduled to mature in 2020. Eleven regional and international banks participated in the new facility; all nine lenders in the 2020 facilities increased and extended their commitments, while two new banks also joined the facility.

Further, in March 2019, the Issuer signed EUR 170 million of senior unsecured Schuldschein loans. The Schuldschein loans included EUR 111 million of floating-rate loans due in 2023, EUR 49 million of floating-rate loans due in 2025, and EUR 10 million 2.696 per cent. loans due in 2027. The terms and conditions of the Schuldschein are fully aligned with the Programme.

In April 2019, the Issuer announced the successful placement of EUR 550 million 4.875 per cent. fixed-rate resettable undated subordinated notes under the Programme. The notes have no fixed maturity date and are callable by the Issuer from 16 October 2025.

In June 2019, the Issuer issued a HKD 283 million 4.450 per cent. bond under the Programme, due in 2026.

In October 2019, the Issuer issued its inaugural green bond under the Programme of EUR 750 million 1.625 per cent. notes due in 2027.

In January 2020, the Issuer issued a GBP 350 million 2.750 per cent. senior unsecured green bond under the Programme, due in 2028.

In January 2020, the Issuer also issued a SGD 150 million 5.800 per cent. hybrid bond under the Programme, callable in 2025.

In February 2020, the Issuer issued a HKD 250 million 3.014 per cent. bond under the Programme, due in 2030.

On 11 February 2020, the Issuer signed a EUR 96 million secured bank loan with UniCredit Bank, due in 2027.

On 30 March 2020, the Issuer authorised an increase in the maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme from EUR 5 billion to EUR 8 billion.

In May 2020, the Issuer issued a EUR 750 million 2.750 per cent. green bond under the Programme, due in 2026.

In July 2020, the Group's subsidiary GSG increased their loan from Berlin Hyp by EUR 259 million to a total of EUR 750 million. The loan is due in October 2024.

On 7 August 2020, CPI Hungary Investments issued HUF 30,000,000,000 2.25 per cent. Green Bonds guaranteed by the Issuer, due in 2030 (issued outside of the Group’s EMTN programme).

On 8 September 2020, the Issuer announced tender offers targeting the Issuer’s EUR 550 million 4.375 per cent. Fixed Rate Resettable Undated Subordinated Notes (the 2023 Hybrid Notes) and EUR 610 million 1.450 per cent. Senior Notes due 2022 (the 2022 Notes). On 16 September 2020, the Issuer announced that EUR 328 million of the 2023 Hybrid Notes and EUR 12 million of 2022 Notes validly tendered were accepted for purchase by the Issuer in the tender offers.

On 16 and 17 September 2020, respectively, the Issuer completed the issuance of 4.875 per cent. Fixed Rate Resettable Undated Subordinated Notes in the total amount of EUR 525 million (the **New Hybrids**) under the Programme. The New Hybrids will be treated as equity for IFRS accounting purposes and will receive 50 per cent. equity credit from both Moody’s and Standard & Poor’s. Proceeds from the New Hybrids are intended for general corporate purposes, with a primary focus on lengthening the Group's refinancing profile and further reducing gross debt.

On 25 November 2020, the Issuer signed a new EUR 700 million revolving credit facility with ten international banks (the **Revolving Credit Facility**). The Revolving Credit Facility matures in January 2026 and replaces the Group's existing EUR 510 million revolving credit facility, which matures in 2022. Lenders to the Revolving Credit Facility are Banco Santander S.A., Bank of China (CEE) Ltd. Prague Branch, Barclays Bank PLC, Raiffeisen Bank International AG, Komerční Banka, Credit Suisse AG, London Branch, Goldman Sachs International, HSBC France, J.P. Morgan Securities PLC and UniCredit Bank Czech Republic and Slovakia, a.s.

On 18 January 2021, the Issuer announced tender offers targeting the 2023 Hybrid Notes and the Issuer's EUR 825 million 2.125 per cent. Notes due 4 October 2024 (the **2024 Notes**). On 26 January 2021, the Issuer announced that EUR 213 million of the 2023 Hybrid Notes and EUR 129 million of the 2024 Notes validly tendered were accepted for purchase by the Issuer in the tender offers. On 1 March 2021, the Issuer completed the repurchase of the remaining outstanding EUR 9 million 2023 Hybrid Notes.

On 27 January 2021, the Issuer issued undated 3.75 per cent. fixed rate resettable undated bonds of EUR 400 million which are callable in 2028 and 10-year 1.5 per cent. fixed rate senior unsecured bonds of EUR 600 million, which the Issuer subsequently increased by EUR 50 million on 1 February 2021.

On 4 February 2021, the Issuer completed the repurchase of the remaining outstanding EUR 335 million 2022 Notes.

On 25 February 2021, the Issuer issued 4-year 0.71 per cent. JPY 3 billion senior unsecured bonds due in 2025.

On 9 June 2021, the Issuer signed a EUR 208 million secured bank loan with UniCredit Bank due in 2028.

On 8 September 2021, the Issuer issued EUR 100 million 1.500 per cent. Senior Notes due 27 January 2031 (to be consolidated and form a single series with the EUR 600 million 1.500 per cent. Senior Notes due 27 January 2031 issued on 27 January 2021 and the EUR 50 million 1.500 per cent. Senior Notes due 27 January 2031 issued on 1 February 2021) and EUR 75 million 3.750 per cent. Fixed Rate Resettable Undated Subordinated Notes (to be consolidated and form a single series with EUR 400 million 3.750 per cent. Fixed Rate Resettable Undated Subordinated Notes issued on 27 January 2021).

On 7 October 2021, the Issuer issued JPY 2,600,000,000 0.35 per cent. Notes due 2025.

On 30 December 2021, the Issuer issued EUR 100 million 1.500 per cent. Senior Notes due 27 January 2031, to be consolidated and form a single series with the EUR 600 million 1.500 per cent. Senior Notes due 27 January 2031 issued on 27 January 2021, the EUR 50 million 1.500 per cent. Senior Notes due 27 January 2031 issued on 1 February 2021 and EUR 100 million 1.500 per cent. Senior Notes due 27 January 2031 issued on 8 September 2021.

On 7 January 2022, the Issuer announced that it had mandated a number of financial institutions for its inaugural sustainability-linked senior notes (the **Sustainability-Linked Senior Notes**), intended to be issued pursuant to the Programme.

The net proceeds of the Sustainability-Linked Senior Notes, were intended to finance the Issuer's exercise of its issuer call options, pursuant to Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) of the terms and conditions of the 2023 Notes (as defined below) and the 2024 Notes (as defined below), in respect of the outstanding:

- USD 450,000,000 4.750 per cent. Notes due 8 March 2023 (the **2023 Notes**); and

- EUR 825,000,000 2.125 per cent. Notes due 4 October 2024 (the **2024 Notes**).

As at 7 January 2022, the total amounts outstanding were USD 376,893,000 for the 2023 Notes and EUR 239,405,000 for the 2024 Notes.

Any remaining proceeds from the Sustainability-Linked Senior Notes that were not required for the financing of the call options are intended to be used for general corporate purposes.

On 14 January 2022, the Issuer issued EUR 700,000,000 1.750 per cent. Sustainability-Linked Senior Notes, due 14 January 2030, which are listed on the Main Market of the Irish Stock Exchange plc (trading as Euronext Dublin) and were accepted for clearance through Euroclear and Clearstream, Luxembourg. The Sustainability-Linked Senior Notes were rated Baa2 by Moody’s and BBB by Standard & Poor’s. The ISIN code for the Sustainability-Linked Senior Notes is XS2432162654 and the Common Code is 243216265.

The Sustainability-Linked Senior Notes are subject to a step-up margin of 0.25 per cent. in the final two years if the Issuer does not achieve a reduction in greenhouse gas emissions intensity of about 22 per cent. compared to the 2019 Baseline by year-end 2027. Sustainalytics, as independent second party opinion provider, assessed the Issuer's targets as "ambitious" with "very strong" key performance indicators that are aligned with the Paris Agreement.

The Issuer announced that as a result of the issue, it became the first real estate company from its region to issue sustainability-linked bonds.

In January 2022, the Issuer issued a tap of GBP 50 million of green bonds maturing in 2028.

In April and May 2022, the Issuer signed EUR 183 million of senior unsecured Schuldschein loans. The Schuldschein loans included EUR 106 million of floating-rate loans due in 2026, and EUR 77 million of floating-rate loans due in 2028. The terms and conditions of the Schuldschein are fully aligned with the Programme.

On 5 May 2022, the Issuer issued USD 120,000,000 6.02 per cent. Series A Senior Notes due 5 May 2027, USD 100,000,000 6.06 per cent. Series B Senior Notes due 5 May 2028 and USD 110,000,000 6.15 per cent. Series C Senior Notes due 5 May 2029 to purchasers under a private placement (issued outside of the Group's EMTN Programme).

In June 2022, the Issuer made repurchases in the secondary market of its EUR 850 million 1.50 per cent. senior unsecured bonds maturing in 2031 (**2031 Notes**).

In June 2022, the Issuer signed and closed a term loan facility with Sumitomo Mitsui Banking Corporation (**SMBC**) amounting to EUR 100 million maturing in 2026.

A total of EUR 558 million of IMMOFINANZ senior unsecured bonds maturing in 2023 and 2027 and a total of EUR 153 million of S IMMO senior unsecured bonds maturing in 2025, 2027 and 2028 were redeemed by the Issuer in April, August and October 2022 due to a change of control event. On 31 August 2022, the Issuer extended its current bridge facilities to the first half of 2025.

In July 2022, the Issuer completed a secured loan in the Czech Republic for EUR 275 million.

In November 2022, the Issuer's subsidiary GSG Berlin refinanced a loan for a total of EUR 515 million with BerlinHyp, which includes EUR 200 million in upsizing, for seven years at similar terms to the original loan in 2017.

In total during 2022, the Group repaid EUR 1,397 million of senior unsecured bonds, in advance of the scheduled maturity or call date.

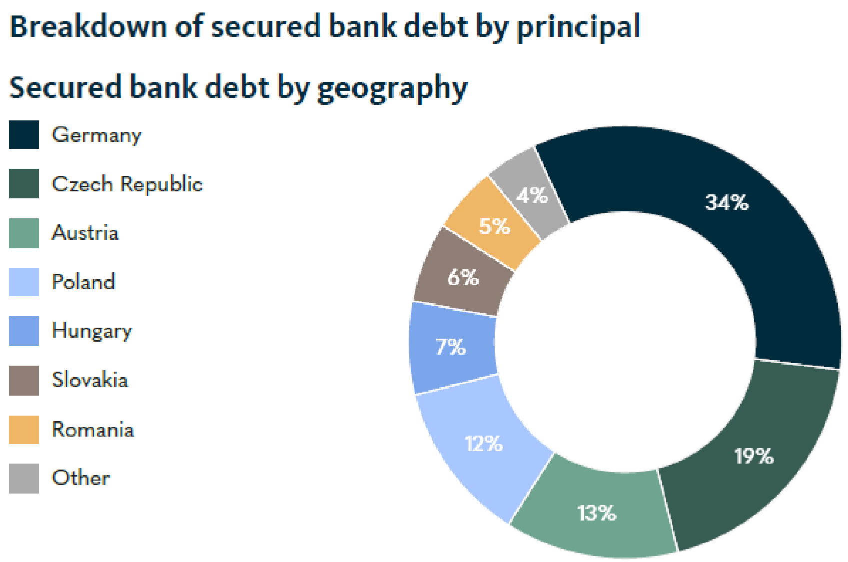
In January 2023, the Issuer's subsidiary IMMOFINANZ repaid EUR 187 million of bonds due on 27 January 2023 with cash on hand.

In March 2023, the Group signed a debut Sustainability-linked Loan through a bilateral facility with MUFG Bank, Ltd. (**MUFG**). The senior unsecured loan totals EUR 100 million, with a bullet maturity of five years (March 2028). In keeping with the Group's commitment to reduce the greenhouse gas (**GHG**) emissions intensity of its property portfolio by 32.4 per cent. through 2030 compared with the 2019 Baseline, the loan's margin will step up or step down on an annual basis from 2023 onwards.

In March 2023, the Group signed a GBP 35 million five-year loan with Rothschild & Co secured against a portion of the Group's UK residential assets. The Group remains in active discussion with banks about secured loans in Germany, the Czech Republic, Poland, the UK and other geographies.

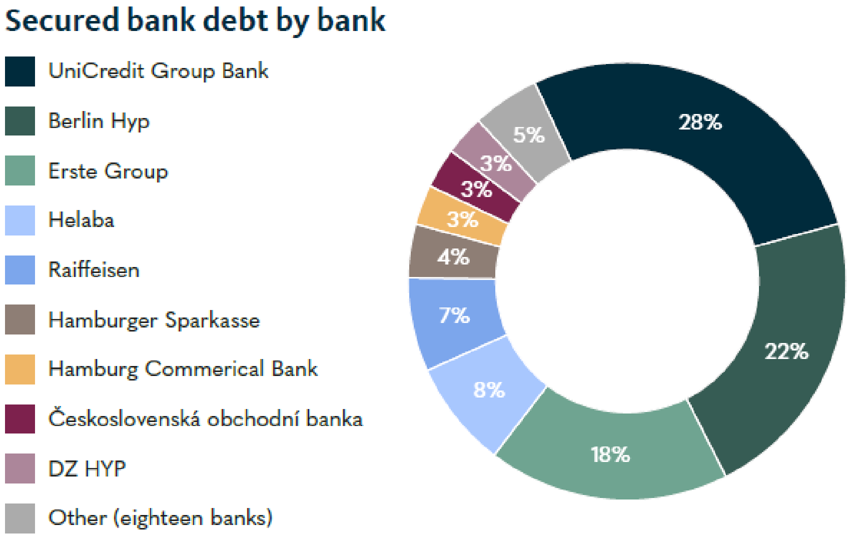
On 4 April 2023, the Issuer announced tender offers targeting the Issuer's outstanding (i) EUR 750,000,000 2.750 per cent. senior notes due 2026 (**2026 Notes**), (ii) EUR 750,000,000 1.625 per cent. senior notes due 2027 (**2027 Notes**) and (iii) GBP 400,000,000 2.750 per cent. senior notes due 2028 (**2028 Notes**) to tender such notes for purchase for cash (**2023 Tender Offer**). On 17 April 2023, the Issuer announced that EUR 334,724,012 (converted into the euro equivalent, where applicable) of the 2026 Notes, 2027 Notes and 2028 Notes validly tendered were accepted for purchase by the Issuer in the tender offers.

The following graph illustrates secured bank debt breakdown by geography as at 31 December 2022:

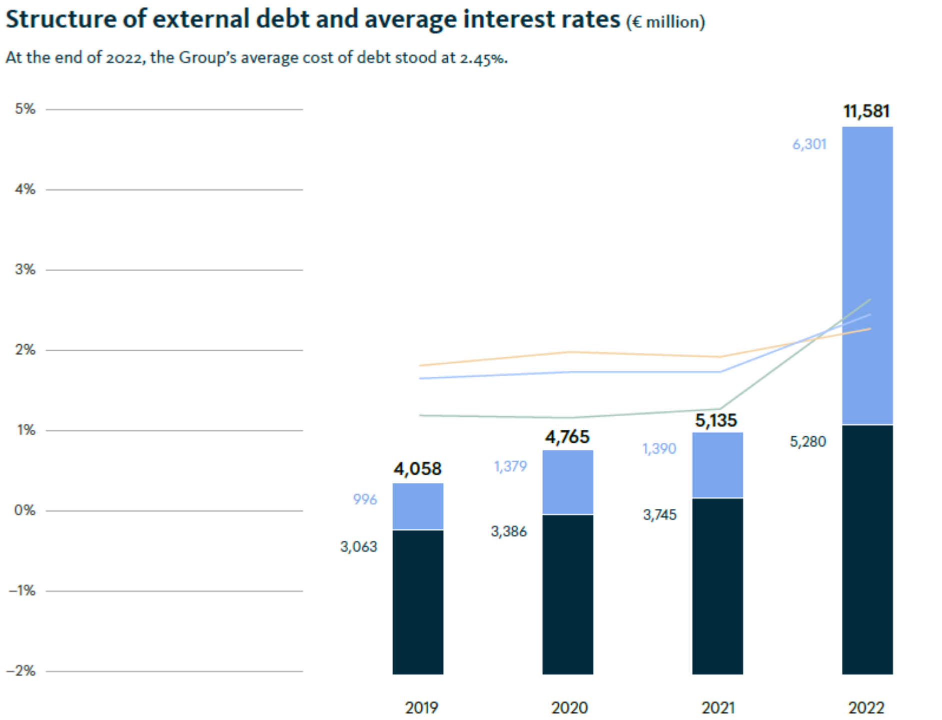



95 per cent. of outstanding secured bank loans are drawn from nine large banking groups who are active in the Group's core regions. In total, the Group has secured loans from 27 banks active in the CEE region, Germany and Italy. During 2022 the Group repaid EUR 2,083 million of secured bank loans and bridge loans. As at 31 December 2022, the Group had EUR 4,552 million of secured financial debts, which represented 39 per cent. of Total Debt, compared to 27 per cent. as at 31 December 2021. The majority of the Group's bank loans are denominated in Euros, with the largest portion of secured loans relating to Germany (34 per cent.) following by the Czech Republic (19 per cent.) and Austria (13 per cent.).

The following graph illustrates the secured bank debt breakdown by lender as at 31 December 2022:




The following graph illustrates the average cost of debt for the Group for the periods indicated:




| | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Bank loans | 996 | 1,379 | 1,390 | 6,301 |
| Corporate bonds/Schuldschein | 3,063 | 3,386 | 3,745 | 5,280 |
| Avg. bank loan interest rate | 1.19% | 1.16% | 1.27% | 2.64% |
| Avg. bond/Schuldschein interest rate | 1.81% | 1.98% | 1.92% | 2.27% |
| **Total average interest rate** | **1.65%** | **1.73%** | **1.73%** | **2.45%** |

**Energy Transition and Circular Economy**

The Group is committed to continuously improving the environmental performance of its portfolio. It is fully aware of the global challenge of climate change, and the Group is willing to contribute to the goals of the Paris Agreement and European energy regulations by setting appropriate targets for the Group. In February 2019, the Group set objectives for the reduction of water consumption by 10 per cent. reductions by 2030 compared to the 2018 baseline. In March 2021, the Group announced its commitment to reduce greenhouse gas intensity by 30 per cent. by 2030 from its 2019 baseline and transition all electricity purchased by the Group to 100 per cent. renewable sources by 2024. The Group closely monitors developments of new EU legislation and standards that align with the Paris Agreement objectives.

In 2022, the Group announced its commitment to reduce GHG emissions intensity by 32.4 per cent. per sqm of property portfolio by 2030 compared with the 2019 baseline across all emissions scopes 1-3 (all relevant categories of scope 3 included except for 3.15 – Investments), including bioenergy and also to transition all electricity purchased by the Group to 100 per cent. renewable sources by 2024. The Group's GHG emissions intensity reduction target has been developed as science-based, aligned with the Paris Agreement climate goals to limit the global temperature increase versus pre-industrial levels to well below 2 degrees Celsius. This was submitted for validation by the Science Based Targets initiative (**SBTi**). In July 2022, the Group's environmental targets were validated by the SBTi. Management believes that the Group belongs among the first companies in the region to have the targets validated by SBTi. In 2022, the Group reported reductions in GHG intensity of 15.2 per cent. and water intensity by 11.2 per cent. compared to its 2022 target. Energy intensity increased by 1.1 per cent. The Group's first Green Bond Framework was developed in March 2019. In May 2020, the Group updated its Framework, the updated version of which was published on 6 January 2022 to form part of the Issuer's Sustainability Finance Framework (insofar as it relates to Green Bonds, the Green Bond Framework) under which the Group committed to use proceeds from green bonds to finance or refinance existing or future projects which improve the environmental performance of the Group's property portfolio and contribute to the Group's climate impact mitigation objectives. The Green Bond Framework defines eligibility criteria according to four types of green assets/initiatives: certified green buildings, energy efficiency, renewable energy and the promotion of sustainable farming. The May 2020 version of the Green Bond Framework was fully aligned with the ICMA Green Bond Principles 2018 and was the subject of a SPO provided by Sustainalytics. The January 2022 update of the Green Bond Framework is fully aligned with the ICMA Green Bond Principles 2021 and is the subject of a SPO on the Green Bond Framework (having been included within the SPO provided by Sustainalytics on the Sustainability Finance Framework). See "*Use of Proceeds*" section for more information.

On 28 October 2019, the Group issued its inaugural green bond of EUR 750 million and became the first company in its region to issue a benchmark Euro-denominated green bond. This was followed by a subsequent Sterling-denominated green bond issuance in January 2020 of GBP 350 million, a Euro-denominated green bond issuance in May 2020 of EUR 750 million and a Forint-denominated green bond issuance in August 2020 of HUF 30 billion.

On 14 January 2022, the Issuer issued EUR 700,000,000 1.750 per cent. Sustainability-Linked Senior Notes, due 14 January 2030, which are listed on the Main Market of the Irish Stock Exchange plc (trading as Euronext Dublin) and were accepted for clearance through Euroclear and Clearstream, See *"Description of the Issuer – Debt Overview"* for more information.

The Group achieved a CDP Global (**CDP**) score of B for 2022 compared to a score of B- in 2021. The score is classified as "Management", meaning the Group is taking coordinated action on climate issues. The B score aligns with the European regional average and is higher than the Land & Property ownership & development sector average of 'C'. The Group is among 47 per cent. of companies that have reached 'Management' level in this activity group. Additionally, the Group achieved a strong ESG rating from Sustainalytics of 12.6 / 100 in March 2023, placing the Group among the top 6 per cent. of issuers globally.

On 24 February 2023, the Group announced that it had received a rating of BBB (on a scale of AAA – CCC) in the MSCI ESG Ratings assessment, an improvement from the previous rating of BB. Key drivers for the higher rating were the larger share of certified green buildings, green leases, and enhanced corporate governance.

At the end of 2022, the share of certified buildings in the Group's portfolio had increased to 37.5 per cent. of total value and 32.1 per cent. of total GLA, which represents an improvement of 4.5 percentage points and 7.9 percentage points respectively over 2021 figures. At the end of the reporting period, the Group's portfolio included 107 certified assets in operation, increasing by 1,367,719 sqm and EUR 1,328 million in value since 2021.

At the end of 2022, 88.8 per cent. of the Group's green-certified buildings per GLA were BREEAM "Very Good" and above and LEED "Gold" and above. BREEAM or LEED certification is considered for every new development and significant refurbishments as well as for buildings in operation wherever possible. The Group has "in-use" certifications on its properties, reflecting its performance under current operation. In order to improve the efficiency benchmarking of non-certified properties in the portfolio, the Group considers other measures to benchmark the energy efficiency of properties in local markets. In the Czech Republic and Hungary, a statistical analysis of the top 15 per cent. most energy-efficient commercial buildings has been developed. In Berlin, the Group focuses on properties in compliance with the Low Carbon Trajectory methodology set by the Climate Bond Initiative.

Changes in the Group's like-for-like energy consumption year-on-year varied across categories: electricity increased by 7.8 per cent., district heating and cooling decreased by 8.7 per cent. and fuels decreased by 5.9 per cent.

The like-for-like asset segments contributing to increases in electricity consumption were Offices (5.3 per cent.), Shopping Centres (14.1 per cent.), Retail (1.5 per cent.), Residentials (0.2 per cent.) and Hotels (22.7 per cent.). Electricity consumption increased by 98.8 per cent. in Industry & Logistics.

The Group maintains a strategic performance benchmark for its specific GHG production of 32.4 per cent. reduction by 2030 compared to the 2019 baseline. For the purpose of accurate tracking of the performance of the operated buildings (the major GHG contributor), ski resort Crans-Montana and Farms are reported separately.

In 2022, GHG intensity across the entire portfolio (adjusted for reported area) outperformed the required 2022 target by 15.2 per cent. Reductions of GHG intensity were recorded in Slovakia, France and Italy in the office segment. Further reductions in GHG intensity were recorded in Hungary. Further assessments will be undertaken across regions and segments to identify ways to continue to improve the trend. The Group's main contributors by country to GHG emissions intensity in 2022 were Poland (0.13 metric tonnes of carbon dioxide equivalent emissions per annum (**t CO2e/sqm p.a.**)), followed by the Czech Republic (0.113 t CO2e/sqm p.a.) and Romania (0.074 tCO2e/sqm p.a.). In 2022, the Group reported that total water intensity across the portfolio outperformed the required 2022 target by 11.2 per cent. Water consumption intensity for like-for-like built assets in operation increased by 8.5 per cent, with reductions in water consumption intensity recorded in Germany, Croatia and Italy.

The Group's aim to switch electricity purchases to 100 per cent. renewable sources by 2024 is expected to have a marked impact on reducing the Group's overall GHG emissions and intensity in the future since this comprises a significant portion of the Group's energy mix and is mostly derived from fossil fuel sources. The switch will also materially contribute to the Group's revised 2030 GHG reduction target. In 2022, the share of electricity from renewable sources increased significantly to almost 91.4 per cent..

**Major Shareholders**

The Issuer's issued share capital consists of 8,902,915,298 ordinary shares of EUR 0.10 nominal value as of 31 December 2022. The shares are governed by the laws of Luxembourg. As of 31 December 2022, Mr Radovan Vítek, through his associated entities, controls 86.69 per cent. of the Issuer's shares and 89.35 per cent. of voting rights.

In March 2018, the Board completed a buy-back of certain shares of the Group under the buyback programme. A total of 724,853,952 shares with a par value of Euro 0.10 each were acquired for the proposed acquisition price of EUR 0.20 per share. At the time of buy-back this represented a direct holding of 7.64 per cent. of the Group's share capital. The shares were bought-back from an entity affiliated with the majority shareholder, Mr Radovan Vítek.

On 15 February 2021, the Group announced a share buy-back of up to 650,000,000 shares under the Company's share buy-back programme. The buy-back was completed on 26 February 2021 with a total of 641,658,176 shares tendered for an aggregate amount of EUR 395,261,436 (or EUR 0.616 per share tendered). About 94 per cent. of the shares tendered were by the Group's primary shareholder, Radovan Vítek (350,500,000 shares) and the Group's subsidiary CPI FIM SA (252,302,248 shares). The rest of the tenders were from management and third parties. Proceeds from shares tendered by the Group's primary shareholders were used to repay shareholder loans, having a broadly cash-neutral impact on the Group. The tendered shares were cancelled by the extraordinary general meeting of the shareholders held on 31 March 2021. The extraordinary general meeting resolved to decrease the corporate capital of the Group.

On 1 September 2021, the Issuer announced the issuance of 162,337,662 new ordinary shares for EUR 100 million. The new ordinary shares, having a par value of EUR 0.10, were issued at a subscription price of EUR 0.616 per share in a reserved capital increase under the Issuer's authorised share capital. All of the shares were subscribed by entities closely associated with Mr. Radovan Vítek, being the beneficial owner of the Issuer. The new shares were fully paid up by a cash contribution, further strengthening the Issuer's equity.

On 22 November 2021, the Issuer announced it had entered into a subscription agreement with Apollo, a leading global real estate investor, for the issuance of 487,012,987 of the Issuer's new ordinary shares, which were priced at EUR 0.616 per share. Additionally, Mr Radovan Vítek subscribed for 243,506,494 of the Issuer's new ordinary shares at EUR 0.616 per share, which increased the Group's equity by a further EUR 150 million.

On 30 November 2021, the Issuer announced it had completed its issuance of 487,012,987 new ordinary shares to Apollo for an aggregate subscription amount of EUR 300 million (the stake represented approximately 5.5 per cent. of the Issuer's share capital). The Issuer also announced it adopted a new distribution policy, increasing its FFO distribution target from 50 per cent. to 65 per cent. beginning in 2022.

At the Extraordinary General Meeting of the shareholders of the Group held on 16 December 2021, the shareholders decided to cancel the possibility to create and issue up to ten billion (10,000,000,000) non-voting shares, having a par value of ten eurocents (EUR 0.10) each, and also the possibility to create and issue up to ten billion (10,000,000,000) beneficiary shares without any voting rights and being under registered form only.

Mr Radovan Vítek and entities owned by him have invested more than EUR 2 billion in the Issuer. This includes cash contributions of EUR 150.0 million in November 2021 and EUR 100.0 million in September 2021, EUR 50.0 million in April 2018, EUR 100.0 million in November 2017 and EUR 51.5 million in June 2017; an in kind contribution of EUR 4.45 million in December 2016; a cash contribution of EUR 130 million in November 2016; a cash contribution of EUR 55 million in June 2016; a EUR 297 million bond contribution in exchange for shares in April 2016; and a EUR 149 million bond and loan contribution in exchange for shares in December 2014.

On 22 November 2022, the Issuer completed the repurchase of 198,057,539 of its own shares under the share buy-back programme for a total of EUR 190.3 million (at EUR 0.961 per share). 184.6 million ordinary shares were tendered indirectly by the Group's primary shareholder, Mr Radovan Vítek.

On 24 May 2023, the Board of Directors of the Issuer approved management’s recommendation to reduce the Group’s distribution target for 2023 from 65 per cent. to less than 25 per cent., with the final payout to be decided by the Board in Q4 2023.

The following table sets forth the ownership of the Issuer's shares, as of 31 December 2022, in so far as it is known to the Issuer:

| Owner | Number of ordinary shares owned | Share of total number of ordinary shares | Share of voting rights |
|---|---|---|---|
| | | *(%)* | *(%)* |
| Mr. Vítek and entities controlled by Mr. Vítek | 7,718,259,609 | 86.69 | 89.35 |
| Clerius Properties (affiliate of Apollo Funds) | 475,637,819 | 5.34 | 5.51 |
| Others | 443,952,831 | 4.99 | 5.14 |
| Treasury shares held by the Group | 265,065,039 | 2.98 | 0.00 |
| **Total shares outstanding** | **8,902,915,298** | **100.00** | **100.00** |

## Property Valuation

The annual consolidated financial statements of the Group are prepared in compliance with IFRS, which includes the application of fair value methods. The properties are regularly valued by independent experts. The valuation reports are prepared in accordance with RICS Standards. The Group conducts an open tender process annually in order to select its external valuation providers.

The following table summarises the number and value of the Group's real estate assets appraised by individual firms, as well as the share of the appraised value in the total valuation. For the purpose of informative value, individual appraisers' workload and valuation results are presented by business segments. The contribution of individual firms to total valuation summarised across business segments is also included.

| | As of 31 December 2022 |
|---|---|
| | Share in relation to the Group's total property portfolio |
| | % |
| Jones Lang LaSalle | 25 |
| Savills | 14 |
| EHL | 3 |
| CBRE | 36 |
| Colliers | 8 |
| Cushman & Wakefield | 4 |
| Other | 4 |
| Acquisition | 4 |
| AHFS | 3 |

| | As of 31 December 2021 |
|---|---|

| | Share in relation to the Group's total property portfolio |
|---|---|
| | % |
| Jones Lang LaSalle | 26 |
| Savills | 23 |
| Knight Frank | 9 |
| CBRE | 9 |
| Colliers | 7 |
| Cushman & Wakefield | 7 |
| RSM | 1 |
| Other | 2 |
| Acquisition Costs | 11 |
| AHFS | 5 |

In the year ended 31 December 2022, the Group realised a net valuation loss of EUR 126 million which management believes is the result of a number of factors. In the Group's office segment, the valuation result was negative due to yield expansion impacting all office clusters except for the Berlin subportfolio, which recorded a slight increase in valuations due to strong rental growth and ongoing investments. In the Group's retail segment, the valuation increased due to operating performance and lower yield sensitivity, as it is a higher-yielding segment, and the Group's portfolio is predominantly in retail parks. In the Group's residential segment, values increased due to like-for-like rental growth in the Czech Republic, offsetting negative results in Germany and other countries. Other segments, including Landbank, benefited from zoning decisions and the pricing of comparable market transactions. Third party-operated hotels were close to neutral, while owner-operated hotels, recorded under property, plant and equipment, declined in value due to regular depreciation and the full impairment of the Group's sole hotel in Moscow, Russia.

## Directors of the Issuer and Group Executive Management

### *General*

The Issuer is committed to the continual and progressive implementation of the real estate industry's best practices with respect to corporate governance and continues to adjust and improve its internal practices in order to meet evolving standards. The Issuer aims to communicate regularly with its shareholders and stakeholders regarding corporate governance. The Issuer follows the Ten Principles and Recommendations of the Luxembourg Stock Exchange as a reference for its Corporate Governance Rules. The security instruments of the Issuer and its respective subsidiaries are listed on several European regulated markets, including stock exchanges in Dublin, Frankfurt, Luxembourg, Tokyo, Zurich and Warsaw. As such, the rules and regulations applicable to these trading venues are applicable to the Issuer or its respective subsidiaries.

### *Board of Directors*

The Issuer's Board of Directors (the **Board**) has eight members (the **Directors**). The members of the Board are elected at the general meeting of shareholders for a term not exceeding six years. They are eligible for re-election and may be removed at any time.

On 6 December 2020, the Issuer announced, with immediate effect, the resignation of Mr Radovan Vítek and Mrs Marie Vítek from the Board, and the appointment of Mr Jonathan Lewis to the Board as an independent non-executive director. Mr and Mrs Vítek's decision to retire form the Board was informed by personal reasons and does not impact Mr Vítek's shareholding in, or his commitment to, the Group.

The current Board members were appointed during the Company's annual general meeting held on 30 May 2022. Their term expires at the annual general meeting of the shareholders of the Issuer to be held on 31 May 2023 concerning the approval of the audited consolidated annual financial statements of the Issuer for the financial year ending on 31 December 2022. As at 31 December 2022, the Issuer's Board of Directors was at a total number of eight members, comprising three executive directors, two non-executive directors (one is a former manager of the Group and one is an Apollo representative) and three independent non-executive directors. As of the date of this Base Prospectus, the Board consists of the following Directors:

| Name | Birthyear | Current position | Position held since |
|---|---|---|---|
| Edward Hughes | 1966 | Chairman, Independent Non-Executive Director | 10 March 2014 |
| Martin Němeček | 1975 | CEO and Managing Director | 10 March 2014 |
| Tomáš Salajka | 1975 | Director of Acquisitions, Asset Management & Sales | 10 March 2014 |
| Philippe Magistretti | 1956 | Non-Executive Director | 28 May 2014 |
| Oliver Schlink | 1970 | CFO & Managing Director of GSG Berlin | 28 May 2014 |
| Omar Sattar | 1971 | Independent Non-Executive Director | 29 May 2019 |
| Jonathan Lewis | 1955 | Independent Non-Executive Director | 6 December 2020 |
| Tim Scoble | 1957 | Independent Non-Executive Director | 16 December 2021 |

This team has overseen the Group's growth generation, capital raising and leverage reduction.

The roles of Chairman of the Board and CEO are clearly separated to ensure a balance of power and prevent any director from exercising unfettered powers of decision making.

The business address of the directors is 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg.

The following are short profiles of the members of the Board:

***Edward Hughes***

*Chairman, independent, non-executive member*

Edward has been the member of the Board of Directors since March 2014. He has been engaged in real estate investment, consultancy and brokerage activities in Central Europe for more than 20 years. Edward is an experienced real estate and finance professional having engaged in many significant asset acquisitions, and development projects in the region. Edward is a Chartered Accountant, after starting his career with Arthur Andersen (London – 1988), and then transferred to the Prague office in September 1991.Since this time, he has been almost exclusively focused on Central Europe including during his employment as an Associate Director of GE Capital Europe. Edward is a graduate of Trinity College, Dublin where he majored in Business and Economics with Honours (1988).

***Martin Němeček***

*Executive member*

Martin has been a member of the Board of Directors since 10 March 2014. Martin is a seasoned real estate professional with over 20 years of experience in both legal and executive functions. Martin joined CPIPG in 2011 and is now responsible for the Group's corporate strategy, international transactions, business development, and legal matters. He led the integration of CPIPG and GSG into CPIPG in 2014, managed foreign expansion of the Group, including takeover of publicly listed companies (including ABLON, ORCO, Next RE (formerly Nova RE), GLOBALWORTH, IMMOFINANZ and S IMMO). During his career, he has completed acquisitions with a total value exceeding EUR 23 billion. Martin was a board member of several listed companies. Martin was instrumental in CPIPG becoming the real estate leader of international debt capital markets and ESG, with three investment grade ratings (Moody's, S&P and JCR) and several pioneer issuances, including the first regional green bonds and sustainability-linked bonds. From 2001 to 2011, Martin worked as a real estate lawyer for Salans (today Dentons), Linklaters and Kinstellar law firms. Martin graduated from the Faculty of Law of Charles University in Prague and the University of Economics, Prague.

***Tomáš Salajka***

*Executive member*

Tomáš has been the member of the Board of Directors since 10 March 2014. Tomáš is responsible for asset management of the Group's portfolio, including all the transactions and platforms in Germany, Poland and Hungary. Before joining CPI Property Group, Tomáš was CEO of Orco Property Group and also was working over the last 10 years for GE Real Estate Germany/CEE where his latest position was the Head of Asset Management & Sales CEE and before that for CSOB in the Restructuring Department. He studied foreign trade at the University of Economics in Prague, Czech Republic (VSE).

***Philippe Magistretti***

*Non-executive member*

Philippe has been a member of the Board of Directors since 28 May 2014. End of 2020, Philippe retired from his executive functions with CMA (Crans Montana Ski Resort). Before joining CPI Property Group, Philippe acted as Chairman of Seveneast, a private wealth management firm in Switzerland, from 2009 to 2015. He was a Member of the Executive Committee and Head of Wealth Management at Renaissance Investment Management in Moscow from August 2006 to January 2008. Prior to joining Renaissance Investment Management, Philippe worked with UBP for two years where he was a Member of the Executive Committee and Head of Private Banking. Philippe worked for Lazard Group for more than ten years, where he held several roles, including as a General Partner of Lazard Frères & Co., New York (from January 1994 to January 2002), Managing Director of Lazard Brothers, London (from January 2002 to February 2004) and CEO of Crédit Agricole Lazard Financial Products Bank, London, a derivatives subsidiary of Lazard Group (from April 1995 to June 2003). Prior to that, Philippe held executive positions at AIG Financial Products, Credit Suisse First Boston and Solomon brothers in New York. Philippe was a member of the board of Fellows at Harvard Medical School for ten years (1992–2002). He holds an MBA from IMD (Lausanne) and a Doctorate in Medicine from the University of Geneva (1982–1984) (Nuclear Medicine), is Fellow of the Harvard Medical School (1978–1981), received an MD degree from the University of Geneva in 1980 and holds a Masters in Philosophy from the University of Geneva.

***Oliver Schlink***

*Executive member*

Oliver has been the member of the Board of Directors since 28 May 2014. Oliver has been working for GSG Berlin for more than ten years. Oliver is solely responsible for finance areas (accounting, controlling, tax, financing), legal, HR and financially driven communication of GSG Berlin and has shared responsibility, with the other GSG Berlin managing directors, for the areas of IT and development. Oliver started his career at KPMG in 1998, where he worked for four years. In 2001 he joined Deutsche Annington (today Vonovia), where he worked for almost ten years, mostly as the Head of Controlling. In 2001, Oliver was responsible for managing one of the four regions of the Deutsche Annington group, comprising 43,000 flats in Westphalia. Oliver holds a dual degree in Business Administration and Engineering from TU Berlin, where he graduated as Diplom Wirtschaftsingenieur in 1997.

***Omar Sattar***

*Independent, non-executive member*

Omar has been the member of the Board of Directors since 29 May 2019. Omar is a seasoned property professional and a RICS qualified Chartered Surveyor with over 25 years of experience. Omar is from the UK, but has spent most of his career working in the CEE region in roles such as the Managing Director of Real Estate at Crowdberry, Managing Director of Colliers International and DTZ Zadelhoff in the Czech Republic and has also held senior Director positions at both Avestus Capital Partners and the Orco Property Group. Omar currently runs his own independent real estate advisory business and holds a BSc (Hons) degree in Land Economics from the University of West of Scotland.

***Jonathan Lewis***

*Independent, non-executive member*

Jonathan has been a member of the Board since 6 December 2020. He is an independent real estate consultant who practised for 40 years as a solicitor, most recently as a real estate partner at international law firm CMS. He started his career at law firm DJFreeman where he became chief executive. During his career as a solicitor he has advised both developers and institutional investors on major office developments in the City of London and in the UK, including portfolio acquisitions and financings. He has been involved on the remuneration committee of substantial law firms as well as performing management roles. He is currently adviser to a number of family offices with significant property portfolios as well as a lending fund. Outside of his business interests he is on the international board of Israel Bonds and chairman of UK Jewish Film. Jonathan is a graduate of Manchester University where he obtained a degree in Economics.

***Tim Scoble***

*Non-executive member*

Tim has been a member of the Board since 16 December 2021. Tim has acted as an advisor to Apollo Management International LLP since August 2013. He has been the commercial lead on multiple acquisitions and participated as a director on a number of boards, both in executive and non-executive roles. In the last 10 years, Tim has held a number of other advisory roles, including at Lapithus Sarl, IBRC, Q Hotels and acting as a non-executive director at Rank Plc for 7 years until the end of 2015. Prior to this, he was the CEO of GuocoLeisure Ltd, a listed leisure and property company on the Singapore exchange for 4 years and, prior to this, the CEO of its UK operating business. He has worked in the leisure and hospitality business for over 25 years across Europe, North America, and Asia. Tim is a member of the Institute of Chartered Accountants in England and Wales.

***Management***

The following are short profiles of the members of the Issuer's executive management team:

**Martin Němeček**, Chief Executive Officer of CPI Property Group, was appointed in March 2014. His biography is above. See "—*Board of Directors*".

**Zdeněk Havelka**, Executive Director of CPI Property Group, was appointed in June 2014. Before joining CPI Property Group, Zdeněk led the CPI Group as CEO. He joined the CPI Group in 2002 as a senior accountant. Later, he was appointed the Chief Financial Officer. In 2005, he was appointed the Chief Executive Officer and his direct subordinates were directors of departments of internal audit, development, asset management, acquisitions, property management and operations. He attended the milestones most important for the growth of the real estate group that has already expanded beyond the Czech Republic borders long ago. Zdeněk is a graduate of the Faculty of Agriculture, the University of South Bohemia in České Budějovice.

**Tomáš Salajka**, Director of Acquisitions, Asset Management & Sales of CPI Property Group, was appointed in June 2014. His biography is above. See "—*Board of Directors*".

**David Greenbaum**, Chief Financial Officer of CPI Property Group, was appointed in February 2018.

David is responsible for the Group's capital structure, external financing, corporate finance, and other strategic matters. David joined the Group after 16 years at Deutsche Bank, where he was most recently co-head of Debt Capital Markets for the CEEMEA region. David is also a member of CPIPG's CSR committee. David graduated magna cum laude from Cornell University with a degree in English language and literature.

**Pavel Měchura**, Group Finance Director of CPI Property Group, was appointed in February 2018. Pavel began his career at KPMG in 2004 before joining CPI Group as an IFRS specialist in 2010. Pavel has 11 years of real estate experience, including eight years with CPI Property Group where he is now responsible for the Group's accounting and reporting, consolidation, valuations and strategic planning. Pavel graduated from Technical University of Liberec with a degree in Economics and Managerial Informatics.

**Jan Kratina**, Director of CPI Hotels, was appointed in June 2006. Jan has served for more than 12 years as Chief Executive Officer and nine years as Chairman of the Board of CPI Hotels, and has accumulated over 20 years of experience in hospitality. Jan is now responsible for strategic development of the Group's hotel portfolio including identifying opportunities and in key projects in Slovakia, Poland, Hungary, Russia and Croatia.

***Potential Conflicts of Interests***

Other than as described in "*Risk Factors–The Group's controlling shareholder's interest may differ from the interests of Noteholders*", there are no potential conflicts of interest between the duties owed by the Directors to the Issuer and their private interests or other duties.

Pursuant to applicable Luxembourg company law, in the event that a Director has a direct or indirect conflict between his/her interests and those of the Issuer in any matter to be resolved upon by the Board he/she (i) must promptly inform the Board of such potential conflict; (ii) must request that such potential conflict is recorded in the minutes of the relevant Board meeting; and (iii) cannot take part in such deliberations nor vote in relation to the matter in which he/she is conflicted.

**Corporate Governance Principles**

The Group's corporate governance objectives include excellence and transparency in management controls, corporate reporting and internal procedures, and as a result this safeguards the interests of the Group's stakeholders.

The Group continually reviews and implements industry best practices, and has adjusted its internal practices in order to meet international standards.

The Group's corporate governance practices principally follow the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (the **X Principles**). In addition, in 2019, the Group approved the "Code of Business Ethics and Conduct of CPI Property Group" (the **Code of Ethics**), which, together with the Group's newly updated policies, forms the framework for the Group's corporate governance and compliance.

The X Principles provide companies with guidance in the application of corporate governance rules and have evolved over time in line with changes in regulations and market practices. The X Principles are based on Luxembourg legislation regarding commercial companies, and specifically on the financial regulations that are applicable to companies listed on the Luxembourg Stock Exchange (and in general to all companies listed in the EU).

**Policies**

The Group updated the following policies in 2020 and 2021:

- *Financial*

  The Group continues to affirm its commitment to financial policy and credit ratings.

  As at 31 December 2022, the Group's Net LTV was 50.9 per cent., an increase from 35.7 per cent. at 31 December 2021.

  The Group has a plan in place to restore its credit ratios by the end of 2024. The Group's goal is a Net LTV of 45 to 49 per cent. by the end of 2023, and lower thereafter. The Group aims to achieve a debt reduction through small and medium-sized disposals, potential equity investment and other measures.

  The Group has worked closely with its advisers to ensure that the Group's financial policy and credit ratings can be maintained even as the Group pursues selective growth. Strategies under active consideration include third-party equity investments or equity partnerships at the level of the Issuer, sales of non-core assets and landbank, capital recycling, FFO retention and organic equity generation through acquisitions at sharp discounts to fair value. The Group continues to target high-BBB ratings in the future.

- *Business Ethics and Conduct*

  Ethical practice is a core component of the Group's corporate philosophy. The Group is committed to transparency in its management structure, corporate reporting and internal procedures and rules.

  The Group's essential business principle is to comply with applicable laws, industry standards and best practices, including those relating to Corporate Governance and Compliance.

- *Participation in Public Procurement and Public Tenders*

  The Group introduced a procurement policy, to set out universal standards for the Group, which aims to ensure that all procurement activity is conducted in a cost-effective, transparent and non-discriminatory manner and in compliance with applicable laws. The main principles are legality, non-discrimination, transparency, cost-efficiency, binding nature and confidentiality.

  The Group complies with laws on public procurement and public tenders. The Group has a zero tolerance policy in respect of any illegal or non-ethical practices relating to public procurement and public tenders, including bribery, corruption and fraud.

- *Prohibition of Corruption, Bribery and Fraud*

  The Group does not tolerate corruption, bribery or frauds and complies with all applicable anti-corruption, anti-bribery and anti-fraud laws (including UK Bribery Act of 2010 and US Foreign Corrupt Practices Act of 1977).

- *Anti-Money Laundering and Counter-Terrorism Financing*

  The Group's business activities are conducted in accordance with applicable laws on the prohibition and prevention of money laundering and terrorism financing. In addition, the Group has implemented measures to prevent the misuse of its services for money laundering and terrorism financing.

- *International Sanctions and Export Controls*

  The Group complies with applicable laws of the European Union, USA, UK and those of other countries that may apply concerning the import and export of goods, services, software and technology, foreign economic and trade sanctions, export controls, embargoes and international boycotts of any type.

- *Whistle-Blowing*

  The Group encourages its employees, agents and members of management, as well as shareholders, investors, customers and other business partners and stakeholders, to raise any concerns about breaches of applicable laws, the Code of Ethics, the Group's internal rules or any other illegal or unethical matters. All reports made in good faith are kept confidential and the Group has implemented procedures for the independent investigation of any reported irregularities. At the beginning of 2022, the Group updated the whistleblowing policy in order to comply with the new EU Whistleblower Directive.

- *Insider Trading*

  The Group complies with applicable laws on the prohibition of insider trading, and neither the Group nor its representatives may trade in shares or other securities of any company, either directly or indirectly or through another individual, as long as this information relating to such company has not been made public, and may not disclose such information, other than in the normal course of business.

  Additionally, any inside information within the Group is only disseminated to other representatives on a need to know basis. Each representative is required to exercise care to keep such information secure from unnecessary or unintended disclosure, including the disposal of documents containing such information.

- *Code of Conduct for Tenants*

  The Group seeks to build a partnership with all entities which occupy any premises owned by the Group (the **Tenants**) and to ensure that they operate in a manner consistent with the Group's values including ethical, social and environmental aspects.

  The Group requires that all tenants are in compliance with applicable laws, as well as hold and keep valid all required authorisations to conduct their business operations.

- *Code of Conduct for Suppliers*

  The Group expects suppliers to meet the same ethical, social and environmental standards as the Group. Compliance with these standards is monitored through on-site visits and periodic reviews of suppliers.

- *Human Capital and Employment*

  The Group values diversity in the workplace and seeks to ensure a diverse and inclusive environment for all of its employees and the Group strictly prohibits unlawful discrimination or harassment within the workplace and maintains policies designed to promote workplace diversity.

- *Environment and CSR*

  The Group's sustainability strategy informs every aspect of the Group's governance and operations and the Group integrates corporate social responsibility (**CSR**) and environmental factors into the business decision-making process, safeguarding the interests of all stakeholders; shareholders, bondholders, lenders, tenants, employees, suppliers and contractors, communities and local authorities. The Group is committed and has established a set of environmental key performance indicators comprising: energy consumption; emissions of greenhouse gases; water consumption; and level of achieved sustainability certifications.

The Board has created the ESG Committee that focuses on the supervision of sustainability, environmental, corporate social responsibility, green financing, and compliance matters for the Group.

The Group's key sustainability principles are:

- Promoting a sustainable approach towards real estate development and management;
- Contributing to environmental protection and the development of local communities in which the Group operates;
- Pursuing a sustainable business model that allows the Group to achieve its business objectives without placing an excessive burden on the environment;
- Actively managing the Group's assets to continually improve environmental performance, quality and resilience; and
- Encouraging proactive contributions from all employees, tenants, customers and stakeholders of the Group to meeting the Group's environmental objectives.

The Group endorses all the 17 Sustainable Development Goals as defined by the United Nations for the period 2015 – 2030, as well as the 2015 Paris Agreement within the United Nations Framework Convention on Climate Change. The Group contributes to the fulfilment of the Sustainable Development Goals in all its operations. In particular, the Group has identified priority goals to which it intends to assign a key and increasing role: good health and well-being; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; sustainable cities and communities; and climate action and life on land.

The Group has set performance targets for its greenhouse gas production and water consumption by the end of 2030, and increased the level of ambition of its GHG intensity target to be in line with Paris Agreement goals in 2022. The Group has also set a target to switch to 100 per cent. renewable energy purchases by 2024.

The Group also makes investments in green buildings, green capital expenditures to improve energy efficiency and green mobility. The Group's goal is to gradually increase the share of green and certified buildings in its portfolio and to utilise environmental certification schemes to validate the sustainability value of key assets.

The Group also has a continuous dialogue with all stakeholders and is involved in a wide range of community engagement initiatives and charitable activities. This is supervised and directed by the Board of Directors. Stakeholders' involvement activities comprise maintaining strong relationships and an active dialogue with tenants, employees, investors, local communities, governments and local authorities and participating in industry-level working groups such as the Czech Green Building Council.

In the beginning of 2021, the Group adopted the two following policies:

- *Diversity and Non-Discrimination*

  The Group is committed to creating an environment of respect for and appreciation of individual differences that is free from direct or indirect discrimination, harassment, retaliation and/or sexual assault. The Group rejects any form of discrimination and harassment based on sex, sexual orientation, race, gender or gender identity or expression, colour, creed, religion, age, national origin, ethnicity, disability, ancestry, veteran or military status, pregnancy, genetic information, marital status, citizenship status, philosophical, religious or political beliefs, wealth, social background, state of health, and any other characteristic protected by law. Any such discrimination is not tolerated.

- *Political Involvement, Lobbying and Public Policy*

  The Group holds political neutrality and does not support any political groups, parties or activities through donations or otherwise, even if permitted by applicable laws. The Group also respects representatives' freedom of political participation and encourage its representatives to become involved in civic affairs and to participate in the political process. This way, the Group can practice good citizenship and make meaningful contributions to its communities. However, any political activity on the representative's own behalf must occur strictly in an individual and private capacity, not on behalf of the Group, strictly in the representative's own time and may not be detrimental to the reputation of the Group.

In 2022, the Group adopted the following new group policy:

- *Anti-trust compliance*

  The Group's policy is to conduct business honestly and fairly, and to comply with applicable competition and anti-trust laws. This means that the Group utilises competitive advantages while treating competitors appropriately, neither the Group, nor any of its representatives may participate in illegal anti-competitive acts, including abuse of dominance or agreements to fix prices, manipulate or divide markets, limit production or otherwise unfairly restrict competition, and neither the Group nor any of its representatives may exchange any commercially sensitive information with the Group's competitors. Violations of competition and anti-trust laws may result in severe penalties and significant fines against the Group. There may also be sanctions against individual representatives, including substantial fines and prison sentences.

**Risk Management**

Management considers that the main risks to which the Group is exposed relate to property and finance. The Group's overall approach to risk is conservative. There are inherent risks determined by the nature of the business, such as fluctuations in the value of assets, vacancies, volatility in market rents or risks associated with development activities. Key risks are assessed by ranking exposure on the basis of probability and magnitude and are closely managed. Analysis of sensitivity to these key risks is conducted at Group level.

Management considers re-financing risks to be limited. Risks of potential breaches of loan covenants are managed through a conservative financing policy and a close review of compliance indicators.

The Group has internal risk management and control systems. Key elements of the internal control systems are: a management structure designed to enable effective decision making; scheduled periodical reviews of key performance indicators, such as retail tenants' turnovers, vacancies, rent collection, arrears and doubtful debtors, and review of performance against budgets; and internal audit and cost control functions. Strict procedures are also observed for the periodic production of quarterly and annual figures on the basis of the adopted policies. There are clearly defined guidelines and approval limits for capital and operating expenditure and other key business transactions and decisions. The internal management reporting system is designed to identify fluctuations in the value of investments, income and expenses. Capital projects, major contracts and business property acquisitions are reviewed in detail and approved by the Board of Directors where appropriate.

The Group makes use of electronic data processing within automated information systems. Offsite data back-up and recovery measures are in place.

Note 7 to the 2022 Financial Statements contains a further discussion of financial risk management. The 2022 Financial Statements are incorporated by reference in, and form part of, this Base Prospectus. See "*Documents Incorporated by Reference*".

**Litigation**

Other than as described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

***Kingstown dispute in Luxembourg***

On 20 January 2015, the Issuer was served with a summons containing petition of the three companies namely Kingston Partners Master Ltd. of the Cayman Islands, Kingston Partners II, LP of Delaware and Ktown LP of Delaware (together referred to as **Kingstown**), claiming to be one of the shareholders of CPI FIM SA. filed with the Tribunal d'Arrondissement de Luxembourg (the **Court**). The petition seeks condemnation of the Issuer together with CPI FIM SA and certain members of CPI FIM SA's board of directors as jointly and severally liable to pay damages in the amount of EUR 14.5 million and compensation for moral damage in the amount of EUR 5 million. According to Kingstown's allegation, the claimed damage has arisen as a consequence of, *inter alia*, alleged violation of CPI FIM SA's minority shareholders' rights.

To the best of the Issuer's knowledge, Kingstown was not at the relevant time a shareholder of the Issuer. Therefore, and without any assumption regarding the possible violation, the Issuer believes that it cannot be held liable for the violation of the rights of the shareholders of another entity.

The management of the Issuer has been taking all available legal actions to oppose these allegations in order to protect its corporate interest as well as the interest of its shareholders. Accordingly, the parties sued by Kingstown raised the *exceptio judicatum solvi* plea, which consists in requiring the entity which initiated the proceedings and which does not reside in the European Union or in a State which is not a Member State of the Council of Europe, to pay a legal deposit to cover the legal costs and compensation procedure. On 19 February 2016, the Court rendered a judgment, whereby each claimant had to place a legal deposit in the total amount of EUR 90,000 with the "Caisse de Consignation" in Luxembourg, in order to continue the proceedings. Kingstown paid the deposit in January 2017, and the litigation, currently being in a procedural stage, is pending. In October 2018, Kingstown's legal advisers filed an additional submission to increase the amount of alleged damages to EUR 157 million. The Issuer continues to believe the claim is without merit.

On 21 June 2019, the Issuer received a first instance judgment which declared that a claim originally filed by Kingstown in 2015 was null and void against the Issuer. The Court dismissed the claim against the Issuer because the claim was not clearly pleaded (*libellé obscur*). Specifically, Kingstown did not substantiate or explain the basis of their claim against the Issuer, and failed to demonstrate how the Issuer committed any fault.

In December 2020, the Court declared that the inadmissibility of the claim against the Issuer and certain other defendants has not resulted in the inadmissibility of the litigation against the Issuer's subsidiary CPI FIM SA and the remaining defendants. CPI FIM SA and the remaining defendants were scheduled to present their written submissions during the first half of 2021. Some defendants have decided to appeal against this judgment which declared the claim admissible against CPI FIM SA. On 28 March 2023, the court of appeal rejected this appeal and therefore the case will be heard before the first instance Luxembourg Court during 2023.

***Kingstown Dispute in the United States***

On 10 April 2019, a group of Kingstown companies, Investhold LTD and Verali Limited (together, the **Kingstown Plaintiffs**), filed a claim in the United States District Court of the Southern District of New York (the **SDNY Court**) against, amongst others, the Issuer and Mr. Radovan Vítek (together, the **CPI Defendants**). The claims brought by the Kingstown Plaintiffs against the Issuer include alleged violations of the Racketeer Influenced and Corrupt Organisations Act (**RICO**).

The Issuer believes that the claims are without merit and were designed to create negative press attention for the Group and to force an undue settlement. The Group's business has been totally unaffected by the New York lawsuit and by similar attempts by the Kingstown Plaintiffs to harm the reputation of the Group and Mr Vítek.

On 10 September 2019, the CPI Defendants filed a motion to dismiss the case in the SDNY Court. On 22 November 2019, the Kingstown Plaintiffs filed an amended complaint in the SDNY Court. The amended complaint adds new non-US defendants and simply continues the false campaign against the Issuer and Mr Vítek. The amended complaint does nothing to cure the serious jurisdictional deficiencies and pleading defects present in the original complaint.

On 14 February 2020, the CPI Defendants filed a motion to dismiss the amended complaint. The arguments presented in the motion resemble those presented by the CPI Defendants in September 2019 and are further refined given the new allegations:

(i) the Kingstown Plaintiffs have failed to justify the application of RICO outside the United States;

(ii) the SDNY Court lacks jurisdiction over the CPI Defendants;

(iii) the Kingstown Plaintiffs' alleged RICO claims are time-barred under RICO's four-year statute of limitations;

(iv) the SDNY Court is an improper forum to hear the case given that, among other things, Kingstown initiated nearly identical proceedings in Luxembourg in January 2015, which are still pending against some of the CPI Defendants; and

(v) the Kingstown Plaintiffs have nonetheless failed to adequately state any claim against the CPI Defendants.

On 4 September 2020, the SDNY Court granted the CPI Defendants' motions to dismiss. The SDNY Court ruled that the case should be deferred pending the resolution of existing proceedings in Luxembourg. The SDNY Court also determined that Luxembourg would be a more convenient forum for litigation, and that Luxembourg’s legal system was sufficiently adequate to allow for the resolution of Kingstown Plaintiffs’ claims.

The Kingstown Plaintiffs appealed the dismissal decision to the Second Circuit Court of Appeals on 2 October 2020. The Kingstown Plaintiffs’ appeal was limited to identifying certain purported errors that the District Court made in reaching its decision and the Kingstown Plaintiff's could not introduce new facts or arguments that were not previously raised before the District Court.

The hearing on the appeal took place on 10 December 2021 and on 1 September 2022 the Court of Appeals issued a summary order affirming the judgement of the SDNY Court, considering the Kingstown Plaintiff's arguments to be without merit.

On 3 June 2020, Kingstown filed another lawsuit against the Group and Mr. Radovan Vítek in the New York State court, alleging that they were defamed through the Group's press releases issued in April

2019, and other statements in relation to Kingstown's first U.S. lawsuit (the **Defamation Compliant**).

On 18 September 2020, the Group moved to dismiss the Defamation Complaint, arguing that it was not subject to personal jurisdiction in New York, and that the alleged defamatory statements were not actionable under New York law.

On 6 April 2021, the New York State court dismissed the Defamation Complaint in its entirety. On 6 May 2021, Kingstown appealed the dismissal. The oral argument on the appeal took place on 14 April 2022. The appeal was dismissed on 5 May 2022.

The Company did not account for any provisions in respect of any of the Kingstown disputes.

**Cyprus Litigation**

In January 2023, the Group received information about the filing of a lawsuit before the District Court of Nicosia, Republic of Cyprus, by Mr. Marek Čmejla, Mr. Jiří Diviš and entities controlled by them (Investhold Limited and Verali Limited). The claim includes a temporary injunction which purports to prevent the Group from disposing assets falling below the value of EUR 535 million, which is the alleged value of the claim.

The Group believes that the claim simply recycles old allegations and claims pursued in previous lawsuits, which have been consistently and categorically denied. Management does not believe that Cyprus has jurisdiction on this claim or that it is an appropriate forum. The alleged claim is for EUR 535 million, which management believes is without factual basis. The Group intends to take all appropriate action to defend the Group and its stakeholders.

Investhold Limited and Verali Limited are offshore vehicles of Mr. Čmejla, a Czech citizen, and Mr. Diviš, a Swiss citizen of Czech origin. In connection with the privatization of Mostecká uhelná (a Czech coal mining company) Mr. Čmejla and Mr. Diviš were convicted of fraud and money laundering in Switzerland.

In 2019, the above offshore vehicles and their principals, together with Kingstown, filed a lawsuit against the Group and Mr. Radovan Vítek and other parties (alleging violations of the RICO act) in the United States described above. With the United States RICO case dismissed both at first instance and on appeal, management believes that the claimants are pursuing another unjustified claim without merit.

***Disputes related to warrants issued by CPI FIM SA***

The Group's subsidiary CPI FIM SA was sued by holders of the warrants issued by CPI FIM SA and registered under ISIN code XS0290764728 (the **2014 Warrants**). The first group of warrant holders sued for approximately EUR 1.2 million in relation to the Change of Control Notice published by CPI FIM SA, which occurred on 8 June 2016. The second group of warrant holders sued CPI FIM SA for approximately EUR 1 million in relation to the alleged change of control which allegedly occurred in 2013. These proceedings are pending.

In accordance with the judgment of the Paris Commercial Court pronounced on 26 October 2015 concerning the termination of the CPI FIM SA's Safeguard Plan, liabilities that were admitted to the Safeguard, but that are conditional or uncalled (such as uncalled bank guarantees, conditional claims of the holders of 2014 Warrants registered under ISIN code XS0290764728, provided that they were admitted to the Safeguard plan), will be paid according to their contractual terms. Pre-Safeguard liabilities that were not admitted to the CPI FIM SA's Safeguard will be unenforceable. As such, only claims of holders of the 2014 Warrants, whose potential claims were admitted to the CPI FIM SA's Safeguard Plan, could be considered in respect of the present Change of Control. Claims of holders of the 2014 Warrants that were not admitted to the CPI FIM Safeguard will be unenforceable against CPI

FIM SA. To the best of the Group's knowledge, none of the holders of the 2014 Warrants who sued CPI FIM SA filed their 2014 Warrants related claims in the CPI FIM SA's Safeguard Plan.

On 9 March 2023, the Luxembourg Court issued a judgment, rejecting the claims of the holders of the 2014 Warrants. The Luxembourg Court confirmed that any claim in relation to the change of control provision had to be made in accordance with the provisions of Paris Commercial Code, within two months of the date of the publication of the judgement opening the Safeguard Procedure in the French Official Gazette. Since the claimants did not comply with this obligation, their claim for payment under the change of control provision will be rejected.

***Vitericon***

On 15 March 2019, the Issuer received a summons from the Berlin Court. The Issuer is being sued by an insolvency administrator of the Issuer's former subsidiary. The insolvency administrator is claiming invalidity of an intragroup debt settlement from 2013 and claims a payment of EUR 10.4 million from the Issuer. The first instance court rejected the claim of the insolvency administrator, but in February 2023 the second instance court decided in favour of the plaintiff. Accordingly, the Company has paid the full amount, including interest, totalling approximately EUR 17 million.

***Next RE (formerly Nova Re)***

On 30 October 2020, Sorgente Group Italia S.r.l. (**SGI**) notified to Next RE (formerly Nova RE) a writ of summons (the **Proceeding**), whereby SGI challenged and asked the Court of Rome to declare, among others, the invalidity of the resolution approving the capital increase, adopted by Next RE (formerly Nova RE)'s board of directors on 29 October 2020 (the **Capital Increase Resolution**) for alleged infringement of certain rules regulating the share capital. In light of the impossibility to obtain the declaration of invalidity of the Capital Increase Resolution, it is likely that SGI might "convert" its original claims of invalidity of the Capital Increase Resolution into a claim for damages against Next RE (formerly Nova RE). At the first hearing held on 9 March 2021 the judge granted the parties terms for the filing defence briefs and the Proceeding has been postponed to the hearing of 12 October 2021 to assess the admissibility and relevance of the requests formulated by the parties with the defensive briefs. At the last hearing held on 12 October 2021 the judge, having seen the request of both parties, adjourned the case to the hearing for the clarification of the conclusions, originally set for 20 September 2022, but this has since been postponed until January 2024.

***CPI Tor di Valle and the Municipality of Rome***

On 8 July 2021, CPI TOR DI VALLE S.p.A., an indirectly held and fully consolidated subsidiary of the Issuer, (**CPI Tor di Valle**) purchased an urban area (the **Area**) from Eurnova S.p.A. (**Eurnova**) to be developed as the new stadium of the Italian football club, AS Roma in Rome, Italy as well as a business park, in accordance with the Council of the Municipality of Rome town planning public procedures.

Following the statement of AS Roma that it was no longer interested in the stadium on the Tor di Valle area, on 21 July 2021, the Council of the Municipality of Rome revoked the status of public interest to the stadium project on the Tor di Valle area (the **Revocation Resolution**) and terminated the town planning public procedure and therefore prevented the development project from progressing.

On 27 October 2021, CPI Tor di Valle filed a claim against the Municipality of Rome before the competent administrative court. In such claim, CPI Tor di Valle asked the court to: (i) declare the annulment of the Revocation Resolution; and (ii) determine the right of CPI Tor di Valle to be compensated for damages in connection with the Revocation Resolution (in terms of emerging damages and loss of profit in a range between EUR 235 million and EUR 260 million).

According to CPI Tor di Valle's external legal advisors, CPI Tor di Valle's claim is founded since the Revocation Resolution breached the legitimate expectations of CPI Tor di Valle.

On 20 December 2021, the Municipality of Rome challenged the claim filed by CPI Tor di Valle and in addition filed a counterclaim for damages against Eurnova, AS Roma and CPI Tor di Valle, jointly and severally, or, subordinately on a pro rata basis, and claimed that the amount of damages suffered by it were EUR 311 million (such damages claims included damage to image, damage for waste of administrative activity and damages arising from failure of carrying out public works connected with the development project).

According to CPI Tor di Valle's external legal advisors, the legal claim filed by the Municipality of Rome against CPI Tor di Valle: (i) did not identify any conduct legally attributable to CPI Tor di Valle, in connection with the claimed damages by the Municipality of Rome; (ii) did not consider that possible damaging events (if any) occurred before the acquisition of the Area from CPI Tor di Valle; and (iii) did not consider that CPI Tor di Valle never assumed the formal status of proponent (and therefore did not manage the town planning public procedure).

Therefore, according to CPI Tor di Valle's external legal advisors, the action filed by the Municipality of Rome is groundless against CPI Tor di Valle.

**Capital and Development Expenditures**

The Group has capital commitments in the total amount of EUR 180.9 million in respect of capital expenditures contracted as at 31 December 2022, an increase from EUR 42.8 million as at 31 December 2021.

**Insurance**

The Group insures all of its income-producing properties with all-risk property insurance at reinstatement cost, business interruption (revenues for 24 months) and third party liability insurance. Properties under development have construction all-risk insurance. Insurance is contracted from reputable international firms.

**Employees**

The Group had 4,540 full-time employees (including temporary contracts) as at 31 December 2022, compared to 3,485 employees as of 31 December 2021 and 3,318 employees as of 31 December 2020. All these employees are engaged in the core business activities of the Group.

As at 31 December 2022, 42.5 per cent. of the Group's full-time employees (including temporary contracts) were female and 57.5 per cent. were male. The gender split between employees in senior management roles (defined as employees with responsibility for planning, directing or controlling activities in each of the Group’s countries of operation) is split 62.1 per cent. male and 37.9 per cent. female. As at 31 December 2022, 32.4 per cent. of the Group's employees were under the age of 30, 48.2 per cent. were between the ages of 30-50 and 19.4 per cent. were 50 or over.

Additionally, the Group provides facilities for its special needs employees. As at 31 December 2022, the Group employed a total of 42 disabled people, representing 0.9 per cent. of its total workforce.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Issuer's consolidated capitalisation as of 31 December 2022. This table should be read in conjunction with "*Use of Proceeds*" and the 2022 Financial Statements incorporated by reference or referred to elsewhere in this Base Prospectus.

| | **As of 31 December 2022** |
|---|---|
| | *(€ million)* |
| Bonds issued | 4,680.4 |
| Financials debts | 6,165.6 |
| Deferred tax liabilities | 1,727.9 |
| Other non-current liabilities | 208.0 |
| Provisions | 41.3 |
| Other financial liabilities | 166.9 |
| **Total non-current liabilities** | **12,782.1** |
| Bonds issued | 405.8 |
| Financial debts | 360.4 |
| Trade payables | 232.3 |
| Income tax liabilities | 38.3 |
| Other financial liabilities | 236.0 |
| Other non-financial liabilities | 74.9 |
| Liabilities linked to assets held for sale | 128.4 |
| **Total current liabilities** | **1,476.1** |
| Equity attributable to owners of the Company | 6,579.8 |
| Perpetual notes | 1,584.4 |
| Non-controlling interests | 1,098.8 |
| **Total equity** | **9,263.0** |
| **Total capitalisation** | **23,521.2** |

## TAXATION

**Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.**

### Luxembourg Taxation

#### *General*

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of this Base Prospectus. It does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It has been prepared on the basis that the Notes qualify as debt or equity for Luxembourg tax purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should consult their professional advisers with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

The residence concept used under the respective headings below applies for Luxembourg tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communa*l), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*). Corporate investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

#### *Tax residency*

A holder of the Notes will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

### Luxembourg taxation consideration if the Notes are considered as debt for Luxembourg tax purposes

#### *Withholding tax*

*Resident individual investors*

Under the Luxembourg law of 23 December 2005, as amended (the **Law**), payments of interest or similar income made by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. This withholding tax also applies on accrued or capitalised interest received upon disposal, redemption or repurchase of the Notes. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management or his/her private wealth. Responsibility for the withholding of tax in application of the Law is assumed by the Luxembourg paying agent within the meaning of the Law.

*Resident corporate investors*

Under Luxembourg tax law currently in effect, there is no withholding tax levied on payments of interest (including accrued but unpaid interest) made to a Luxembourg resident corporate holder of the Notes.

*Non-resident investors*

Under Luxembourg tax law currently in effect, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg non-resident holders of the Notes. There is also no Luxembourg withholding tax, upon repayment of the principal or, subject to the application of Luxembourg tax law, upon redemption, repurchase or exchange of the Notes.

***Income tax***

*Resident individual investors*

A Luxembourg resident individual acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at the ordinary rates in respect of interest received, redemption premiums or issue discounts under the Notes, except if (i) a final withholding tax has been levied by the Luxembourg paying agent on such payments in accordance with the Law, or (ii) in case of a non-resident paying agent established in a Member State of the European Union or in a Member State of the EEA, if such Luxembourg resident individual investor has opted for the levy of the 20 per cent. final tax in full discharge of income tax in accordance with the Law. The option for the 20 per cent. final tax must cover all interest payments made by such paying agents to the beneficial owner during the full fiscal year.

Under Luxembourg domestic tax law, gains realised upon the sale, disposal or redemption of Notes by a Luxembourg resident individual who acts in the course of the management of his/her private wealth, are not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Notes. However, any portion of such gain corresponding to accrued but unpaid interest income may be subject to the 20 per cent. final tax.

Interest derived from as well as gains realised upon a sale or disposal, in any form whatsoever, of the Notes by a Luxembourg resident individual holder acting in the course of the management of a professional or business undertaking to which the Notes are attributable are subject to Luxembourg income taxes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Notes sold or redeemed.

*Resident corporate investors*

Interest derived from as well as gains realised by a Luxembourg resident corporate entity, which is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Notes are subject to Luxembourg income taxes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Notes sold or redeemed.

*Resident investors benefiting from a special tax regime*

Luxembourg residents who benefit from a special tax regime, such as, for example, (i) undertakings for collective investment governed by the amended law of 17 December 2010, (ii) specialised investment funds governed by the amended law of 13 February 2007, (iii) family wealth management companies governed by the amended law of 11 May 2007, or (iv) reserved alternative investment funds governed by the law of 23 July 2016 (not opting for the treatment as a venture capital vehicle for Luxembourg tax purposes) are exempt from income taxes in Luxembourg and thus income derived from the Notes, as well as gains realised thereon, are not subject to Luxembourg income taxes.

*Non-resident investors*

Non-resident investors, who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Notes are attributable, are not subject to Luxembourg income tax on interest received or accrued on the Notes. A gain realised by such non-resident investor, on the sale or disposal, in any form whatsoever, of Notes is further not subject to Luxembourg income tax.

Non-resident corporate investors or non-resident individual investors acting in the course of the management of a professional or business undertaking, and who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Notes are attributable, are subject to Luxembourg income tax on interest accrued or received on the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, on the Notes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Notes sold or redeemed.

***Net wealth tax***

Luxembourg resident investors or non-resident investors who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Notes are attributable, are subject to Luxembourg net wealth tax on such Notes, except if the investor is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment governed by the amended law of 17 December 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007, (vi) or a family wealth management company governed by the amended law of 11 May 2007, (vii) a professional pension institution governed by the amended law of 13 July 2005, or (viii) a reserved alternative investment fund governed by the law of 23 July 2016. However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law of 13 July 2005, and (iv) a reserved alternative investment fund treated as venture capital vehicle for Luxembourg tax purposes and governed by the law of 23 July 2016, remain subject to a minimum net wealth tax. In this respect, a flat annual minimum net wealth tax of EUR 4,815 would be due assuming the Luxembourg company's financial assets, transferable securities and cash deposits represent (i) at least 90 per cent. of its total balance sheet and (ii) a minimum amount of EUR 350,000 (the **Asset Test**). Alternatively, should the Asset Test not be met, a progressive annual minimum net wealth tax ranging from EUR 535 to EUR 32,100 depending on the Luxembourg company's total gross assets would be due.

*Other taxes*

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by Noteholders as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, repurchase or redemption of the Notes. However, a fixed registration duty of EUR 12 may be due in the case where the Notes are physically attached to a public deed or to any other document subject to mandatory registration, deposited in the minutes of a Luxembourg notary (*déposés au rang des minutes d'un notaire*) as well as in the case of a registration of the Notes on a voluntary basis.

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes.

Under present Luxembourg tax law, where an individual holder of the Notes is a resident for inheritance tax purposes of Luxembourg at the time of his/her death, the Notes are included in his or her taxable estate for inheritance tax purposes. On the contrary, no estate or inheritance taxes are levied on the transfer of the Notes upon death of an individual holder of the Notes in cases where the deceased was not a resident of Luxembourg at the time of his/her death. Gift tax may be due on a gift or donation of the Notes, if the gift is recorded in a Luxembourg deed or otherwise registered in Luxembourg.

**Luxembourg taxation consideration if the Notes are considered as equity for Luxembourg tax purposes**

***Withholding tax***

Under Luxembourg tax laws currently in force, dividends paid by the Issuer are in principle subject to a Luxembourg withholding tax equal to 15 per cent. of the gross dividend (17.65 per cent. of the net dividend if the Issuer bears the cost of the withholding tax, which is not mandatory under Luxembourg tax laws). Responsibility for the withholding of the tax is assumed by the Issuer.

However, if a double tax treaty between Luxembourg and the country of residence of the holders of Notes applies, an exemption or a reduction of the Luxembourg withholding tax may be available pursuant to the relevant provisions of such double tax treaty.

In addition, pursuant to current Luxembourg tax laws, an exemption from Luxembourg dividend withholding tax may apply under the following conditions:

- the holder of Notes receiving the dividends is either (i) a fully taxable Luxembourg resident collective entity, (ii) a collective entity resident in a European Union (**EU**) Member State and falling within the scope of article 2 of the Council directive of 30 November 2011 (2011/96/EU) on the common system of taxation applicable in the case of parent companies and subsidiaries of different EU Member States, as amended (the **EU Parent-Subsidiary Directive**), (iii) the Luxembourg State, a Luxembourg municipality, an association of a Luxembourg municipality or an operation of Luxembourg public-law entity, (iv) a permanent establishment of an entity referred to at letters (i),(ii) or (iii) above, (v) a Swiss resident joint-stock company subject to corporate income tax in Switzerland without benefiting from any exemption, (vi) a joint-stock company or a cooperative company resident in an European Economic Area (**EEA**) country (other than a EU Member State) to the extent that such company is fully taxable and subject (in its country of residence) to a tax corresponding to Luxembourg corporate income tax, as well as a permanent establishment of such company, or (vii) a collective entity resident in a treaty country, to the extent that such entity is fully taxable and subject (in its country of residence) to a tax corresponding to Luxembourg corporate income tax, as well as a Luxembourg permanent establishment of such entity; and

- on the date on which the income is made available, the holder of Notes holds or commits to hold directly (or even indirectly under certain conditions) for an uninterrupted period of at least twelve months, a participation of at least 10 per cent. in the share capital of the Issuer (or with an acquisition price of at least EUR 1,200,000).

***Income taxation***

**(i) Taxation of dividend income**

Holders of Notes who are either Luxembourg resident individuals or Luxembourg fully taxable resident companies (or foreign holders of Notes having a permanent establishment in Luxembourg through which such Notes are held), will in principle be subject to tax at the ordinary rates on the dividends received from the Issuer. However, under Luxembourg tax laws currently in force, 50 per cent. of the amount of such dividend may be tax exempt at the level of these holders of Notes.

The Luxembourg withholding tax levied at source on the dividends paid may, under certain conditions, be credited against the Luxembourg income tax due on these dividends.

Furthermore, certain corporate holders of Notes may benefit from an exemption of Luxembourg corporation taxes on dividend income under the following conditions:

- the holder of Notes receiving the dividends is either (i) a fully taxable Luxembourg resident collective entity, (ii) a Luxembourg permanent establishment of an EU resident collective entity falling within the scope of article 2 of the EU Parent-Subsidiary Directive, (iii) a Luxembourg permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a Luxembourg permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); and

- on the date on which the income is made available, the holder of Notes holds or commits to hold directly (or even indirectly through certain entities) for an uninterrupted period of at least twelve months, a participation of at least 10 per cent. in the share capital of the Issuer (or with an acquisition price of at least EUR 1,200,000).

The holder of Notes which is a Luxembourg resident entity governed (i) by the law of 17 December 2010 on undertakings for collective investment, as amended, (ii) by the law of 13 February 2007 on specialised investment funds, as amended, (iii) by the law of 11 May 2007 on the family estate management company, as amended, or (iv) by the law of 23 July 2016 on reserved alternative investment funds and which does opt for the treatment as a venture capital vehicle for Luxembourg tax purposes, is not subject to any Luxembourg corporation taxes in respect of dividends received from the Issuer. No tax credit is then available for Luxembourg withholding tax on dividends received from the Issuer.

Non-resident holders of Notes (not having a permanent establishment in Luxembourg through which the Notes are held) will in principle not be subject to Luxembourg income tax on the dividends received from the Issuer (except for the withholding tax mentioned above, if applicable).

**(ii) Taxation of capital gains**

Under current Luxembourg tax laws, capital gains realised by a Luxembourg resident individual holder of Notes (acting in the course of the management of his/her private wealth) upon the disposal of his/her Notes are not subject to Luxembourg income tax, provided this disposal takes place more than six months after the Notes were acquired and he/she does not hold a substantial participation. The participation is considered as substantial (a **Substantial Participation**) if the holder of Notes (i) holds or has held (either solely or together with his/her spouse or partner and minor children) directly or indirectly more than 10 per cent. of the share capital of the Issuer at any time during a period of five years before the realisation of the capital gain or (ii) acquired his/her Notes for free during the five years preceding the disposal of his/her Notes and the previous holder of the Notes or, in the case of subsequent gratuitous transfers, one of the previous holders has held (either solely or together with his/her spouse or partner and minor children) directly or indirectly more than 10 per cent. of the share capital of the Issuer at any time during a period of five years before the realisation of the capital gain.

Capital gains realised upon the disposal of Notes by a Luxembourg resident corporate holder of Notes (fully subject to Luxembourg corporation taxes) are in principle fully taxable. However, an exemption from Luxembourg corporation taxes applies under the following conditions:

- the holder of Notes realising the capital gains is either (i) a fully taxable Luxembourg resident collective entity, (ii) a Luxembourg permanent establishment of an EU resident collective entity falling within the scope of article 2 of the EU Parent-Subsidiary Directive, (iii) a Luxembourg permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a Luxembourg permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); and

- on the date on which the disposal takes place, the holder of Notes has held for an uninterrupted period of at least twelve months, a participation of at least 10 per cent. in the share capital of the Issuer (or with an acquisition price of at least EUR 6,000,000).

The holder of Notes which is a Luxembourg resident entity governed (i) by the law of 17 December 2010 on undertakings for collective investment, as amended, (ii) by the law of 13 February 2007 on specialised investment funds, as amended, (iii) by the law of 11 May 2007 on the family estate management company, as amended, or (iv) by the law of 23 July 2016 on reserved alternative investment funds and which does not opt for the treatment as a venture capital vehicle for Luxembourg tax purposes, is not subject to any Luxembourg corporation taxes in respect of capital gains realised upon disposal of its Notes.

Under Luxembourg tax laws currently in force (subject to the provisions of double taxation treaties), capital gains realised by a Luxembourg non-resident holder of Notes (not acting via a permanent establishment or a permanent representative in Luxembourg through which/whom the Notes are held) are not taxable in Luxembourg unless the holder of Notes holds a Substantial Participation in the Issuer and (a) the disposal of the Notes takes place less than six months after the Notes were acquired or (b) the holder of Notes has been a former Luxembourg resident for more than fifteen years and has become a non-resident, at the time of transfer, less than five years ago.

***Net wealth taxation***

Luxembourg resident investors or non-resident investors who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Notes are attributable, are subject to Luxembourg net wealth tax on such Notes, except if the investor is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment governed by the amended law of 17 December 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007, (vi) or a family wealth management company governed by the amended law of 11 May 2007, (vii) a professional pension institution governed by the amended law of 13 July 2005, or (viii) a reserved alternative investment fund governed by the law of 23 July 2016. However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law of 13 July 2005, and (iv) a reserved alternative investment fund treated as venture capital vehicle for Luxembourg tax purposes and governed by the law of 23 July 2016, remain subject to a minimum net wealth tax. In this respect, a flat annual minimum net wealth tax of EUR 4,815 would be due assuming the Luxembourg company's financial assets, transferable securities and cash deposits represent (i) at least 90 per cent. of its total balance sheet and (ii) a minimum amount of EUR 350,000 (the **Asset Test**). Alternatively, should the Asset Test not be met, a progressive annual minimum net wealth tax ranging from EUR 535 to EUR 32,100 depending on the Luxembourg company's total gross assets would be due.

The holder of Notes which is (i) a Luxembourg resident fully taxable collective entity, (ii) a Luxembourg permanent establishment of an EU resident collective entity falling within the scope of article 2 of the EU Parent-Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State), may be exempt from Luxembourg net wealth tax on its Notes if it holds a participation of at least 10 per cent. in the share capital of the Issuer (or with an acquisition price of at least EUR 1,200,000).

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on his/her Notes.

***Other taxes***

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by the holder of Notes upon the acquisition, holding or disposal of the Notes. However, a fixed registration duty of EUR 12 may be due in the case where the Notes are physically attached to a public deed or to any other document subject to mandatory registration, deposited in the minutes of a Luxembourg notary (*déposés au rang des minutes d'un notaire*) as well as in the case of a registration of the Notes on a voluntary basis.

When the holder of Notes is a Luxembourg resident for inheritance tax assessment purposes at the time of his/her death, the Notes are included in his/her taxable estate for Luxembourg inheritance tax assessment purposes. No estate or inheritance taxes are levied on the transfer of the Notes upon death of an individual holder of the Notes in cases where the deceased was not a resident of Luxembourg at the time of his/her death.

Luxembourg gift tax may be due on a gift or donation of the Notes if embodied in a notarial deed signed before a Luxembourg notary or recorded in Luxembourg.

**Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined in FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Luxembourg) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which financial regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under "*Further Issues*" in the relevant Terms and Conditions) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

A foreign financial institution resident in an IGA jurisdiction must comply with specific due diligence procedures to identify its account holders and provide the U.S. Internal Revenue Service (directly or indirectly through its local tax authority) with information on financial accounts held by U.S. persons and recalcitrant account holders.

Consequently, holders of the Notes may be requested to provide certain information and certifications to any financial institutions through which payments on the Notes are made.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## Common Reporting Standards

The Organisation for Economic Co-operation and Development (**OECD**) has developed a common reporting standard (**CRS**) to achieve a comprehensive and multilateral automatic exchange of information on a global basis. A number of jurisdictions (including Luxembourg) signed the OECD's multilateral competent authority agreement (**Agreement**) to automatically exchange information under the CRS.

The CRS requires certain financial institutions to report information regarding certain accounts (which may include the Notes credited to such accounts) to their local tax authority and follow related due diligence procedures. A jurisdiction that has signed the Agreement may provide this information to other jurisdictions that have signed the Agreement.

Consequently, Noteholders may be requested to provide certain information and certifications to any financial institutions through which payments on the Notes are made.

Noteholders should consult their professional advisers on the individual impact of CRS.

## SUBSCRIPTION AND SALE

The Dealers have, in an Amended and Restated Programme Agreement (such Amended and Restated Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 26 May 2023 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and in the relevant Terms and Conditions of the Notes. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the update and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. In addition, the Programme Agreement provides that the obligations of the Dealers to subscribe for Notes may be subject to certain conditions precedent, including (among other things) receipt of legal opinions from counsel.

### SELLING RESTRICTIONS

#### *United States*

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### *Prohibition of sales to EEA Retail Investors*

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

***Prohibition of Sales to UK Retail Investors***

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

***Belgium***

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

***Hong Kong***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) (the **SFO**) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be 189 disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

***Singapore***

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

***Switzerland***

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act (**FinSA**) because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

***General***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

# GENERAL INFORMATION

## Authorisation

The establishment of the Programme, the update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 12 September 2017, 16 April 2018, 27 March 2019, 22 May 2019, 30 March 2020, 4 May 2021, 30 March 2022 and 15 May 2023.

## Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market, and/or admitted to trading on the regulated market of the PSE, will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and trading on the Euronext Dublin Regulated Market. The Issuer has requested the Central Bank of Ireland to provide the Czech National Bank, as competent authority of the Czech Republic, with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation, pursuant to which the Issuer may apply for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on its regulated market. The approval of the Programme in respect of the Notes was granted on or about 26 May 2023.

## Documents Available

For the period of 12 months following the date of this Base Prospectus and thereafter for as long as any Note remains outstanding, copies of the following documents will, when published, be available for inspection at https://cpipg.com/en/for-investors/bondholders#;

(a) the Articles of Association of the Issuer (with an English translation thereof);

(b) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(c) a copy of this Base Prospectus; and

(d) any future Base Prospectus, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

## Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

The address of Centrální depozitář cenných papírů, a.s., is Rybná 14, Staré Město, 110 05 Prague 1.

**Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

**Significant or Material Change**

There has been no significant change in the financial performance or financial position of the Group since 31 December 2022 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2022.

**Litigation**

Save as disclosed in "*Description of the Issuer—Litigation*", neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

**Independent Auditors**

The statutory independent auditors of the Issuer are Ernst & Young S.A., Luxembourg who have audited, in accordance with International Standards on Auditing as adopted by the Commission de Surveillance du Secteur Financier (CSSF) for Luxembourg, the Issuer's financial statements for the financial years ended on 31 December 2022 and 31 December 2021, without qualification. Ernst & Young S.A., Luxembourg is a member of the institute of registered auditors (Institut des Réviseurs d'Entreprises) which is the Luxembourg member of the International Federation of Accountants and is registered in the public register of approved audit firms held by the CSSF as competent authority for public oversight of approved statutory auditors and audit firms. Ernst & Young S.A., Luxembourg have also given, and have not withdrawn, their consent to the inclusion of their report on pro-forma financial information in this Base Prospectus in the form and context in which it is included.

The statutory independent auditors of IMMOFINANZ are Deloitte Audit Wirtschaftsprüfungs GmbH, Renngasse 1/Freyung, A-1010 Vienna, Austria who have audited, in accordance with IFRS, IMMOFINANZ's German language financial statements for the financial years ended on 31 December 2022 and 31 December 2021, without qualification. Deloitte Audit Wirtschaftsprüfungs GmbH, Renngasse 1/Freyung, A-1010 Vienna, Austria is a certified public accountant and member of the Austrian Chamber of Tax Advisors and Auditors (Kammer der Steuerberater und Wirtschaftsprüfer).

The statutory independent auditors of S IMMO are KPMG Austria GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft, Porzellangasse 51, 1090 Vienna, Austria who have audited, in accordance with IFRS, S IMMO's financial statements for the years ended on 31 December 2022 and 31 December 2021, without qualification. KPMG Austria GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft is a certified public accountant and a member of the Austrian Chamber of Tax and Auditors (Kammer der Steuerberater und Wirtschaftsprüfer).

**Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Trustee's action**

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

**Listing agent**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to Notes issued under the Programme and is not itself seeking admission of Notes issued under the Programme to the Official List of Euronext Dublin or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

**Language of the Base Prospectus**

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

**ISSUER**

**CPI Property Group**
40, Rue de la Vallée
L-2661, Luxembourg

**DEALERS**

**Banco Santander, S.A.**
Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar 28660 Boadilla del Monte
Madrid
Spain

**Bank of China (Europe) S.A.**
55 Boulevard Royal | L-2449
Luxembourg

**Barclays Bank Ireland PLC**
One Molesworth Street
Dublin
D02 RF29
Ireland

**Credit Suisse International**
One Cabot Square
London E14 4QJ
United Kingdom

**Erste Group Bank AG**
Am Belvedere 1
1100 Vienna
Austria

**Goldman Sachs International**
Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

**HSBC Bank plc**
8 Canada Square
London E14 5HQ
United Kingdom

**HSBC Continental Europe**
38, avenue Kléber
75116 Paris
France

**J.P. Morgan SE**
Taunustor 1 (Taunus Turm)
60310 Frankfurt am Main
Germany

**MUFG Securities (Europe) N.V.**
World Trade Center,
Tower H, 11th Floor
Zuidplein 98
1077 XV Amsterdam
The Netherlands

**Raiffeisen Bank International AG**
Am Stadtpark 9
A- 1030 Vienna
Austria

**SMBC Bank EU AG**
Neue Mainzer Straße 52-58
60311 Frankfurt am Main
Germany

**Société Générale**
29, Boulevard Haussmann
75009 Paris
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**UniCredit Bank AG**
Arabellastrasse 12
81925 Munich
Germany

**LEGAL ADVISERS**

*To the Issuer as to English law*
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*To the Dealers and the Trustee as to English law*
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*To the Issuer as to Luxembourg law*
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Atrium Vitrum Building

*To the Dealers and the Trustee as to Luxembourg law*
**Linklaters LLP**
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33, rue du Puits Romain
L-8070 Bertrange – Luxembourg
Grand Duchy of Luxembourg

L-1855 Luxembourg

**TRUSTEE**

**HSBC Corporate Trustee Company (UK) Limited**
8 Canada Square
London E14 5HQ
United Kingdom

**REGISTRAR, PRINCIPAL PAYING AGENT AND TRANSFER AGENT**

**HSBC Bank plc**
8 Canada Square
London E14 5HQ
United Kingdom

**INDEPENDENT AUDITORS**
*To the Issuer*

**Ernst & Young S.A., Luxembourg**
35E, Avenue John F. Kennedy
L-1855 Luxembourg
Luxembourg

*To IMMOFINANZ*

**Deloitte Audit Wirtschaftsprüfungs GmbH**
Renngasse 1/Freyung
A-1010 Vienna
Austria

*To S IMMO*

**KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft**
Porzellangasse 51
1090 Vienna
Austria

**LISTING AGENT**

**Arthur Cox Listing Services Limited**
Arthur Cox
Ten Earlsfort Terrace,
Dublin 2,
Ireland