



INFORMATION DOCUMENT

prepared for the introduction to trading in the alternative trading system operated by Gielda Papierów Wartościowych w Warszawie S.A. of up to 85,000 Bonds issued by

HB Reavis Finance PL 3 sp. z o.o.

with its registered office in Warsaw, Postępu 14, entered in the register of entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, under KRS number 0000741386

This Information Document has been prepared in relation to seeking introduction of financial instruments referred to herein to trading in the alternative trading system operated by Gielda Papierów Wartościowych w Warszawie S.A.

Introduction of financial instruments to trading in the alternative trading system shall not be tantamount to admission or introduction of such instruments to trading on the regulated market operated by Gielda Papierów Wartościowych w Warszawie S.A. (the main and parallel market).

Investors should be aware of risks involved in investments in financial instruments listed in the alternative trading system and their investment decisions should be preceded by an appropriate analysis and, if necessary, consultations with an investment adviser.

The contents of this Information Document have not been approved by Gielda Papierów Wartościowych w Warszawie S.A. for compliance of information provided therein with the facts or legal regulations.

Date of preparation of this Information Document: 4 December 2020

INFORMATION DOCUMENT

1. INTRODUCTION

1.1 Purpose of the Information Document

This Information Document has been prepared for the introduction of PLN 85,000,000 bearer series A bonds of HB Reavis Finance PL 3 sp. z o.o. to trading in the alternative trading system operated by Giełda Papierów Wartościowych w Warszawie S.A.

1.2 Name and the registered office of the Issuer

Legal name:	HB Reavis Finance PL 3 sp. z o.o. (previously Rainford Sp. z o.o.)
Legal form:	Spółka z ograniczoną odpowiedzialnością (limited liability company)
Seat:	Warsaw, Poland
Address:	Postępu 14, 02-676 Warsaw
Address for correspondence:	ul. Postępu 14, 02-676 Warsaw
Phone:	+48 22 203 44 20
Fax:	+48 22 203 44 20
www:	https://hbreavis.com/bond/hbrfinancepl3/
E-mail:	poland@hbreavis.com
KRS:	0000741386
Tax identification number (NIP):	5252757202
Statistical classification (REGON):	380827481

1.3 Number, type, unit nominal value and code of issue of debt financial instruments to be introduced to trading in the alternative trading system and covered by the Information Document

This Information Document covers up to 85,000 (eighty-five thousand) bearer series A bonds, with a nominal value of PLN 1,000 (one thousand) each, with a total nominal value of up to PLN 85,000,000 (eighty-five million). KDPW will assign ISIN number to the Bonds.

1.4 Table of contents

Section	Page
1. Introduction	2
1.1 Purpose of the Information Document	2
1.2 Name and the registered office of the Issuer	2
1.3 Number, type, unit nominal value and code of issue of debt financial instruments to be introduced to trading in the alternative trading system and covered by the Information Document	2
1.4 Table of contents	3
2. Risk factors	7
2.1 Risk factors associated with the Issuer's	7
2.2 Risk factors related to the Suretyship Provider and the business activities of the Group	8
2.3 Risk factors associated with the industry, in which the Issuer and the Group is operating and with the macro economic conditions	25
2.4 Risk factors associated with the Bond's collateral	37
2.5 Risks factors associated with the Bonds, listing and trading	37
3. Declarations of persons responsible for information contained in the information document	42
3.1 Persons authorized to act on behalf of the Issuer:	42
3.2 Declaration of the Issuer	42
4. Information on financial instruments to be introduced to trading in the alternative trading system	43
4.1 Information on the Issue Programme	43
4.2 Results of subscription or sale of debt instruments which are the subject of the application for introduction	43
4.3 Information on the Issue	45
5. Information on the Issuer	61
5.1 Name, legal form, state where the registered office is located, registered office and address of the Issuer together with telecommunications data	61
5.2 Identification numbers according to the appropriate statistical classification and number according to the appropriate tax identification	61
5.3 Duration of the Issuer	61
5.4 Legal regulations under which the Issuer was formed	61
5.5 Indication of the court that issued a decision to enter the Issuer into the appropriate register	61
5.6 Information whether the activities carried out by the Issuer require a permit, licence or approval	61
5.7 Brief description of Issuer's history	61
5.8 Types and values of the Issuer's equity and rules of their formation	62
5.9 Issuer's statement on the working capital	62
5.10 Information about any unpaid portion of the share capital	62
5.11 Information about projected changes to the share capital due to bondholders exercising their rights attached to convertible bonds or subscription warrants (priority rights) attached to bonds	62
5.12 Financial instrument markets on which the Issuer's financial instruments or related depositary notes are or were listed	62
5.13 Basic information about capital relations of the Issuer having a significant impact on its business, including essential units of its group	62
5.14 Personal, asset and organisational relations between:	63
5.15 Basic information about the main products, goods or services, together with their value and quantity and share of each group of products, goods and services, or, if essential, individual products, goods and services in total sales of the group and the issuer, broken down to business segments	63

5.16	Description of major domestic and foreign investment projects of the Issuer, including capital investments, for the period covered by the financial statements or consolidated financial statements included in the Information Document	64
5.17	Information about bankruptcy, composition or liquidation proceedings instituted with respect to the Issuer.....	64
5.18	Information about settlement, arbitration or enforcement proceedings instituted with respect to the Issuer, if the outcome of such proceedings is or may be of significance for the Issuer's business.....	64
5.19	Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceedings that are threatened according to the Issuer's knowledge, which might have had or have recently had or may have a significant impact on the Issuer's financial situation, or information about lack of such proceedings.....	64
5.20	Issuer's liabilities relevant to the performance of its obligations towards holders of financial instruments, which are related in particular to the development of the Issuer's economic and financial situation	64
5.21	Off-balance sheet liabilities of the Issuer and their structure by time and type	64
5.22	Information on unusual circumstances or events affecting business performance for the period covered by the financial statements or consolidated financial statements, included in the Information Document	64
5.23	Any significant changes to the economic, asset and financial situation of the Issuer and its group and other information relevant to the assessment of such changes, which occurred after financial data contained in this Information Document were prepared	65
5.24	Managing persons and supervisory persons.....	65
5.25	Issuer's supervisory board	66
5.26	Issuer's shareholding structure including specification of shareholders holding at least 5% of votes at shareholders' meeting.....	66
6.	Information on the suretyship provider	67
6.1	Name, legal form, state where the registered office is located, registered office and address of the Suretyship Provider together with telecommunications data	67
6.2	Duration of the Suretyship Provider	67
6.3	Legal regulations under which the Suretyship Provider was formed	67
6.4	Indication of the court that issued a decision to enter the Suretyship Provider into the appropriate register	67
6.5	Information whether the activities carried out by the Suretyship Provider requires a permit, licence or approval.....	67
6.6	Brief description of Suretyship Provider's history	67
6.7	Types and values of the Suretyship Provider's equity and rules of their formation	68
6.8	Information about any unpaid portion of the share capital	68
6.9	Information about projected changes to the share capital due to bondholders exercising their rights attached to convertible bonds or subscription warrants (priority rights) attached to bonds.....	69
6.10	Financial instrument markets on which the Suretyship Provider's financial instruments or related depositary notes are or were listed	69
6.11	Basic information about capital relations of the Suretyship Provider having a significant impact on its business, including essential units of its group.....	69
6.12	Personal, asset and organizational relations between:	70
6.13	Basic information about the main products, goods or services, together with their value and quantity and share of each group of products, goods and services, or, if essential, individual products, goods and services in total sales of the group and the issuer, broken down to business segments	70

6.14	Description of major domestic and foreign investment projects of the Suretyship Provider, including capital investments, for the period covered by the financial statements or consolidated financial statements included in the Information Document.....	88
6.15	Information about bankruptcy, composition or liquidation proceedings instituted with respect to the Suretyship Provider	96
6.16	Information about settlement, arbitration or enforcement proceedings instituted with respect to the Suretyship Provider, if the outcome of such proceedings is or may be of significance for the Suretyship Provider's business.....	96
6.17	Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceeding that are threatened according to the Suretyship Provider's knowledge, which might have had or have recently had or may have a significant impact on the Suretyship Provider's financial situation, or information about lack of such proceedings	96
6.18	Suretyship Provider's liabilities relevant to the performance of its obligations towards holders of financial instruments, which are related in particular to the development of the Suretyship Provider's economic and financial situation	96
6.19	Off-balance sheet liabilities of the Suretyship Provider and their structure by time and type.....	98
6.20	Information on unusual circumstances or events affecting business performance for the period covered by the financial statements or consolidated financial statements, included in the Information Document	98
6.21	Any significant changes to the economic, asset and financial situation of the Suretyship Provider and its group and other information relevant to the assessment of such changes, which occurred after financial data contained in this Information Document were prepared	98
6.22	Managing persons and supervisory persons.....	98
6.23	Suretyship Provider's Supervisory Board.....	102
6.24	Suretyship Provider's shareholding structure including specification of shareholders holding at least 5% of votes at shareholders' meeting.....	102
7.	Financial statements	103
7.1	Issuer's financial statements	103
7.2	Suretyship Provider's consolidated financial statements.....	103
8.	Additional information	104
9.	Attachments.....	105
9.1	Definitions and abbreviations	105
9.2	Up-to-date excerpt from the register relevant for the Issuer	108
9.3	Consolidated up-to-date text of the Issuer's articles of association and contents of adopted resolutions of the shareholders' meeting concerning alterations to the articles of association which have not been registered by the court yet	118
9.4	Full text of resolutions which constitute the basis of the issue of debt financial instruments referred to in the Information Document.....	129
9.5	Document defining the terms and conditions of the Bonds	135
9.6	Copy of the valuation of the object encumbered with the pledge or mortgage made by the authorised entity or an abbreviation of that valuation.....	190
9.7	Copy of the agreement appointing the security administrator	199
9.8	Copy of the Suretyship Agreement.....	215
9.9	Copy of the agreement appointing the pledge administrator	234
9.10	Copy of the registered pledge agreement.....	248
9.11	Copy of the Issuer's audited financial statement for the financial year ended 31 December 2019	290
9.12	Copy of the Suretyship Provider's audited consolidated financial statements as at and for the financial year ended 31 December 2019.....	330

9.13	Copy of the Suretyship Provider's unaudited consolidated financial statements as at and for the first six months ended 30 June 2020.....	403
------	---	-----

2. RISK FACTORS

The Issuer is a company organised under the laws of the Republic of Poland and a member of the Group. The Issuer is an SPV, established for the purpose of issuing bonds. Its activities will be limited to providing intra-Group financing. Timely payments under the Bonds will be secured via repayment of financing provided to the Group entities or additional funding provided to the Issuer by the Group entities.

Due to nature of its activities, the Issuer's operations itself are influenced by limited number of risk factors. Occurrence of any risk factors associated with business activities of the Group may adversely affect the price of the Bonds, due to the fact that the Bonds are guaranteed by the Suretyship Provider, which is the holding company of the Group.

Investing in the Issuer's bonds involves inherent risks. Investors should consider, among other things, the risk factors set out herein before making an investment decision. If any of the following risks occur, the Issuer's or the Suretyship Provider's business, financial position and operating results could be materially and adversely affected. An Investor should consider carefully the risk factors presented below, and elsewhere in this document, and should consult his or her own advisors before making an investment decision.

The risks described in the Information Document are not the only ones, which could occur. Additional risks, not presently known to the Issuer, or currently deemed immaterial, may also impair the Issuer's or the Suretyship Provider's business operations and adversely affect the price of Bonds.

The order, in which the following risk factors are presented, is not an indication as to their significance, the probability of occurrence and the potential impact on the business of the Issuer.

An investment in the Bonds is suitable only for investors, who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

2.1 Risk factors associated with the Issuer's

(a) Credit risk and dependence of the Issuer on the Group

The risk that the Issuer's debtors will be unable to perform their obligations in a due and timely manner represents a credit risk. Given that the proceeds of the issue of the Bonds will be provided by the Issuer as a form of intra-group financing to companies within the Group, the Issuer's ability to pay its obligations under the Bonds depends on the ability of the Group and its individual companies to ensure that there are sufficient resources available to repay any such intra-group financings in order to facilitate the fulfilment of the Issuer's obligations.

The significant dependence of the Issuer on the Group and all risks on the part of the Suretyship Provider and the Group described under the heading "Risk factors related to the Suretyship Provider and the business activities of the Group" below could adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

(b) Risk related to the restriction of the Issuer's business activities

The Issuer is an SPV, established for the purpose of issuing bonds and its business activities will be limited to providing intra-group financing. Therefore, the Issuer will not be able to generate revenue from other business activities in order to make any payments due under the Bonds. If the primary source of income (i.e. the payments of intra-group financing) is not sufficient then it may adversely affect the Issuer's ability to make any payments, including principal and interest payments that are due under the Bonds.

(c) Risk of operating dependence on the Group

The Issuer's operations are dependent on the sharing of the administrative, accounting and IT infrastructure of the Group. The potential failure of certain elements or the entire infrastructure may have an adverse effect on the financial and economic position of the Issuer, its business and its ability to perform its obligations under the Bonds.

(d) Risk of conflicts of interest of the Issuer's shareholder and the Bondholders

There can be no assurance as to whether, in the future, the Suretyship Provider who is also the Issuer's shareholder or any member of the Group may take business and legal steps that may be managed with respect to the benefit of the Group, as such, rather than for the benefit of the Issuer and Bondholders (for example, mergers, acquisitions, profits distribution, or assets sale that will have a negative impact on the Issuer).

Such changes could have an adverse effect on the financial and economic position of the Issuer, its business activities and its ability to perform its obligations under the Bonds.

(e) Risks related to the legal, regulatory and tax environment

With reference to the fact that the Issuer is an SPV for Bonds' issue and has not conducted any significant business, the risk of legal and enforcement proceedings is low given the nature of the Issuer's obligations. Yet there can be no assurance that in the future there will not be any material proceedings initiated against the Issuer, including any proceedings devoid of any factual or legal basis. Potential legal proceedings could limit the Issuer's disposal of its assets to a certain degree and for a certain period of time or result in additional costs incurred by the Issuer. The legal, regulatory and tax environment in Poland is subject to change and the laws may not always be uniformly applied by courts and government authorities. Amendments to laws and changes to their interpretation in the future could adversely affect the operating activities and financial prospects of the Issuer.

In particular, changes to tax laws could adversely affect the method of payment and the amount of the Issuer's income resulting from the repayment of intra-group financing which might have an adverse effect on the Issuer's ability to perform its obligations under the Bonds.

2.2 Risk factors related to the Suretyship Provider and the business activities of the Group

(a) The Group faces risks in relation to its development activities.

The Group may be exposed to several risks related to its development activities. The development process includes all activities connected with each individual project starting from land or asset acquisition through the project concept and design phase, permits process phase, construction phase and lease and property management until the potential divestment of the project. Each of these processes can experience unforeseen circumstances that could result in a material adverse effect on the Group's future business, financial condition, operating results and cash flows.

(b) Risks related to the acquisition of the properties

Each land and asset acquisition involves certain risks, including the risk that the acquisition will not materialise after certain transaction costs are incurred during the preparation phase. Despite the fact that the Group carries out a due diligence process before every acquisition, some risks related to the assets that it acquires may not be identified during this process. After the acquisition, it may prove to be difficult or impossible to claim damages and obtain appropriate compensation from the seller.

The Group has acquired substantially all of its development assets from third parties. Despite the due diligence process which generally is made before real estate investments, the property rights or issued permits to any of the Group's assets could be disputed, resulting in increased costs related to its legal defence, compensation paid or even loss of rights to the properties. The land acquired by the Group for development purposes might be affected by the rights of third parties (for example, third-party leases, encumbrances, induced investments, security interests, statutory encumbrances, potential litigations, or resolutions of public authorities affecting the use of land).

If the past actions of such third parties are challenged or claimed to be a basis for third-party claims against the Group, the Group may not be able to defend such challenges or claims successfully, because the applicable provisions of the laws in the relevant jurisdiction may be subject to several different interpretations. Such actions and claims, if successfully pursued, could result in the imposition of liabilities on the Group. In addition, title insurances may not be sufficient to cover all losses arising from title disputes or may not be available at all.

Any challenges to, or invalidation, or termination of, any such transactions or actions or imposition of any such liability could, individually or in the aggregate, have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

Such risks are specifically pertinent in Central Europe due to the nationalisation of private property (including land) which occurred under past communist governments in the region. For example, in Poland the Group is exposed to inherent real estate investment risks due to the possibility of restitution claims being made with respect to the legal title of certain properties. After nationalisation occurred in Poland, mainly in the 1940s and 1950s, many private properties, businesses and municipalities were expropriated by the Polish government. Since the end of the communist period in Poland, these entities, mainly former property owners and their legal successors, are entitled to question the validity of the legal title of both current owners and perpetual usufructuaries, including by seeking to revoke the administrative decision under which the properties were originally nationalised. In Slovakia and the Czech Republic, there is in certain cases, for historical reasons, a risk of improper maintenance of land ownership records and of duplicate registrations of property title. Regardless of whether legal defects of the projects, such as those above, are caused by the Group or a third party, property rights may be disputed, whether pertaining to permits or otherwise, which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

Certain acquisitions or sales of property may be rendered void under applicable local law provisions as a result of insolvency, fraud, lack of consideration, gross undervaluation, avoidance of creditors, defrauding of creditors or as a result of other technical requirements in the conveyance of property (for example, flaws in the transacting parties' contractual will, lack of proper authentication by the notary public, lack of corporate capacity, corporate authority or improper representation of the parties for the transfer, among other things). Furthermore, there may be a risk of legal disputes with neighbouring land owners, architects, project managers and suppliers, with respect to Group's refurbishment/construction projects. Even if ultimately settled or decided in the Group's favour, the Group may not be able to recover its costs incurred in relation to a dispute relating to title.

Additionally, the Group may make investments where the Group has only a leasehold interest in the land (but ownership of any building on it). Where there are no structures owned by the Group on the land, the land lease may be terminated early in various circumstances; ordinarily this would be in the event of a breach of the land lease provisions, but there may be other circumstances provided for in the relevant lease. In addition, the land lease may not contain renewal rights. Any termination of a lease, challenges to ownership (successful or otherwise),

delays to or cancellations of the development of projects or any other dispute could have a material adverse effect on the Group's business, financial condition, prospects, and results of operations.

(c) Risks related to permits process, title and legal defects in the Group's projects.

The Group often purchases properties prior to the relevant permits being secured and permit processes are highly complex procedures that are subject to the regulations of the countries where the Group operates.

Among other requirements, permits must be obtained in the planning/development stage of the project before or during its construction (development consents) and after its completion (occupancy consents). There is a risk that development or occupancy consents are not obtained, are delayed, are subject to uneconomic or unfavourable conditions or are challenged by third parties. Adverse permitting developments can lead to increases in the budget compared to original expectations or even force the Group to abandon development opportunities that it has started to pursue and consequently cause it to fail to recover all of the incurred expenses.

In some cases, the development or refurbishment of properties may be subject to revaluation losses due to the fact that the actually achieved level of net rental income or occupancy of these properties is significantly lower than originally planned and expected. In addition, laws may be introduced that may be retrospective and affect existing building consents which would restrict development in the Group's target geographies. The time needed to obtain permits also varies depending on the region, country or municipality.

Any failure to obtain required permits on favourable terms, or at all, or any material delays in obtaining such permits, could have a material adverse impact on the Group's business, results of operations, financial condition or prospects.

In addition, planning regulations and permits could be challenged within the relevant statutory period, which could eventually lead to delays in the delivery of the Group's units or even incompleteness of a particular development on the expected terms, or at all, which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations. Moreover, certain design changes which are performed during the construction period may require an additional permit process. As a result, the Group could be exposed to the risk that the proper permit will not be obtained and that the project could be in violation of applicable legal or administrative regulations, which could have a material adverse effect on the project feasibility or even its completion. Unfamiliarity with local regulations, delays in obtaining construction permits or contract, labour disputes with construction contractors or subcontractors and unforeseen site conditions may require additional work and construction delays.

There are significant differences in the permits processes in the various countries in which the Group operates. Furthermore, the Group's properties must have the requisite planning consent and permits for the type of commercial activities intended for their development. In instances where the existing planning is not suitable or in which the planning is yet to be determined, the Group must apply for the required classifications. This procedure may be protracted, particularly where the bureaucracy is cumbersome and inefficient. In general, these lengthy administrative procedures involve a wide variety of stakeholders (including utility providers, other developers, municipalities, other government authorities, owners of adjacent property, activists or the general public) with various interests that could affect the timing of the issuance of permits and the parameters of the project concept and design (for example, the planned size of a project could be reduced during the permits process and the final permits may only allow

the Group to build a project with less leasable area than was originally anticipated and planned). The Group cannot be certain that the process of obtaining proper planning will be completed with sufficient speed and cost to enable the property to be developed ahead of competing businesses without delays, or at all. The lead time to obtain necessary permits varies widely across Central Europe, in certain countries ranging up to several years. Delays and/or changes in the construction process and plans may occur as a result of external factors (e.g. the discovery of archaeological sites). Opposition by local residents, non-governmental organisations or other parties to building planning applications and permits may also cause considerable delays. In addition, arbitrary changes to applicable planning may jeopardise projects which have already commenced. Significant delays in the issuance of permits and changes in the approved project parameters could severely affect the overall feasibility of the project as well as its profitability. Therefore, if the Group does not receive planning approvals in a timely manner or at all, the Group's costs will increase which may have an adverse effect on its business, financial condition and results of operations.

Due to the complexity of the permits process, the numerous authorities, private and public entities involved and potential changes in regulations and legislation, some of the permits could have been or could be granted in conflict with applicable regulations. While the Group conducts internal control processes to identify any issues related to obtained permits or the validity of ownership titles and takes reasonable steps necessary to remedy any defects, there can be no assurance that this can be achieved on time or without negative consequences.

Any of these circumstances could negatively affect the Group's ability to complete a development programme on schedule, within the estimated budget or at all. Even if the Group is successful in doing so, the Group may not be able to fully recoup its investments. Any failure by the Group to complete an investment and development programme could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

(d) Risks related to the Group's construction and development works.

The Group is subject to a number of construction, operating and other risks relating to its investment programme and its development properties, many of which are beyond its control, including shortages of, and price inflation in respect of, materials, equipment and labour, contractors' insolvency or bankruptcy, adverse weather conditions, accidents, unexpected delays and other unforeseen circumstances, any of which could result in costs that are materially higher than initially estimated by the Group.

Before commencing a development, the Group estimates costs based on certain assumptions, estimates and judgments, which may ultimately prove to be inaccurate. In addition, if a contractor's or supplier's cost estimates or quotes are incorrect, the Group may incur additional costs or be required to source products and services at a higher price than anticipated. The Group may also face delays in its development projects if the estimate is incorrect by a large enough margin that the project is made more viable by finding an alternative contractor or supplier. In addition, such third-party contractors have been and may continue to be adversely affected by economic downturns or poor management. The Group divides the construction of every project into several smaller packages delivered by contractors and subcontractors for various stages or professions of construction. Although the Group aims to contract as much work as possible prior to the start of the construction, it may not always manage to do so. As a result, it may be exposed to risks related to the potential increase in prices of the construction work or to the coordination of numerous contractors and subcontractors on the construction site. During the construction of development projects, the Group may encounter unexpected operational issues or other difficulties, including those related to technical engineering issues, regulatory changes, disputes with third-party

contractors, subcontractors and suppliers, accidents, bad weather, natural disasters (such as floods and fire) and changes in purchaser requirements that may require the Group to amend, delay or terminate a development project as well as negative impact on construction as a result of Covid-19 pandemic such as government restrictions, unavailability of construction material, supply chain disruption or subcontractors financial difficulties. The inability to complete the construction of a property on schedule may result in increased construction costs and further result in claims by third parties for damages and/or termination of respective contracts or in contractual penalties (or the enforcement of bank guarantees by a purchaser) and could also affect its reputation.

Acts of nature, such as earthquakes and floods may damage or delay construction of properties, in addition to the discovery of historical elements such as fossils, coins, articles of value or antiquity and structures and/or other remains of geological or archaeological interest which may also impede or delay construction of properties. Such unforeseen circumstances could result in additional costs not originally budgeted for, and the project budget could be materially higher than initially estimated by the Group.

Sometimes, errors and omissions in development activities (especially design) and construction works can only be identified after the completion of the projects. There is a risk of potential claims for defective construction, increased costs related to rectification work and overall negative publicity. In extreme cases, failures during the design and construction phases may prevent the further operation of the project. Such damages may extend significantly beyond the coverage of the warranties provided by the suppliers providing the services.

Maintaining or improving the condition of the Group's properties is important to capturing any increase in market demand and can entail significant costs. Numerous other factors, such as the age of the relevant building structure, the material and substances used at the time of construction or building code compliance and violations could also result in substantial maintenance costs. The Group's failure to undertake appropriate maintenance and refurbishment work could adversely affect the rental income earned from the affected property, result in substantial unplanned costs, negatively impact the affected unit's value and, in some circumstances, result in a breach of the Group's obligations under a lease.

Any of these circumstances could negatively affect the Group's ability to complete a development programme within the estimated budget, which may adversely affect margins and profitability. Also, any failure by the Group to complete an investment and development programme could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (e) The Group faces concentration risk from significant portions of its business operating in individual industries and geographic markets.

As at the date of this Information Document, the real estate portfolio of the Group consists of land for development, and office and retail properties (both completed and under construction) in six different countries. Despite the overall geographical diversification, three countries (Poland, Slovakia and United Kingdom) represented more than 75% of the Group's total non-current assets as at 30 June 2020 and therefore the Group is exposed to greater political and macroeconomic risks related to these individual geographies.

Particularly, there may be a greater risk associated with office real estate in the United Kingdom following the vote to leave the EU, as a number of companies may consider relocating their operations and employees due to the unclear future relationship between the United Kingdom and the European Union.

On the other hand, a significant portion, i.e. 72% as at 30 June 2020, of the Group's total non-current assets are still concentrated within Slovakia, the Czech Republic, Poland and Hungary which are considered as emerging markets and face greater legal, economic, fiscal and political risks than more mature markets. The Group's operations in Central Europe are exposed to risks that are common to all regions that have recently undergone, or are undergoing political, economic and social change, including currency fluctuations, evolving regulatory environments, inflation, economic downturns, local market disruptions, labour unrest, changes in disposable income or gross national product, variations in interest rates and taxation policies, among other factors. Political or economic instability may adversely affect the real estate market in Central Europe.

The Group is also exposed to the concentration risk of the office market segment, which, as at 30 June 2020, represented more than 89% of the total non-current assets (including real estate assets) of the Group, whereas the share of rental and similar income in this segment was 95% during the period ended at 30 June 2020.

Office segment may be particularly negatively impacted by the changing environment such as companies prioritising the quality of the working environment for their employees and factors such as transportation, amenities and sustainable solutions being incorporated into their decisions about the leasing of property. Due to the dynamically changing environment, there is more pressure on the flexibility and quality of lease services. Furthermore, the pandemic caused by Covid-19 virus forced many companies to increase or establish the home office working environment which could negatively impact the demand for office space. There can be no assurance that the Group will be able to react to such requirements and trends in a timely and effective manner, or that completed or developing projects will fit the changing requirements of the market. This may result in vacancies in certain office projects or decreased rental income that may have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

In addition to risks that apply to commercial real estate generally, the Group is exposed to risks in relation to its retail assets specifically, which constitute 8% of the Group's total assets as at 30 June 2020. The demand for retail space and ability of the retailers to pay a certain level of rent is dependent on their economic results. Changes in shopping trends (such as e-commerce) may significantly affect sales of retailers, and shopping centres may need to adjust their business model. There is a risk that the retailers and the Group will not be able to react to these changes that could adversely affect the operations, financial results and prospects of the Group. Shopping centre success is strongly dependent on its location, access and internal structure, as it is driven by the subjective preferences of shoppers. It is fairly difficult to predict or estimate the subjective behaviour of shoppers and the ability to attract a certain critical mass to make a shopping centre successful. There is a risk that even after significant expenditures on the development of a shopping centre, its performance will not meet expectations. Such circumstances in the Group's retail sector, if they were to occur, could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

(f) Risk associated with the Covid-19 disease, caused by coronavirus SARS-CoV-2

The Covid-19 epidemic, caused by SARS-CoV-2, began in December 2019 in the city of Wuhan, Hubei Province in central China. Due to the high infection rate of SARS-CoV-2, Covid-19 spread rapidly throughout the world in the first months of 2020, including the countries in the European Union. In March 2020, the World Health Organisation declared Covid-19 a global pandemic. The rapid spread of the pandemic has also led national authorities and governments to implement various measures to reduce its spread, including travel bans, quarantines, curfews and business restrictions. Neither the Group nor the Suretyship Provider

is currently able to fully assess the consequences of the pandemic on their future financial position and operations, but depending on further developments, the impacts may very well be negative and significant.

The negative impact of the pandemic was also reflected in the reported net-after-tax loss of EUR 143.6 million, released in the semi-annual consolidated financial results of the Suretyship Provider for the first six months of 2020 ended on 30 June 2020. The loss was mainly driven by the negative re-evaluation of real estate assets as a result of: a delay in the expected project completion of projects under construction, a delay to the start of new construction projects in the preparation phase, losses of some tenants, the cancellation of prospective tenants' agreements, a general slowdown of the leasing market and a more conservative view on property valuation in terms of investors' required yields.

The overall extent to which the pandemic will impact the business, operational and financial results of the Group and the Suretyship Provider in the future will depend on many factors that neither the Group nor the Suretyship Provider are able to accurately assess. Government, business, and also individual actions that have been taken in response to the pandemic may have a negative impact on the economic activities of the Group and the Suretyship Provider. Given the nature of the Group's business activities, the negative impact may result in reduced demand for the leasing of premises in commercial real estate, the reduced market value of assets (real estate) or more lengthy and complicated divestment of assets. The negative impact may also result in an increase in financial costs or may make it more difficult to obtain additional financing and refinancing for the Group and the Suretyship Provider.

The combination of all these adverse factors and any negative impact of the current situation in countries in which the HB Reavis Group operates, in connection with the spread of Covid-19 (including recurring pandemic waves), could have a negative impact on the HB Reavis Group and the Suretyship Provider.

- (g) Risk related to the Group's ability to successfully implement its strategy or achieve its financial targets or investment objectives.

The Group's success connected with implementing strategy and achieving relevant objectives depends in part on its ability to manage future expansion (including in relation to the development of the Group's WaaS business line and geographic markets of operations) and to identify attractive investment opportunities. As at 30 June 2020, the Group plans to additionally deliver approximately 1.1 million square metres GLA of commercial space over approximately the next ten years based on its existing land bank.

There can be no assurance, however, that the implementation of the Group's strategy, and consequently the achievement of its financial targets and investment objectives, will be successful under current or future market conditions. Furthermore, such expansion is expected to place significant demands on management, support functions, accounting and financial control, sales and marketing and other resources and may involve a number of risks, including difficulty of assimilating operations and personnel in the Group's operations, the potential disruption of ongoing business and distraction of management, expenses related to such integration and, in the case of acquisitions in certain Central European countries, uncertainty regarding foreign laws and regulations, which could have an adverse effect on the Group's business, financial condition and results of operations. The Group's strategy may be modified and altered from time to time. If, after due consideration, the Group decides not to invest in a given market, the funds used for this purpose will not be recoverable. The Group's success and ability to implement its business strategy and meet expected growth and returns may be impacted by a number of factors, many of which are outside of the Group's control, which

may affect the success of its business plans, the commercial success of its projects, its financial condition, prospects or results of operations.

Although the Group's activities have some geographical diversity, there can be no assurance that it will be able to successfully implement its strategy and achieve its financial objectives in all of these markets. As a result, the Group may decide to exit certain markets or enter new markets and thereby adjust its current strategy which could incur additional costs and adversely affect the operations, financial results and prospects of the Group.

There can be no assurance that the existing model and organisational structure of the Group and its internal systems will support an international expansion and growth in an effective manner, which may have an adverse effect on the Group's business, financial condition and/or results of operations.

Additionally, the Group may be unable to develop commercially attractive products, respond to potential increases in real estate demand by hiring skilled employees and otherwise efficiently manage projects. Furthermore, the Group's future growth depends in part on the development of its WaaS business line, for which there can be no assurance of success.

The Group's growth and profitability to date have been attributable, in part, to its ability to locate and acquire land in attractive locations, develop and construct properties at competitive costs (including land prices) and on favourable terms and conditions, and the Group's strategy and future profitability depend on its continued ability to do so. In addition, the Group may not be able to maintain its historical margin levels on its development projects, either related to development activities or upon the ultimate disposal of the project.

There can be no assurance that in the future the Group will be able to acquire land and property in sizes and locations suitable for development, at attractive prices or on favourable terms and conditions in the event of increased competition. Any inability to identify and acquire sufficient sites for the Group's land bank at commercially acceptable prices, terms and conditions could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

For all these reasons it could be difficult for the Group to compete and successfully acquire properties, which could limit its ability to grow its business effectively. Furthermore, even if the Group is able to implement some or all of the initiatives of its business strategy successfully, the Group's operating results may not improve to the extent it anticipates, or at all. In addition, the Group may decide to alter or discontinue certain aspects of its business strategy at any time. Any failure of the Group to implement its business strategy successfully may have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (h) The Group is exposed to risks involving its establishment of new business lines.

Since 2016, the Group has expanded its WaaS business line that provides various services in relation to the development, operation and use of its properties. As part of its business strategy, the Group expects these WaaS business lines to increase the rental and sale values of the properties benefiting from such services. Many of the activities are in the initial development phase and there is currently limited or no track record of their impact on the Group's business, and there is no assurance of their standalone positive performance in the future or guarantee that such activities will positively contribute to the core development business of the Group. While these activities may be less capital intensive than the development of properties, they are human capital intensive and therefore linked to increased operating expenses. If these new business lines are not successful in achieving profitability or growth, or if their implementation

takes more time than initially expected, this may adversely affect the financial results of the Group, particularly in the initial years after such activities are started.

In addition, the Group has invested in a significant non-controlling stake in CIC and as a result of this non-controlling stake, the Group has limited ability to control the activities of CIC. If the CIC investment were to be unsuccessful, or if CIC were to become illiquid, there can be no assurance that the Group would be able to recoup all or any of its investment. Furthermore, there is some overlap between the Group's WaaS business line and CIC and, as a result, both parties might experience conflicts or competition between the two business lines.

In particular, one of the major initiatives within the Group's WaaS business line is HubHub, which represents a co-working platform providing space for small companies and individuals. HubHub-operated centres require the Group to make significant initial investments into fit-out, as tenant space is provided fully furnished. Due to the nature of the contracts with tenants (monthly membership based), the revenue profile does not match the long-term lease commitments and significant investments of the Group with the initial fit-out. In the event that individual centres or the business as a whole does not perform well, the Group's investments may not be recouped fully, if at all, and its business, financial condition, prospects and/or results of operations may be materially adversely affected

- (i) The Group is exposed to risks arising from the illiquidity of its portfolio.

In line with its strategy of capital recycling, the Group may decide to actively seek to dispose of some of its real estate at various stages of development or respond to unsolicited offers from investors interested in purchasing its property. The market for the types of properties the Group owns (including on a long-term leasehold basis) or may acquire in the future is generally illiquid. Where the Group is required to liquidate parts of its portfolio on short notice for any reason, including to raise funds to support its operations or repay outstanding indebtedness, the Group may not be able to sell any portion of its portfolio on favourable terms or at all. In the case of an accelerated sale, there may be a significant shortfall between the fair value of the property and the price at which the Group could otherwise sell such property. In planned disposals in the ordinary course of business, an illiquid market may result in a sales price that is lower than anticipated or in a delay of the sale or no sale. In addition, the Group may be subject to restrictions on its ability to sell properties pursuant to covenants and pledges limiting asset disposals in the Group's credit agreements. Any such shortfall could have a material adverse effect on the business, financial condition or results of operations of the Group.

- (j) The Group faces risks concerning its liquidity and refinancing of its indebtedness.

A liquidity risk arises when negative market trends and other unforeseeable events prevent companies within the Group from meeting their obligations in full and on time. A higher risk is associated with a situation in which significant liabilities are due, especially at the maturity of debt financing. In the event of adverse market conditions, the Group could find it difficult to extend or refinance its debt obligations at their respective due dates.

The Group finances its projects mostly through project financing. Such financing is often provided as a combination of construction and investment loans. Upon the maturity of a construction loan, certain conditions related to the project must be satisfied in order to have the construction loan automatically refinanced by an investment loan. There is a risk that the refinancing criteria will not be fulfilled and the construction loan will become immediately payable. Furthermore, investment loans, usually have maturities that are shorter than the economic life of the financed real estate and instead reflect the maturity of the rental agreements. Investment loans, which are generally the subject of a further prolongation or

refinancing, are typically gradually repaid with balloon repayments at the maturity of 80% to 90% of the original loan amount. As a result of adverse changes in the financial markets or in the conditions of the individual project, the Group may not be able to secure the full refinancing of a given loan, if at all, or may not be able to do so at a cost comparable to the matured financing.

Each real estate project of the Group is owned by an SPV and the Group aims for each individual project to be self-financed without a principal guarantee provided by other companies within the Group. However, in some cases there are certain commercial guarantees, typical in the real estate industry, which benefit the SPVs. As a result, failure of the SPV to pay its financing obligations may affect the reputation of the Group on financial markets, result in Group guarantees being called in, and adversely affect its ability to raise debt financing or the terms and conditions of existing or new debt financing.

The Group also raises corporate financing and treasury facilities or arranges for bank guarantees to be provided on behalf of the Group's companies, which may not be directly related to specific projects. Such corporate indebtedness is usually raised in the form of bonds, bank loans, or other arrangements with banks. In general, such indebtedness is guaranteed by the Suretyship Provider and the use of funds arising from such indebtedness is not limited to a specific purpose. Adverse developments in market conditions or the creditworthiness of the Group may reduce its ability to raise or refinance such debt at maturity or increase the price of such debt at raising or refinancing, even where obligations arising from the relevant loan agreements or terms and conditions of the bonds have been met. In certain cases, such financing may include an agreement regarding the right of creditors to request early repayment in the event that the Issuer or other Group companies default on their liabilities in excess of an agreed threshold. Such defaults, both in themselves and in their potential to directly cause the early repayment of other liabilities of the Group, could adversely affect its operations, financial results and prospects.

Furthermore, if the Group seeks financing to fund the development of its projects, volatility in the capital or credit markets may restrict the Group's access to such financing. If the Group is not successful in obtaining sufficient funding for planned capital and other expenditures, it may be unable to transform and develop its existing and future land bank. Moreover, any difficulty in obtaining sufficient capital for planned development expenditures could also cause project delays, and any such delay could result in cost increases.

Any delay in obtaining, or a failure to obtain, suitable or adequate debt financing, or any inability to refinance existing debt financing under commercially acceptable terms, could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

(k) Risk related to the financial ratios and covenants under the terms of its indebtedness.

All of the Group's major credit facilities and/or bonds contain restrictive covenants that require compliance with certain financial ratios and covenants. Any deterioration in the Group's operating performance, including due to any worsening of prevailing economic conditions, or any financial, business or other factors, 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 and/or bonds.

While the Group believes it is currently in compliance with all its credit facilities and/or bonds, if, in the future, the Group does not generate sufficient cash flow in order to meet its debt service obligations, or if it breaches covenants that 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. 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. If the Group defaults under one or more of its credit facilities and/or bonds and its lenders accelerate the debt, the Group may forfeit the property securing the indebtedness and its income may be substantially reduced. In addition, certain of the Group's financing arrangements contain cross-acceleration and/or cross-default provisions with respect to certain significant defaults under the Group's other financing arrangements. 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, which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

The Group's inability to service its debt through internally generated cash flow or such other sources of liquidity may put it in default of its obligations to its creditors. If the Group's cash flow becomes insufficient, the Group may be required to take certain actions, including delaying or reducing capital or other expenditure in an attempt to restructure or refinance its indebtedness, selling its investment properties or other assets or seeking additional equity capital. The Group may be unable to take any of these actions on favourable terms or in a timely manner. Furthermore, such actions may not be sufficient to allow the Group to service its debt obligations in full and, in any event, may have a material adverse effect on its business, financial condition, results of operations and prospects.

Any refinancing of the Group's indebtedness could be at higher interest rates and may require the Group to comply with more onerous covenants, which could further restrict its business and could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (l) The Group is exposed to the risk of its insurance coverage potentially not being adequate.

The Group maintains a number of insurance policies that are based on a complex set of rules and conditions. There can be no assurance that the conditions for the payment of insurance proceeds will be satisfied in all cases. The failure to meet such conditions could result in the inapplicability of such insurance claims or limited insurance proceeds that do not fully cover the damage. In addition, in some cases the insurance proceeds may be insufficient to cover the repair or upgrade of the property required by technical and environmental requirements and requirements prevailing on the relevant market. Such circumstances may adversely affect the operations, financial results and prospects of the Group. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be completely uninsurable or that are not economically insurable.

Other factors may also result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed, such as changes in building codes and ordinances and environmental considerations. As a result the Group may incur significant losses or damage to its assets or business activities for which it may not be compensated fully or at all. As a result, the Group may not have sufficient coverage against all losses that it may experience. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected construction site or property as well as anticipated future revenue from that property. In addition, the Group could be liable to repair or recover the damage caused by uninsured risks. The Group may also remain liable for any debt or other financial obligations related to such damaged property.

Additionally, no assurance can be given that material losses in excess of insurance coverage limits will not occur in the future. Any uninsured losses or losses in excess of insured limits could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (m) The Group faces risks relating to its ability to generate stable rental income.

The value of commercial property and the ability to pay liabilities of a Group project company which owns such property depend, to a large extent, on rental income and the terms of the related lease agreements. Lease agreements are typically concluded for the mid-term period (three to seven years), during which the parties are generally not able to terminate the tenancy, except in certain circumstances including for cause, statutory grounds, and force majeure. Therefore, the Group's ability to increase rents in line with market developments or its fluctuations during the lease term (save in respect of indexation, described below) is significantly limited. In addition, certain lease agreements include options for tenants to terminate the agreement or reduce the leased area after a relatively short period (with or without a contractual penalty). Additionally, in various jurisdictions, tenants may have certain rights defined in the relevant legal regulation, under which they are entitled to step-out from a lease agreement and as a result the lease agreement is automatically terminated. Moreover, the Group has begun to offer flexible arrangements (so called flexible leases) in line with its strategic shift to differentiate its offering as a more user-centric model. These flexible leases allow tenants to flexibly adjust (enlarge or reduce) the leased space under agreed conditions according to their current needs, which may pose additional risk.

The ability of the Group to extend expired lease agreements, re-let vacant space to different tenants or actively manage flexible lease arrangements could differ in each project and generally depends on the real estate quality (location, design, furnishing, or technical condition) and market conditions at the time of re-letting (competition, rental levels, or vacancy on market). In order to retain current tenants and attract new tenants, the Group may be required to offer various lease incentives such as reductions in rent or capital expenditure programmes that make such leases economically less favourable to the Group. If a property becomes vacant, it is re-let for a significantly lower price compared to the original rental levels or under significantly worse terms and conditions. As a result the ability of a project company to service project-related debt may be adversely affected. This could also significantly limit its ability to generate excess cash flow that could be used by the Group which can adversely affect the operations, financial results and prospects of the Group.

A minority of the lease agreements to which the Group is a party do not include an indexation clause. Some of the Group's tenants may have lease renewal options where the applicable rent might be capped or reduced with respect to the then prevailing market rents. In addition, some tenants (especially in the retail segment) have rents fully or partially tied to their turnover (rather than the Group's cost or inflation), such that the rent is subject to fluctuation as the turnover of such tenants fluctuates. Each of these factors may negatively influence the level of rent collected by the Group and could therefore have a material adverse effect on its business, financial condition, prospects and/or results of operations.

- (n) The Group is exposed to credit risks on rental payments from its tenants and other parties.

The Group is exposed to credit risks and its financial results depend on the ability of its counterparties to perform their obligations. In particular, the Group is exposed to the counterparty risk of tenants. Despite the long-term nature of the agreements, the commercial plans of tenants may change and tenants may seek options to terminate the agreements or renegotiate the commercial terms and conditions of the relevant agreements. There is a risk that a dispute with a tenant could arise which could lead to termination, lower income,

increased costs and the deterioration of the overall relationship with such tenant. Furthermore, the default of tenants on their payment obligations may not only affect the Group's ability to pay its due and payable obligations related to a specific project, but it could also have additional adverse implications for the Group's financial results if it needs to find replacement tenants, which may not be possible in due time and on similar terms.

The value of a rental property depends largely on the remaining term of the related rental agreements as well as the creditworthiness of the tenants. If a significant number of customers, or one or more of the Group's largest tenants, were unable to meet their lease obligations, this could adversely affect Group's business, financial condition, prospects and/or results of operations.

Evicting a tenant that defaults on a lease can also be costly and time consuming. The time it takes to evict a defaulting tenant is usually not prescribed by law and varies on a case by case basis. Additionally, obtaining a date for a court hearing can in some instances take up to several months. The loss of rental revenues from any of the tenants that are in default and the inability to replace such tenants may have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (o) The Group is exposed to risks relating to its various counterparties.

If the Group's counterparties fail to meet contractual obligations, or otherwise engage in unexpected behaviour this could adversely affect the operations, financial results and prospects of the Group.

For the design and construction of its projects, the Group uses a variety of suppliers that act in the role of contractors and subcontractors for its in-house general contractor or service providers that provide various supplementary services necessary for the completion of projects. The non-performance of such suppliers with respect to the agreed timing or quality may adversely affect the overall delivery of the project. If lease agreements are signed with the tenants for a project under construction (not completed yet), the project company may be required to pay late delivery penalties or the lease agreement may even be cancelled in the case of delays, resulting in a vacancy. The Group's procurement and tendering for construction deliveries focuses on minimizing the risks mentioned above, in particular by checking the creditworthiness of the relevant suppliers, cooperation with trusted partners and by using performance guarantees of various forms. However, notwithstanding all control and monitoring mechanisms that the Group may use to verify the quality of design and work provided by the suppliers, there is a risk that defects in the design and/or work may adversely affect the Group's business, financial condition, prospects and/or results of operations.

Furthermore, the completion of the Group's developments could be delayed if the Group is unable to appoint suitable contractors, or if one or more of the appointed contractors is unable to meet the development timetable or otherwise defaults on their construction obligations, including as a result of: (i) labour shortages or disputes; (ii) the failure of any subcontractors to provide the standard of construction expected or required; (iii) delays arising due to the complexity or technical demands of certain developments; (iv) bankruptcy; or (v) insolvency. Any such delay or default by a contractor or subcontractor could result in damage to the Group's relationships with its customers and could cause disruptions to the Group's business. Furthermore, if the Group relies on individual contractors across a number of its projects and such contractors are unable to carry out their tasks, the Group may experience difficulties in completing said projects and may incur additional delays or expenses in their delivery. In addition, the Group's contractors, subcontractors or buyers of the Group's assets may become the subject of sanctions, which could cause projects to be delayed in their delivery, or not delivered at all. This could prevent the Group from disposing the asset to its respective

buyers. The occurrence of any of the above factors could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

Counterparties, including banks and insurance companies, may experience defaults or change of creditworthiness which might adversely affect the Group or its financial results. Individual defaults or major changes in regulations may make cash deposits in banks temporarily unavailable for free transfer or even lead to losses of such cash deposits. With respect to loans, the problems of banks may lead to a change to lending policies, a reluctance to provide new loans or even sales of loan portfolios (through syndications or even the full sale of loans). The deterioration of creditworthiness on the financing institution's side during the drawdown phase might make an undrawn part unavailable to the Group. In some jurisdictions, if the financing bank is insolvent, all loans might become automatically payable. Insurance companies which insure the assets of the Group could face financial difficulties which could in turn result in a failure by such companies to pay insurance claims, despite the fact that all insurance premiums were paid by the Group and all obligations with respect to insurance policies were fulfilled. The Group strives to limit risks related to financial counterparties by limiting its concentration or dependence on certain financial and banking groups, and by carefully monitoring their risk profiles and overall situation in the sector.

In addition, certain assets held or developed by the Group, could be co-owned or co-developed in joint ventures with external partners and certain decisions about such assets may require their consent. Such partners act independently and there is a risk that their interests will not be aligned with the interests of the Group. If any disputes arise, the processes regarding the development and operation of such project may be slowed or stopped, until resolved (e.g. development of the project, financing activities or even project divestment). Additional counterparties whose potential default or change of creditworthiness might adversely affect the Group or its financial results include counterparties with which the Group enters into hedging arrangements, including banks and financial institutions. Individual defaults or major changes in regulations may prevent relevant payments in connection with such hedging arrangements from being made, which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (p) The Group's business is susceptible to the risk of competition and relies on its ability to attract and retain tenants.

The Group competes with local and international real estate developers, private investors, property funds and other retail and office property owners for tenants. Some of the Group's competitors may have properties that are newer, better located or in superior condition to its properties, or that could offer lower rents, a more favourable cost structure, better facilities and better layouts. If the Group misjudges the desirability of a property's location, its intended use or targeted tenant profile, it may not be able to fully rent properties or rent them at the rates it had planned. Competition among property developers and operators may result in, among other things, increased costs for the acquisitions of land for development, increased costs for raw material, shortages of skilled contractors, oversupply of properties and/or saturation of certain market segments, reduced rental rates, decrease in property prices and a slowdown in the rate at which new property developments are approved, any of which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations. The competition for tenants may negatively affect the Group's ability to optimise its tenant mix by attracting new tenants and retaining existing tenants, and may also negatively influence the terms of its lease agreements, including the amount of rent that the Group charges and the incentives that it provides to tenants, thereby adversely affecting the business, financial condition, prospects and results of operations of the Group.

- (q) The Group is exposed to the risk of not being reimbursed by tenants for increases in operating and administrative expenses.

The Group's operating and administrative expenses, as well as increasing repair and maintenance costs related to the ageing of Group's properties, could increase without a corresponding increase in turnover or tenant reimbursements, mainly owing to reimbursement caps which may be included in various lease agreements or other legal restrictions. Further, there may be expenses which are not recoverable from tenants. Factors that could increase operating and administrative expenses include, among others, increases relating to the rate of inflation, payroll expenses, legal expenses, property taxes and other statutory charges, energy costs and the costs of services provided by third-party providers, movements in foreign exchange rates, increases in insurance premiums, increases in maintenance costs and increases in capital expenditure which arise as a result of defects relating to properties. Any such expenses, if not reimbursed, could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (r) The Group depends upon its senior management team and on the expertise of its key personnel and may be unable to attract and retain a highly skilled and experienced workforce.

The key personnel and majority shareholder of the Group, including members of the Board of Director of the Group's companies and senior managers of the Group, are critical for the creation and implementation of the Group's strategies and initiatives, the Group's overall management, as well as its culture, strategic direction and operating model. The Group has a senior management team with significant experience in the European commercial real estate industry, which has developed a strong reputation and strong relationships both internally within the Group and externally with its business partners. There is a risk that the loss of one or more key members would adversely affect the operations, financial results and prospects of the Group.

In relation to international expansion, the Group significantly expanded its internal teams based in local offices and strengthened its support and shared functions from the head office. As a result of further business expansion, it may be necessary to attract additional professionals to support further growth. There is a risk that the Group will not be able to attract and retain qualified professionals within the necessary time frame, thus increasing its operational risks, which could adversely affect its operations, financial results and prospects. The unexpected loss of the services of any member of senior management, a limitation in their availability or a failure by the Group to develop a succession plan for its senior management could have a material adverse effect on its know-how and internal practices as well as on its business, results of operations, financial condition or prospects.

The activities of the Group and its competitiveness in the relevant markets depend on its ability to retain the current personnel, identify and attract new employees who are knowledgeable of local market conditions and have the required qualifications and experience in the real estate sector. Increasing competition for qualified personnel by other entities engaged in the real estate market may make it difficult for the Group to attract and retain qualified personnel, and in the future this may lead to increased personnel costs. Experienced employees in the commercial development industry in general are fundamental to its ability to generate, obtain and manage business opportunities. The Group's success may make its employees attractive hiring targets for competitors, and, in order to retain key employees, the Group may be required to keep pace with increases in remuneration in the marketplace. Failure to attract and retain such personnel or to ensure that their experience and knowledge is retained within the Group, even when they leave the Group, through retirement or otherwise, may have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (s) If the Group fails to maintain an effective system of internal controls, it may not be able to accurately determine financial results or adequately prevent fraud.

Effective internal controls are necessary for the Group to provide reliable financial reports and effectively prevent fraud. The Group cannot be certain that it will be successful in maintaining adequate internal controls over its financial reporting and financial processes. The existence of any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate any such material weakness or significant deficiency, and such weakness or deficiency may not be able to be remedied in a timely manner. The existence of any material weakness in the Group's internal control over financial reporting could also result in errors in the Group's financial statements that could require it to restate its financial statements and cause the Group to fail to meet its reporting obligations, all of which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations. In addition, certain activities in the real estate sector have, from time to time, been subject to allegations of embezzlement of cash in connection with arranging large-scale real estate transactions. Also, the Group may become the target of fraud or other illicit behaviour in any of the markets in which it operates.

The Group's internal compliance policies, codes of conduct and/or internal control continue to develop and are subject to ongoing review and amendments. The changing legislative framework and the Group's expansion into new markets may require the substantial revision of these policies or the adoption of new compliance policies and/or procedures, which could adversely impact the Group's business by increasing its operational and compliance costs.

There is also a risk that the required compliance policies and/or procedures have not been implemented correctly, in a timely manner and/or that the relevant employees or contractors are not in full compliance with them. For example, there have been internal investigations and dismissals regarding unethical conduct in procurement in the past. In the event of breach of the Group's compliance policies and/or procedures, the Group could be exposed to reputational damage, administrative and monetary sanctions, or civil claims, which could all have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (t) The Group's business and its reputation may be harmed if its employees, members or other associated individuals act inappropriately.

The Group's brand is an important aspect of its business. Maintaining the reputation and integrity of, and the value associated with, its brands are crucial to the success and growth of its business. The Group's reputation may be harmed if there is unfavourable media related to its industry, company, brand, marketing, personnel, operations, business performance or prospects that may affect the performance of its business, regardless of its accuracy or inaccuracy. The speed at which negative publicity can be disseminated has increased dramatically with the capabilities of electronic communication, including social media outlet, websites, blogs or newsletters. Adverse publicity or negative commentary from any media outlets could have a negative effect on the Group's relationship with counterparties and contractors, and reduce the demand for its properties, which could materially adversely affect its business, results of operations, financial condition or prospects.

The Group's transition to incorporate more services and social inputs makes its reputation particularly sensitive to allegations of violations of community rules or applicable laws by employees, members, or other people who enter its spaces. If employees, members or other people violate policies or engage in illegal or unethical behaviour, or are perceived to do so, the Group's reputation may also be harmed. These acts may also encourage existing members to leave the Group's locations, which would adversely impact occupancy and revenue for the

affected location. If any of the above-mentioned circumstances were to occur, it could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (u) The valuation of investment property requires the Group and/or the independent appraisers to make assumptions which may prove to be inaccurate.

For the purposes of the preparation of its financial statements under IFRS, the Group, uses the fair value method in determining the value of its real estate properties. To reflect up-to-date fair values of the Group's assets, the Group arranges to have its properties valued externally by independent appraisers licensed in their respective countries on semi-annual basis. The valuation of real estate property is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and, in the case of development land, the expectations as to the cost and timing of that development and its ability to attract tenants. As a result, the valuations of real estate property, which account for the vast majority of the Group's assets, is subject to a degree of uncertainty and is made on the basis of a variety of assumptions, which may not prove to be accurate. A change in one of the assumptions used or factors considered in valuing a property could considerably decrease the value of the property, which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

Furthermore, there can be no assurance that these valuations will be materialised in the actual transactions, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable. If the methodologies and assumptions used by the Group to determine value of its real estate properties prove inaccurate, valuations based on inaccurate assumptions may negatively affect that valuation of the Group's properties, which may have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (v) Risks related to the preparation of financial statements and accounting information.

The Group consists of more than 200 entities (including joint venture companies) in more than ten jurisdictions and as a result the preparation of the Company's consolidated financial statements is an inherently complex procedure. Several risks are related to this complex task as well as to the preparation of all individual financial statements of the companies that belong to the Group. Some of the accounting standards, rules and complex Group transactions may be misinterpreted and accounting estimates may be inaccurate. Booking involves human input and despite internal control processes, there is a risk that an administrative error, mistake or the fraudulent behaviour of employees are not identified by such controls, which could lead to incorrect calculations, omissions or incorrect booking. As a result, there is a risk that published financial statements may conflict with actual data and accounting errors may be difficult to detect. Despite the fact that the annual consolidated financial statements are audited by a reputable international auditing firm, due to the character and nature of audit processes, some mistakes may remain unidentified and the published audited consolidated financial statements may not provide a fair picture of the financial position of the Group as at the date of their preparation. This risk is higher with the semi-annual consolidated financial statements of the Group that are not audited nor reviewed by an independent auditor. Such miscalculations or errors, if they were to occur, could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

2.3 Risk factors associated with the industry, in which the Issuer and the Group is operating and with the macro economic conditions

- (a) Risks related to the macroeconomic and political situation in the countries where the Group operates or has assets.

In the jurisdictions in which the Group has its property assets, the Group's results of business operations are driven primarily by the demand for office space by its current and prospective tenants, on the one hand, and the demand for commercial investment properties by real estate investors, on the other.

The general macroeconomic and political situation in the countries where the Group operates affects the behaviour of the Group's business partners and counterparties. The financial results of the Group may accordingly be directly or indirectly affected by, among other factors, GDP growth, national income, inflation, demographic factors, unemployment rates, real income growth, monetary and tax policy, interest rates and the overall level of investment in countries where the Group operates. A deterioration in economic conditions, either in the specific regions where the Group operates or globally, could negatively affect the financial condition of the Group's tenants and other counterparties and their ability to meet their contractual obligations towards the Group. Changes in government policies or subsidies may lead to a reduction in foreign direct investment and consequently in lower demand for office and retail spaces, which could also have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

In particular, in the case of tenants and investors, adverse economic conditions could limit their current or future demand, adversely impact tenants' ability to pay rent in a timely manner or at all, delay decision making and adversely affect conditions under which they are willing to do business with the Group. Changes in supply of and demand for real estate, or a contraction of the property market in any of the countries in which the Group operates or has assets may negatively influence the occupancy rates of the Group's properties, the rental rates, the level of demand and ultimately the value of such properties. Similarly, the demand for rental space at the Group's existing properties may decrease as a result of poor economic conditions or an increase in available space. This could result in lower occupancy rates, higher capital expenditure required to contract or retain tenants, lower rental income owing to lower rental rates or shorter lease periods. Furthermore, saturation or perceived over-supply of leasable commercial space in the real estate market could result in a decrease in occupancy rates and/or a decrease in market rental rates and sale prices. If occupancy rates fall and/or market rental rates decrease, the Group may not be able to realise its expected rates of return on its properties and development projects, including upon sale, or may be unable to let its properties at the desired levels, or at all.

All of these risks or any adverse change in the political situation in the countries where the Group operates could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (b) The Group faces business risks stemming from central banks' monetary policy decisions.

In recent years, central banks around the world have engaged in a set of monetary policy measures generally referred to as "quantitative easing". By engaging in quantitative easing and pegging interest rates at historically low levels, central banks have created an environment that has affected real estate companies in a variety of ways. Among other things, such actions have made it easier and cheaper for real estate developers, including the Group, to raise new financings and to refinance their existing liabilities. Moreover, by contributing to a rise in asset prices, including real estate, such actions have supported the valuation of the Group's

property portfolio. If central banks begin to reverse the course and gradually tighten monetary policy, it will likely result in interest rates rising to levels that are more commensurate with historical averages. In such case, the Group's ability to borrow at current terms may likely be affected, which may lead to an increase in the cost at which the Group is able to both raise new financings and refinance its existing liabilities. Such increased interest rates may also reduce the appetite for investment in real estate properties and, as a result, real estate asset prices may decline, which could lead to a reduction in the value of the Group's property portfolio. Because of the dampening effect that a tighter monetary policy typically has on the general economy, there may also be a negative impact on the business and performance of the Group's tenants. Therefore, if central banks start to tighten monetary policy, the Group's business activities, results of operations, net assets, financial condition or cash flow could be materially adversely affected.

Although the rate of inflation for the last several years in all the markets in which the Group is present was low, a high inflation could adversely affect the Group in the future by increasing costs, materials and labor. In an inflationary environment, the Group may be precluded from raising (rental) prices enough to keep up with the rate of inflation, which would reduce the Group's profit margins and have a material adverse effect on its business, results of operations, financial condition or prospects.

Furthermore, market-related fluctuations in the reference interest rates (such as EURIBOR, PRIBOR, WIBOR, or LIBOR) could affect both the interest costs and the fair value of derivative transactions used to reduce interest rate risk, which may adversely affect the Group's earnings and equity. There can also be no assurance that, if the interest rate risk increases significantly due to changes in the economic environment, hedging instruments will be available to the Group under commercially acceptable terms, if at all, or that they will be sufficient to cover the full exposure. Moreover, the Group is also exposed to the credit risk of the relevant counterparties with respect to relevant payments in connection with such hedging arrangements.

Despite all available measures to mitigate interest rate risks, any increase in interest rates which affects the Group's interest expense or credit margins could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (c) The Group faces foreign-exchange risk due to its operations in multiple currency zones.

The presentation currency of the Group for the purposes of the preparation of its consolidated financial statements is EUR, but individual companies belonging to the Group prepare their accounts in currencies valid in their countries of residence. The expenses and liabilities of the Group are therefore recorded in a number of different currencies other than EUR, particularly, PLN, GBP, CZK and HUF. Changes in foreign currency exchange rates may adversely affect the value of the Group's investments and cash flow generated by the Group companies, when expressed as the EUR equivalent of costs in a foreign currency. These fluctuations against the presentation currency of the Group may cause a revaluation of assets and liabilities in the process of the preparation of its consolidated financial statements, which may adversely affect its financial results. The revenues of the Group are predominantly contractually denominated in EUR, but in line with market practice they are often paid in local currencies. Short-term adverse developments in exchange rates could reduce the income of the Group expressed in the EUR equivalent of the relevant payment in local currency.

The vast majority of the Group's debt is denominated in EUR or hedged in EUR, whereas a significant portion of its cash flow is denominated in PLN, GBP, CZK and HUF. Accordingly, to the extent the Group's exposure to fluctuations in the exchange rate between PLN, GBP, CZK and HUF and EUR remains unhedged, fluctuations in the aforementioned exchange rates

could make it more difficult for the Group to service its debt obligations. The Group has entered into derivative financial instruments, including currency swaps to mitigate this risk. Any gains and losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge are recorded directly on the income statement. Therefore, to the extent that the currency swaps, long call option or other currency derivatives the Group enters into do not qualify for hedge accounting treatment and fluctuations in the above exchange rates result in losses, the Group's results of operations could be adversely affected.

Moreover, there may also be a risk associated with the future development of the GBP exchange rate following the United Kingdom's decision to exit the European Union. As at the date of this Information Document, the future relationship of the United Kingdom and the European Union, along with its economic and exchange rate implications, remains unclear. The Group is, and in the future plans to be, active in the United Kingdom. Negative changes in the GBP exchange rate could have an adverse impact on the Group's operations. Despite several measures and policies implemented by the Group to manage and mitigate currency risks, these risks could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (d) The Group is exposed to risks related to legal and regulatory standards, regulatory compliance, and legal change.

The Group is required to comply with a variety of laws and regulations of local, regional, national and European Union authorities, including building and occupancy permits, planning, zoning, environmental, health and safety, monument protection, tax and other laws and regulations. If the Group fails to comply with these laws and regulations, the Group may have to pay civil penalties or private damages awards. In most cases, the projects are owned by companies domiciled in the country where the project is located, but the Group may also choose another jurisdiction related to ownership of the project with all relations secured by agreements concluded between a special project company owning the project and other parties. In addition, changes in existing laws or regulations, or their interpretation or enforcement, could require the Group to incur additional costs in complying with those laws or regulations, alter the investing strategy, operations or accounting and reporting systems, and lead to additional costs or loss of revenue. Because of the complexities involved in procuring and maintaining numerous licences and permits, there can be no assurance that the Group will at all times be in compliance with all of the requirements imposed on properties and the Group's business.

In addition to the above, the Group operates its investment management business, which is a regulated activity under the supervision of financial regulators (including the Luxembourg regulator *Commission de Surveillance du Secteur Financier* (CSSF), the Slovak regulator National Bank of Slovakia and the Hungarian regulator Hungarian National Bank). With respect to the operation of the investment management business, the Group is required to comply with specific financial regulations, especially the EU AIFMD, as well as applicable EU and national regulations governing investment management and the preparation and operation of collective investment undertakings. In addition to the risks specified above, non-compliance with applicable financial regulations might ultimately cause civil and administrative penalties and withdrawal of the applicable licence(s), as a result of which the investment management business may no longer be operable.

The laws and governmental regulations that are applicable to the Group and the activities of its subsidiaries differ across the Group's markets, and are subject to quick and unpredictable changes to the laws and regulations themselves, or in their interpretation by relevant agencies and courts, which may have an adverse effect on the concluded agreements and operations of

the Group. Such regulatory changes and other economic and political factors, including civil unrest, governmental changes and restrictions on the ability to transfer capital in the foreign countries in which the Group has invested, could have a material adverse effect on the Group's concluded agreements, business, financial condition, operating results and cash flows.

Various laws and regulations, including fire and safety requirements, environmental regulations, land disposal, rental laws, urban planning, construction codes, use restrictions and taxes affect the Group's properties. The implementation of laws or regulations in the countries in which the Group currently operates, or may operate in the future, and in particular any laws or regulations promulgated by the European Union, or the interpretation or enforcement of, or change in, existing laws or regulations, may require the Group to incur additional costs or otherwise adversely affect the management of its real estate portfolio, which could have a material adverse effect on the Group's business, financial condition and results of operations. Even if the Group's business is conducted in accordance with its interpretation of the current laws and regulations, there can be no assurance that the Group's interpretation of such laws and regulations is correct, or that that interpretation will not change in the future.

The Group's activities may not be in full compliance with all applicable rules and regulations at all times, with new rules and regulations that may be enacted or with existing rules that may be amended or more stringently applied, and any of these risks could limit or curtail the Group's future development. In particular, the Group may be subject to EU, and potentially UK standards, regarding property specifications in its portfolio, including construction standards, that would potentially require it to upgrade certain of the buildings in its real estate portfolio, and the Group may not be able to meet these standards. In addition, the Group may become subject to divergent standards regarding property specifications and construction standards as a result of the withdrawal from the European Union by the United Kingdom.

If the Group's properties do not comply with any of these requirements, the Group may incur governmental fines, private damage awards or may even face suspension or the closing of certain properties, which in turn could lead to loss of revenue. New or amended laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose restrictions on the development, construction or sale of properties. Such laws, rules, regulations or ordinances may also adversely affect the Group's ability to operate or resell properties. Risks related to legal, regulatory and tax matters could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (e) The Group may be subject to litigation claims, liability claims and other disputes.

Legal actions, claims against the Group and arbitrations involving the Group arise in the ordinary course of business. The Group may be subject to disputes or litigation with contractors, suppliers, tenants or third parties, including visitors to properties owned by the Group. The 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, prospects and/or results of operations.

The Group may also become subject to disputes with tenants, commercial parties with whom the Group maintains relationships or other commercial parties in the rental or related businesses. Any such dispute could result in litigation between the Group and such commercial parties, which could have an adverse effect on the Group's business, financial condition and results of operations. Whether or not any dispute actually proceeds to litigation, the Group may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise), which would detract from the Group management's ability to focus on its business. Any such resolution could involve the payment of damages or expenses by the Group, which may be significant. In addition, any

such resolution could involve the Group agreeing to terms that restrict the operation of the Group's business. The occurrence of any of these events in any of the geographic markets where the Group is active could result in a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

The Group relies to various extents on the services of third-party contractors (which, in turn, may rely on the services of subcontractors) to acquire, develop, operate, maintain and monitor the Group's projects and activities, help lease or sell its products and provide post-construction warranty service. These outsourced services include legal, financial, and tax advisory, architectural and technical design, construction, and project management (reporting to internal project managers). Contractors may fail to meet the Group's standards, requirements and deadlines. In particular, although the Group attempts to verify the compliance of contractors with health and safety regulations, labour laws and other applicable laws and regulations, any failure by contractors to so comply could render the Group liable in respect of these obligations.

Contractual disputes which may or may not lead to legal proceedings may occur as the result of a wide range of events, including, among other things: (i) actual or alleged deficiencies in the execution of construction projects (including relating to the design, installation or repair of works); (ii) defects in the building materials the Group uses; (iii) deficiencies in the goods and services provided by suppliers, contractors, and subcontractors used by the Group; (iv) delays and non-compliance with delivery schedules; (v) non-performance with obligations to buyers of land plots or third-party contractors; and (vi) the conveyance of defective property title or property misrepresentations. Any other result, events, accidents, injuries or damage at or relating to one of the Group's ongoing or completed projects resulting from the Group's actual or alleged deficient actions could result in significant liability, warranty or other civil and criminal claims, as well as reputational harm, especially if public safety is impacted. These liabilities may not be insurable or could exceed the Group's insurance limits and therefore could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (f) The Group may face claims for defective construction, which could have an adverse effect on its generation of rental income and reputation.

The construction of properties is subject to the risk of claims for defective construction, corrective or other works and associated adverse publicity. Any claim brought against the Group, and the surrounding negative publicity concerning the quality of its properties or projects, irrespective of whether the claim is successful, or an inability to complete the construction of a project on schedule or on budget, could also have a material adverse effect on its reputation and how its business, properties and projects are perceived by target tenants. For example, in the past the Group was the subject of negative publicity in relation to the construction of the Apollo property in Bratislava in 2005 (which was sold to a third-party investor in 2006) and a structural defect arising from the work of a subcontractor that was identified later after the disposal. While this was eventually resolved and the property was re-acquired by the Group's majority shareholder outside of the Group's balance sheet, there can be no assurance that a similar issue will not arise in the future.

Where a construction company or subcontractor used on a development becomes insolvent, it may prove impossible to recover compensation for defective work or materials. In addition, the Group may incur losses as a result of repairing defective work or paying damages to persons who have suffered losses as a result of such defective work. Potential damage related to construction and consequent liabilities may affect the profitability of Group's business and lower the fair value of affected properties owned by Group. Furthermore, these losses and

costs may not be recovered by the Group's professional liability insurance, the construction company or the subcontractor.

This could negatively affect the Group's ability to market and lease its properties in the future, which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (g) The Group is exposed to HSE risks in the construction of new developments.

Operating in the real estate industry poses certain HSE-related risks. A significant HSE incident at one of the Group's developments could put the Group's employees, contractors or subcontractors or the general public at risk of injury or death and could lead to potential litigation, significant penalties or damage to the Group's reputation, which could, in turn, have a negative impact on the Group's ability to generate new business.

In addition, the Group may be liable for the costs of removal, investigation or remediation of hazardous or toxic substances located on, under, or in properties currently or formerly owned by the Group, whether or not it caused or knew of the pollution. The costs of such removal, investigation or remediation or those incurred for the Group's defense against HSE claims may be substantial, and they may not be covered by warranties and indemnities from the seller of the affected land or by the Group's insurance policies. They may also cause substantially increased costs or delays in developments. The presence in the Group's developments of non-HSE-compliant substances or the failure to remove such substances may also adversely affect its ability to lease the relevant developments. Furthermore, laws and regulations may impose liability for the release of certain materials into the air, water or earth, and such release may form the basis for liability to third parties for personal injury or other damages, as well as potential criminal liability.

Any breach of HSE requirements, including any delay in responding to changes in HSE regulations, particularly in light of evolving EU standards and potential new implementing legislation, may result in penalties for noncompliance. Monitoring and ensuring HSE best practices may become increasingly expensive for the Group in the future, and HSE risks may become more acute as the Group undertakes larger-scale projects or during periods of intense activity. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (h) The Group may be exposed to potential claims relating to its leasing, selling, refurbishment or development of real estate.

The Group may be subject to claims due to defects in quality relating to the leasing, selling, refurbishment or repositioning of its properties. Any such liability may apply to defects that arise from the actions or omissions of the Group or third parties, and are unknown to the Group but could have, or should have, been discovered. Although the Group may have rights against the contractors or professional team in relation to such defects and/or recourse to insurance may be in place, there can be no assurance that the Group will be able to enforce its rights and fully recover, if at all, the costs arising from any claim against it.

In addition, the Group may be exposed to substantial undisclosed or unascertained liabilities embedded in real estate assets that were incurred or which arose prior to the completion of the acquisition of such real estate assets. These liabilities could include, but are not limited to:

- (i) where the Group has acquired the entity which owned the real estate assets, liabilities (including tax liabilities and other liabilities, to state entities) to existing tenants, to creditors or to other persons involved with the real estate assets prior to the acquisition;

- (ii) indemnity claims by parties claiming to be entitled to be indemnified by the former owners of the real estate assets; and
- (iii) an obligation to pay deferred consideration for the real estate assets if certain events occur (for example, the grant of planning permission or completion of the construction works).

Although the Group may have obtained contractual protection against such claims and liabilities from the seller, there can be no assurance that such contractual protection will always be successfully obtained, or that it would be enforceable or effective if obtained under contract. In addition, there can be no assurance that the Group's counterparties from whom the Group has obtained contractual protection will remain solvent or continue to exist, in which case such protection would no longer be effective. Such potential liabilities, if realised, could have a material adverse effect on the returns realised on the real estate assets.

Any claims for recourse which the Group may have against parties from which the Group has purchased such real estate assets may fail due to the expiry of warranty periods, applicable statutes of limitation, lack of proof that the previous seller knew or should have known of the defect, the insolvency of the previous seller, or for other reasons. The Group may also be subject to claims by purchasers of its real estate assets as a result of representations, warranties, or indemnities about those real estate assets provided by the Group at the time of disposal. The Group's representations, warranties, or indemnities could pertain to, among other things, title to the real estate assets, validity of leases and permits, quality of construction, environmental liabilities, and liabilities for the payment of tax. The Group may become party to claims, disputes or litigation concerning such representations, warranties, or indemnities and may be required to make payments to third parties as a result. In addition, following the disposal of any real estate assets, the Group is obliged by law, and may be obliged by contract, to retain certain liabilities or potential liabilities that exist in respect of such assets. The costs of any such claims, disputes or litigation (to the extent that they materialise) would reduce the Group's available cash flow and could have an adverse effect on the Group's returns on investments.

With respect to refurbishment or development of real estate assets by the Group, claims may be brought against the Group by (among others) tenants or buyers as a result of delays, construction defects or other factors. The Group may not perform the refurbishment or development itself but rather may use the services of design and construction companies. Any claim for recourse against such design and construction companies could fail due to the expiry of the statute of limitation, the claim being uncollectible, or for other reasons, which could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (i) Negative tax implications, and/or a change in national, regional or local tax regulations may have a material impact on Group's profitability.

The Group's real estate activity can be affected by direct and indirect taxation, particularly transfer taxes, stamp duties, real estate property taxes and value-added tax, which are subject to the interpretation and scrutiny of the corresponding tax authorities (whether regional, national, or local). New tax legislation as well as changing interpretation of tax regulations in the different countries in which the Group operates could have an adverse impact on the tax position of the Group. The Group's properties are subject to real estate and property taxes. These taxes may increase in the future as tax rates change and as the Group's property values are assessed or reassessed by tax authorities. Tax increases may adversely affect the yields on the Group's investments and business, financial condition, operating results and cash flows.

The Group is also subject to risks relating to changes in relevant tax laws and policies. This includes the risk of frequent changes to such tax laws and policies and inconsistency of such tax laws and policies across various EU jurisdictions, in addition to inconsistencies in their interpretation and/or application. For example, in the past a shift in the interpretation of VAT returns in Poland regarding asset transactions caused an overall delay and suspension of transactions across the Polish market until resolved by the relevant authorities.

The Group's future effective tax rates may be adversely affected by a number of factors, including changes in the valuation of the Group's deferred tax assets and liabilities, increases in non-tax deductible expenses, changes in share-based compensation expenses, the outcome of any potential discussions with relevant tax authorities, changes in relation to taxation laws or tax rates or the interpretation of such taxation laws and changes in generally accepted accounting principles. Any significant increase in the Group's future effective tax rates, could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

The Group is obliged to follow regulations and adjust to changes in tax regimes that may be implemented at the EU level. This can lead to an increase in costs related to monitoring of such changes and adjusting to them during the investment process.

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

The Group is regularly subject to tax audits, which may reveal potential tax issues with respect to uncertainties described above. Although the Group believes it is in material compliance with applicable tax laws (including in connection with its real estate and financing activities), it may be subject to a reassessment by tax authorities, and, in that event, it cannot be disregarded that the relevant tax authority may reassess their respective tax position or restrict the Group's ability to offset them against taxable income in future years. As a consequence of the aforementioned factors, there may be an impact on the cash flow and financial position of the Group, which may in turn have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (j) The Group may be liable for environmental remediation or may be exposed to environmental claims.

The property sector is facing increasingly stringent environmental regulations, and a significant number of tenants and property investors have higher requirements and are demanding sustainable solutions at a low operating cost. If the Group does not successfully follow such trends, some of its assets may become unattractive for the tenants and investors which could adversely affect the Group's ability to let, re let or divest such assets.

Furthermore, the environmental laws of certain countries in which the Group has its operations or assets impose actual and potential obligations to conduct remedial action on sites contaminated with hazardous or toxic substances. In such circumstances, the owner's liability is generally not limited under such laws and the costs of any required removal, investigation or remediation can be substantial.

The presence of such hazardous or toxic substances on, or in, any of the Group's properties, or the liability for failure to remedy property contamination from such substances, could adversely affect the Group's ability to let or sell such property or to borrow funds using such property as collateral, which could have an effect on its generation of rental income or return on investment.

In particular, when acquiring new plots of land, the Group runs the risk of acquiring land which contains environmental pollutants (e.g. waste, oil or toxic chemicals) which are harmful to the environment or to the health of workmen on the sites. The removal and disposal of such hazardous substances, along with the associated maintenance and repair work, could entail significant costs and it may be impossible for the subsidiaries to obtain recourse against the party responsible for the pollution or against prior owners.

These environmental risks are particularly acute with respect to plots of land located in countries where reliable documentation for past contamination does not exist or where the laws governing environmental matters are in development or unclear, as is more often the case in Central Europe. These risks associated with environmental claims are not always predictable or under the Group's control. The incurrence of environmental claims or unforeseen costs to remove or dispose of these substances or to repair resultant damage caused by them could adversely affect the Group's business, financial condition, results of operations and prospects.

Properties the Group owns (including on a long-term leasehold basis) may contain ground contamination, hazardous substances or other residual pollution and environmental risks, such as the Burakowska property in Warsaw (which required significant remediation in 2017 for soil contamination), the Agora property in Budapest (which has residual pollution in the brownfield area) and Nivy Zone in Bratislava (which has residual pollution that was remedied in part during the construction of the Twin City sites). Although such contamination is relatively common in the industry, in particular with respect to brownfield projects, the Group bears the risk of cost-intensive assessment, remediation and/or removal of such ground contamination, hazardous substances or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the leasing or sale of properties, could trigger claims for rent reductions or termination of leases for cause, damages and other breach of warranty claims against it. The remediation of any pollution and the related additional measures the Group may have to undertake could negatively affect the Group and could cause it to incur considerable additional costs. The Group is also exposed to the risk that recourse against the polluter or the previous owners of the properties may not be possible because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution can negatively affect the value of a property and its ability to lease or sell such a property. The Group may be required to take remedial measures that could result in material costs.

Additionally, the Group does not have full control over its leased-out properties and cannot prevent its tenants from using hazardous materials. Although the terms of the standard lease contracts for customers require tenants to use the premises only for authorized activities and for purposes agreed in the respective lease agreement, the Group cannot exclude the possibility that it may be held ultimately liable with respect to the goods stored by its customers. In addition, the Group may be required to comply with stricter environmental, health and safety laws or enforcement policies or become involved in claims and lawsuits relating to environmental matters. Meeting stricter compliance standards or defending potential actions may have a significant negative impact on its results of operations. If the relevant authorities in a country where the Group has its operations or assets discover violations of applicable environmental laws, the Group may be subject to fines and other penalties.

Any of these matters could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (k) The Group faces risks arising from strategic transactions, such as mergers and acquisitions and investments that the Group evaluates, pursues and undertakes.

From time to time, the Group may evaluate potential strategic acquisition or investment opportunities, and from time to time the Group pursues and undertakes certain of those opportunities. As the Group continues to grow, it plans to continue or accelerate its investments in similar real estate vehicles, technology companies and other investments. Any transactions that the Group enters into could be material to its financial condition and results of operations. The process of acquiring and integrating another company or technology could create unforeseen operating difficulties and expenditures and could entail unforeseen liabilities that are not recoverable under the relevant transaction agreements or otherwise.

The integration of acquisitions involves a number of significant risks which may include but are not limited to:

- (i) the assimilation and retention of personnel, including management personnel, in the acquired businesses;
- (ii) accounting, tax, regulatory and compliance issues that could arise;
- (iii) expenses and difficulties in the transition and integration of operations and systems;
- (iv) unanticipated expenses incurred or charges to earnings based on unknown circumstances or liabilities;
- (v) failure to realize the synergies and other benefits the Group expects from the acquisition, at the pace the Group anticipates or at all;
- (vi) general economic conditions in the markets in which the acquired business operates; and
- (vii) difficulties encountered in conducting business in markets where the Group has limited experience and expertise.

If the Group is unable to successfully complete and integrate its strategic acquisitions in a timely manner, its business, financial condition, prospects and/or results of operations may be materially adversely affected.

- (l) The Group may be unable to adequately attain, protect or prevent unauthorized use of the Group's trademarks and other proprietary rights.

To protect its trademarks and other proprietary rights, the Group relies and expects to continue to rely on a combination of protective agreements with its team members and third parties (including local or other strategic partners the Group may do business with), physical and electronic security measures, and trademark, copyright, patent and trade secret protection laws. In certain jurisdictions, rights in trademarks are derived from registration of the trademark. The Group may not have trademark rights in a jurisdiction where its trademarks are not registered. Other disputes of this nature, and in other markets where the Group is active, may arise.

Competitors and others could attempt to capitalise on the Group's brand recognition by using domain names similar to those the Group holds. The Group may be unable, without significant

cost or at all, to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of its trademarks and other proprietary rights in its domain names. In the event of infringement of the Group's trademarks and other proprietary rights, such as in relation to its domain names, the Group acts in compliance with applicable legislation to defend its proprietary rights and its domain names.

If the measures the Group takes to protect its proprietary rights are inadequate to prevent use or misappropriation by third parties or such rights are diminished due to successful challenges, the value of its brand and other intangible assets may be diminished and its ability to attract and retain members may be adversely affected, which may in turn have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

- (m) The Group relies on a combination of proprietary and third-party technology systems to support its business and the experience of users of the Group's WaaS business line, and, if these systems experience difficulties, its business, financial condition, results of operations and prospects may be materially adversely affected.

The Group uses a combination of proprietary technology and technology provided by its third-party service providers to support its business and the experience of members benefiting from the Group's WaaS business line. The Group also uses the technology of third-party service providers to help manage the daily operations of its business. For example, the Group relies on its own internal systems as well as those of third-party service providers to process membership and other payments from its members benefitting from the Group's WaaS business line. The Group's products and services may not continue to be supported by the applicable third-party service providers on commercially reasonable terms or at all, and the Group may not be able to attract and retain sufficiently skilled and experienced product managers and third-party contractors to operate and maintain these technologies and systems. Moreover, the Group may be subject to claims by third parties claiming that the Group's service providers' technology infringes the third party's intellectual property rights. Although the Group's agreements with its third-party service providers often contain indemnities in its favour with respect to these possibilities, the Group may not be indemnified for these claims or the Group may not be successful in obtaining indemnification to which it is entitled. Additionally, disputes may arise between the Group and third-party service providers regarding intellectual property rights and the use of relevant software and/or code, which may result in interruptions of the Group's use of such software. To the extent the Group experiences difficulties in the operation of technologies and systems it uses to manage the daily operations of its business or that it makes available to its members, the Group's ability to operate its business, retain existing members and attract new members may be impaired. In addition, any harm to the Group's members' personal computers or other devices caused by its software, or other sources of harm, such as hackers or computer viruses, could have an adverse effect on the member experience and its reputation.

The Group is dependent on sophisticated IT systems, including in relation to its internal reporting and the sale of its products. IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking, physical damage to vital IT centres and computer viruses. This may also include cyber-attacks, including security breaches, phishing scams, malware and denial-of-service attacks. The Group's IT systems need regular upgrading; it may be unable to implement necessary upgrades on a timely basis, or at all, and upgrades, such as the Group's new client relation software, may not function as anticipated or may be subject to vulnerabilities. The Group's systems or the systems of third parties that it relies upon could experience unauthorized intrusions or inadvertent data breaches, which could result in the exposure or destruction of the Group's proprietary information and/or members' data. This data is maintained on the Group's own systems as well as the systems of third-party service providers.

Information and communication systems play a very important role in the business and daily operations of the Group. It operates sophisticated information systems (such as servers, networks, applications or databases), that are critical for its daily operations. Although the Group regularly backs up data on external sites, if its IT systems were to fail, the Group would have to recreate existing databases from its back-up systems, which would be time-consuming and expensive. The Group may also have to expend additional funds and resources to protect against or to remedy potential or existing security breaches and related consequences. In addition, if the Group had to replace its current IT service provider, it would likely incur substantial costs and potential interruptions in its business processes and possibly lose data. There is a risk of unauthorised access to the systems, electronic theft and misuse of data owned by the Group. For example, the Group has in the past dealt with issues of login credentials being disclosed via email phishing, with two documented cases of leaked credentials. Such events could lead to the violation of trade secrets or regulations related to personal data storage. Should the Group's IT system be disrupted or damaged, it could have a material adverse effect on its business, financial condition and results of operations.

Because techniques used to obtain unauthorized access to systems or sabotage systems change frequently and may not be known until launched against the Group or the third parties it relies on, the Group and the third parties may be unable to anticipate these attacks or implement adequate preventative measures. In addition, any party who is able to illicitly obtain identification and password credentials could potentially gain unauthorized access to the Group's systems or the systems of third parties it relies on. If any such event occurs, the Group may have to spend significant capital and other resources to mitigate the impact of the event and to develop and implement protections to prevent future events of that nature from occurring. From time-to-time, employees make mistakes with respect to security policies that are not always immediately detected by compliance policies and procedures. These can include errors in software implementation or a failure to follow protocols and patch systems. Employee errors, even if promptly discovered and remediated, may disrupt operations or result in unauthorized disclosure of confidential information.

If a cybersecurity incident occurs, or is perceived to occur, the Group may be the subject of negative publicity and the perception of the effectiveness of its security measures and its reputation may be harmed, which could damage its relationships and result in the loss of existing or potential members. In addition, even if there is no compromise of member information, the Group could incur significant fines or lose the opportunity to support electronic payments from members, which would limit the full effectiveness and efficiency of its payment processing. Any failure to protect the Group's operations from cyber-attacks could result in the loss of sensitive information of its business or its customers (including, for example, credit rating, bank data or confidential information), which could result in reputational damage, litigation and remediation costs. Threats to IT systems are increasingly sophisticated, and there can be no assurance that the Group will be able to prevent all threats. Although the Group has a business continuity plan in place and it maintains back-up systems for its operations, the Group may also incur costs as a result of any failure of its IT systems. A major disruption to its IT systems could have a material adverse effect on its business, results of operations, financial condition or prospects.

- (n) The Group's assets may be subject to expropriation and confiscation.

The Group's assets may be subject to expropriation and confiscation in the countries in which the Group operates. Such countries may have enacted legislation to protect foreign investment and other property against expropriation and nationalisation. If such property is expropriated or nationalised, legislation provides for fair compensation. However, there is no assurance that such protections would be enforced due to lack of experience in enforcing these provisions or due to political pressure. In addition, land may be subject to compulsory purchase by the State

or other public authorities (including Municipalities) for its own needs or as a sanction for the inappropriate use of that land. Cash in bank accounts can be expropriated or converted into bank's equity thus diminishing the Group's assets, as was the case, for example, in Cyprus in 2013. It is not clear from the law of the respective countries how losses from nationalised assets would be calculated nor whether there would be any way to seek to challenge (and therefore prevent) the confiscation of such assets. Losses from the expropriation or nationalisation of all or a portion of the Group's business, potentially with little or no compensation, would have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

2.4 Risk factors associated with the Bond's collateral

(a) Risk associated with the Suretyship.

In order to secure the Bondholders' claims under the Bonds, the Suretyship Provider decided to conclude a Suretyship Agreement with a security administrator. The Suretyship Agreement, to be governed and construed in accordance with Polish law, will be submitted for the benefit of security agent acting in its own name but on behalf of each person validly acquiring Bonds (either on primary or secondary markets) at the moment of the purchase of the Bonds. No further actions will be required from the Bondholder in order for the Suretyship Provider to be bound by the Suretyship Agreement. However, the assets of the Suretyship Provider may be insufficient to satisfy the claims of each Bondholder, if the Issuer fails to perform its obligations under the Bonds.

(b) Risk associated with the Registered Pledge over assets of the Issuer in relation to the maximum secured amount.

In order to secure the Bondholders' claims under the Bonds, the Issuer shall establish a first ranking registered pledge over a collection of its current and future moveable assets and property rights up to the maximum secured amount of PLN 600,000,000. The composition of the collection and its value are variable. The valuation of the assets attached to the Terms and Conditions of the Bonds was prepared on 30 September 2020, before the issue of the Bonds. As at the day of the valuation, the Issuer's only asset was cash paid for its share capital, that is PLN 55,007.32. However, the security was established also over the future assets which were supposed to be acquired by the Issuer after the issue of the Bonds for money obtained from the issue of the Bonds. Further issues of the Bonds by the Issuer may lead to a further increase in the value of the collection of assets. However, the value of the assets encumbered with the Registered Pledge may be insufficient to satisfy the claims of each Bondholder.

(c) Risk associated with the Assignment

To secure the Bondholders' claims under the Bonds, the Issuer decided to conclude the Assignment Agreement with the security administrator under which the Issuer will assign to the security administrator its claims under the intra-group loans granted by the Issuer to secure the performance of the Issuer's obligations under all the bonds (including the Bonds). However, the value of the claims subject to the Assignment may be lower than the value of the Bonds, it may not be possible to enforce all these claims.

2.5 Risks factors associated with the Bonds, listing and trading

(a) Obligation under the Bonds may not be performed.

The investment in the Bonds is connected with the credit risk of the Issuer, related to its ability to perform obligations under the Bonds on time. This risk may materialize through the lack of redemption of the Bonds or lack of payment of interest on the Bonds within the time specified

in the terms and conditions of the Bonds. The Issuer's ability to perform its obligations under the Bonds depends on a number of factors, both under the Issuer's control and outside of it. These obligations may not be performed, or their performance may be delayed, if, as a result of the deterioration of its financial condition, the Issuer will not have proper monetary means at its disposal when the payments under the Bonds become due. The above situation may result in the risk of the Issuer's bankruptcy and, consequently, the risk of investors losing all or part of their invested capital as well as expected profits under the Bonds.

(b) Risk related to an early redemption of the Bonds.

The Bondholders may demand an early redemption of the Bonds on the occurrence of an event specified in the Terms and Conditions of the Bonds. Additionally, the Bondholders can demand an immediate redemption on the occurrence of an event specified in the Act on Bonds.

If the Bonds are redeemed before the Maturity Date following a Bondholder's request, there is a risk that the Issuer's financial situation will deteriorate.

In the situations specified in the terms and conditions of the Bonds, the Issuer will also have the possibility to redeem the Bonds before their redemption date. As a result of the early redemption of the Bonds by the Issuer, the investor may not be able to invest the resources obtained from the early redemption of the Bonds in a way that would ensure a rate of return in the same amount as the rate of return on the Bonds being the subject of the early redemption.

(c) Risk associated with interest payments and redemption of the Bonds.

The Issuer will make payments under the Bonds to Bondholders, on the dates specified in the Terms and Conditions of the Bonds. The financing for payments under the Bonds will come from intra-Group financing provided by the Issuer to the other Group's entities. Consequently, if a member of the Group were to fail in meeting its obligations fully, the Bondholders could receive less than the full amount of principal, interest and/or additional amounts (if any) on the relevant payment date. Because the bonds are guaranteed by the holding company, if the Group's entities are not in position to repay the financing provided by the Issuer, the holding company shall arrange for funds from the Group to meet the Issuer's obligations under the Bonds.

(d) Risk related to price fluctuations and a limited liquidity of Bonds.

Prices of securities and the trading volume may fluctuate significantly within a short period. Investors should be aware of the risk connected with the liquidity of securities traded on the ATS GPW, which may be of considerable importance if they want to buy or sell a significant block of Bonds. Also, the risk of a loss following unfavourable movements in prices of securities and sales of Bonds at a lower price than their purchase price may not be excluded. Moreover, consideration should be given to the fact that the market value of the Bonds may differ significantly from the expected offer price. This is possible, in particular, as a result of periodic changes in the Issuer's or Suretyship Provider's financial results.

The liquidity of the Bonds may be affected among others by:

- (i) financial situation of the Issuer;
- (ii) general economic conditions on the capital markets;
- (iii) tax and law regulations;
- (iv) macroeconomic situation;

- (v) degree of liquidity on the corporate bonds market listed on secondary market.

Therefore, the liquidity of the Bonds may be limited and as a result the investors may have difficulties in selling their Bonds at prices which will provide an income comparable to the income from similar investments for which a secondary market has developed.

- (e) Risk related to suspending the trading in Bonds.

Under Art. 78 sec. 2 to sec. 3 of the Act on Trading in Financial Instruments:

- (i) if it is deemed necessary for the safe functioning of the ATS or in investors' interests, the KNF may require GPW to suspend the introduction of the Bonds to trading or suspend the commencement of trading in the Bonds for a period not longer than 10 days;
- (ii) if the Bonds are traded under circumstances that may endanger the safe and lawful functioning of the ATS or the investors' interests, the KNF may require GPW to suspend the trading in Bonds; or
- (iii) at the KNF's request, the GPW may be required to terminate the trading in Bonds if continuing trading would in a material way harm the lawful and safe functioning of the ATS or would harm investors' interests.

Under §11.1 of the ATS GPW Rules, subject to other provisions of the ATS GPW Rules, GPW may suspend trading in Bonds for a period not longer than three months:

- (i) at the request of the Issuer;
- (ii) if GPW considers it necessary to protect the interests of trading participants or safety of trading; or
- (iii) if the Issuer is in breach of the regulations of the ATS.

Moreover, GPW shall in the circumstances set out in law, suspend trading in financial instruments for a period indicated in such law or in the decision of the competent authority.

Under §11.3 of the ATS GPW Rules, the GPW suspends trading in financial instruments also immediately after receiving information about the suspension of trading in given instruments on the regulated market or in the alternative trading system operated by BondSpot, if such suspension is related to the suspicion of insider dealing, unlawful disclosure of inside information, market manipulation or suspected breach of an obligation publication of confidential information about the Issuer or a financial instrument in violation of Art. 7 and Art. 17 of MAR, unless such suspension could cause serious damage to the interests of investors or the proper functioning of the market.

- (f) Risk related to excluding the Bonds from trading.

Under §12.1 of the ATS GPW Rules, subject to other provisions of the ATS GPW Rules, GPW may exclude the Bonds from trading:

- (i) at the request of the Issuer, however, such decision may depend on the Issuer meeting additional requirements;
- (ii) if GPW considers it necessary to protect the interests of trading participants or safety of trading;

- (iii) if the Issuer is persistently in breach of the regulations applicable in the ATS;
- (iv) if the Issuer is placed in liquidation; or
- (v) if a decision is made to merge the Issuer with another entity, to split it or to transform it, but the Bonds may not be excluded from trading earlier than on the date of the merger, the split (spin-off), or the transformation.

Furthermore, under §12.2 of the ATS GPW Rules, GPW will exclude the Bonds from trading:

- (i) if required by law;
- (ii) if their transferability has become restricted;
- (iii) if they are no longer dematerialized; or
- (iv) once the decision on declaring the Issuer bankrupt or a decision to dismiss a petition for the declaration of bankruptcy because the Issuer's assets are insufficient to cover the costs of proceedings or the Issuer's assets are sufficient only to cover the costs of proceedings becomes final and binding.

§12.3 of the ATS GPW Rules provides that before making a decision to exclude the Bonds from trading and until the Bonds are excluded, GPW may suspend trading in Bonds.

Under §12.4 of the ATS GPW Rules, the GPW excludes financial instruments from trading immediately after receiving information about the exclusion from trading of given instruments on the regulated market or in the alternative trading system operated by BondSpot, if such exclusion is related to the suspicion of insider dealing, unlawful disclosure of inside information, market manipulation or suspected breach of an obligation publication of confidential information about the Issuer or a financial instrument in violation of Art. 7 and Art. 17 of MAR, unless such exclusion could cause serious damage to the interests of investors or the proper functioning of the market.

(g) Risk related to imposing fines by GPW

Under §17c of the ATS GPW Rules, if the Issuer fails to comply with the ATS GPW rules and regulations or fails to perform or inappropriately performs the obligations set out in chapter V of ATS GPW Rules, in particular the obligations set out in §15a, §15b or §17 – 17b of the ATS GPW Rules, GPW may, depending on the degree and scope of the violation or irregularity:

- (i) reprimand the Issuer;
- (ii) impose a fine up to PLN 50,000 on the Issuer.

If the Issuer fails to perform the imposed penalty or, despite the imposed penalty, still fails to comply with the ATS GPW rules or regulations or fails to perform or inappropriately performs the obligations set out in chapter V of ATS GPW Rules, or fails to perform the obligations imposed on the Issuer under §17c.2 of the ATS GPW Rules, GPW may impose a fine on the Issuer, however, the fine together with the fine imposed under §17c.1 of the ATS GPW Rules shall not exceed PLN 50,000.

(h) Risk related to KNF imposing fines.

If the Issuer does not comply with relevant regulations of the capital market, i.e. the Act on Trading in Financial Instruments, the Act on Public Offering or the MAR, the KNF may impose financial sanctions on the Issuer in different amounts, depending on the nature and scale of the violation. An example of such a penalty is the failure to comply with the provisions on drawing up and maintaining lists of insiders referred to in Art. 18 of MAR. In case of a violation of these obligations under Art. 176 of the Act on Trading in Financial Instruments, the KNF may impose on the Issuer a penalty of PLN 4,145,600 or up to the amount equivalent to 2% of the total annual income disclosed in the last audited financial statement for the financial year, if it exceeds PLN 4,145,600.

(i) Risk connected with the Bondholders' Meeting

Pursuant to the Terms and Conditions, some of the obligations of the Issuer and the possibility of the Bondholders to exercise their rights are dependent on the adoption of the relevant resolutions by the Bondholders' Meeting. In turn, the convening of a Bondholders' Meeting requires the taking of certain steps by the Bondholders and the Issuer. The decisions of the Bondholders' Meeting are adopted by a specified majority of votes resulting from the Terms and Conditions or from the provisions of law, therefore the Bondholders holding a minority block of the Bonds who vote against or do not participate in a Bondholders' Meeting must bear in mind the fact that the Bondholders' Meeting will take a decision not in accordance with their will. Moreover, in the vast majority of cases, pursuant to the Terms and Conditions or the provisions of law, the validity of a decision of the Bondholders' Meeting depends on reaching a quorum of at least 50% of the total number of Bonds of a given series. Thus, the Bondholders who jointly hold less than 50% of the total number of Bonds of a given series will not be able to effectively exercise their rights by way of adopting resolutions at the Bondholders' Meeting. The above factors cause that the roles of the Bondholders' Meeting as a decision-making body may be limited.

3. DECLARATIONS OF PERSONS RESPONSIBLE FOR INFORMATION CONTAINED IN THE INFORMATION DOCUMENT

3.1 Persons authorized to act on behalf of the Issuer:

Peter Pecnik – President of the Management Board

Peter Andrasina – Member of the Management Board

Both President of the Management Board and Member of the Management Board are entitled to represent the Issuer individually.

The Issuer is responsible for all the information included in the Information Document.

3.2 Declaration of the Issuer

Hereby I declare that according to my best knowledge and with due care exercised, to ensure information contained in this Information Document is true, fair, and reflects the facts and the Information Document does not omit anything that could affect its significance and valuation of financial instruments introduced to trading, and the document provides a reliable description of risk factors related to participation in trading in given instruments.

Peter Andrasina

Member of the Management Board

The issuer is exempted from the obligation to conclude an agreement with an authorized adviser under §3.4.2 and §18.3a of the ATS GPW Rules.

4. INFORMATION ON FINANCIAL INSTRUMENTS TO BE INTRODUCED TO TRADING IN THE ALTERNATIVE TRADING SYSTEM

4.1 Information on the Issue Programme

(a) Purpose of the Issue Programme

Purpose of the Bond Issue Programme was not determined.

(b) Total issue amount covered by the Issue Programme

Total issue amount covered by the Issue Programme equals to PLN 400,000,000.

(c) Total nominal value of debt instruments covered by the Issue Programme

Total nominal value of the bonds covered by the Issue Programme equals to PLN 400,000,000.

(d) General description of debt instruments covered by the Issue Programme

The Issuer has established a programme for the issuance of the bearer, dematerialised bonds up to the total nominal value of PLN 400,000,000 secured with the Registered Pledge, the Suretyship and the Assignment. The Bonds will be offered in a public offering (under Article 33 pt. 1 of the Act on Bonds) exempt from the obligation to publish prospectus under Article 1 item 4 point a) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC or an information memorandum.

As at the date of the Information Document the Issuer has not issued the bonds under the Programme other than the Bonds.

4.2 Results of subscription or sale of debt instruments which are the subject of the application for introduction

(a) The opening and the closing date of the subscription or sale

Subscription of the Bonds started on 24 November 2020 and ended on 26 November 2020.

(b) The date of the allocation of debt instruments

The Bonds were allocated on 26 November 2020.

(c) The number of debt instruments subject to subscription or sale

85,000

(d) The reduction rate of each tranche if the number of allocated debt instruments was lower than the number of subscribed securities at least in one tranche

There was no reduction.

(e) The number of debt instruments allocated in the closed subscription or sale

85,000

- (f) *The purchase (acquisition) price of debt instruments*

PLN 1,000 for each Bond.

- (g) *The number of persons who subscribed for debt instruments in each tranche of the subscription or sale*

14

- (h) *The number of persons allocated with debt instruments in each tranche of the closed subscription or sale*

14

- (i) *Information whether the persons to whom financial instruments were allocated in the subscription or sale in individual tranches are related entities of the Issuer within the meaning of §4.6 of the ATS GPW Rules*

No person to whom financial instruments were allocated in the subscription or sale in individual tranches is a related entity of the Issuer within the meaning of §4.6 of the ATS GPW Rules.

- (j) *The names of the underwriters who acquired debt instruments in implementation of underwriting agreements together with the number of securities they acquired and the actual unit price of debt instruments (issue or selling price net of the unit fee for the acquisition of debt instruments acquired by the underwriter in implementation of underwriting agreement)*

Underwriter's name	Number of bonds series A subscribed for by the underwriter	Issue price of one bond series A at which the underwriter acquired the bonds
Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce	17.000 units	PLN 1.000,00
mBank S.A.	17.000 units	PLN 1.000,00

- (k) *The total costs of issue together with the costs by category including at least the following costs (i) preparation and implementation of the offering; (ii) underwriters' fees separately for each underwriter; (iii) preparation of the information document, including the cost of advisory; (iv) promotion of the offering – together with the methodology of recognition of the costs in the accounting books and the method of their presentation in the Issuer's financial statements*

Total cost of the issue of the Bonds: PLN 2,748,750.00, including costs of:

- (i) preparation and implementation of the offering: PLN 1,653,500.00;
- (ii) underwriters' fee separately for each underwriter: mBank S.A. PLN 425,000.00; Haitong Bank S.A. Spółka Akcyjna Oddział w Polsce PLN 425,000.00;
- (iii) preparation of the information documents, including the cost of advisory: PLN 245,250.00; and

- (iv) promotion of the offering: PLN 0.

Methodology of recognition of the costs in the accounting books and the method of their presentation in the Issuer's financial statements:

Costs will be settled during the period for which bonds are issued. In the financial statement costs of issue will be presented together with bonds liabilities (long/short-term) and then proportionately recognized in the income statement.

The allocation of the Bonds is subject to their registration in the securities deposit maintained by KDPW.

4.3 Information on the Issue

(a) *Purpose of the Issue*

Not applicable. The purpose of the issue has not been set.

(b) *Size of the Issue*

85,000 bearer series A Bonds with a nominal values of PLN 1,000 each, with an aggregate nominal values of PLN 85,000,000.

(c) *Nominal value and issue price or method for its determination*

PLN 1,000.

(d) *Terms of redemption*

Maturity date of the Bonds

The Issuer will redeem all the Bonds on the Maturity Date at their principal amount. Maturity Date falls on 8 December 2023.

Early redemption of the Bonds at the bondholders' initiative

General information regarding early redemption of the Bonds at the bondholders' initiative

Each Bondholder may request the immediate redemption of the Bonds in the events set out in Clause 12.1 (Statutory rights) of the Terms and Conditions which says:

- (a) *If the Issuer defaults on its payment obligations under the Bonds in full or in part, the Bondholder may demand the immediate redemption of the Bonds held. The Bondholder may also demand the redemption of the Bonds when the Issuer is not responsible for a default longer than three days.*
- (b) *On the opening of the Issuer's liquidation, the Bonds become immediately redeemable.*
- (c) *If the Registered Pledge has not been registered in the register of pledges within 60 days after the Issue Date at the latest, the Bonds shall be subject to, at the Bondholder's request, immediate redemption.*

- (d) *In the case of the Issuer's merger with another entity, or de-merger, or transformation of its legal status, the Bonds shall be immediately redeemed if the entity that assumed the Issuer's obligations under the Bonds is not authorised to issue them in accordance with the Act on Bonds.*

Moreover according to Clause 12.2 (Change of Control) of the Terms and Conditions:

- (a) *In case of a Change of Control, each of the Bondholders will be authorised, within 3 months from the date of occurrence of the Change of Control, to request the Issuer to make an early redemption of the Bonds in connection with the Change of Control ("Early Redemption – Change of Control").*
- (b) *The request for Early Redemption – Change of Control shall be submitted to the Issuer in writing to the address referred to in section 16.2 (Notices to the Issuer) with a deposit certificate for the Bonds covered by the request for Early Redemption – Change of Control with a validity not shorter than 10 Business Days from the end of the three month period from the date of occurrence of the Change of Control.*
- (c) *The Issuer will be required to make an Early Redemption – Change of Control if, within 3 months from the date of occurrence of the Change of Control, it obtains the request of Early Redemption – Change of Control from the Bondholders holding at least 25% of the total nominal value of all the Bonds outstanding on the date falling 3 months after the date of occurrence of the Change of Control.*
- (d) *The Issuer will be required to redeem the Bonds covered by a request referred to above not later than on the 10th Business Day after the end of the three month period from the date of occurrence of the Change of Control. The Issuer will redeem the Bonds covered by a request referred to above by, paying the nominal value of each Bond with any due outstanding Interest accrued until the date on which the Early Redemption – Change of Control is to occur, in accordance with the relevant regulations of the KDPW.*

Each Bondholder may, subject to Clauses 12.4 (Actions not constituting an Event of Default) and 12.5 (Consequences of an Event of Default) of the Terms and Conditions demand the early redemption of the Bonds if any of the events specified in Clause 12.3 (Events of Default) of the Terms and Conditions has occurred, i.e.:

- (a) *payments due under the Bonds of other series issued under the Programme are not made for the period exceeding three days;*
- (b) *any Financial Indebtedness of the Suretyship Provider or the Material Subsidiary, in the total amount exceeding the equivalent of EUR 25,000,000:*
 - (i) *is not paid when due, including the relevant grace period; or*
 - (ii) *is finally and validly declared due and payable before the original maturity date of such Financial Indebtedness as a result of a demand to accelerate such Financial Indebtedness by reason of an event of default (howsoever described);*
- (c) *any Financial Indebtedness of the Issuer, in the total amount exceeding the equivalent of EUR 500,000:*
 - (i) *is not paid when due, including the relevant grace period; or*

- (ii) *is finally and validly declared due and payable before the original maturity date of such Financial Indebtedness as a result of a demand to accelerate such Financial Indebtedness by reason of an event of default (howsoever described) and remains outstanding;*
- (d) *any Financial Indebtedness of a member of the Group not referred to in point (b) or (c), in the total amount exceeding, jointly or separately, 10 per cent. of the latest reported Suretyship Provider's Consolidated Assets:*
 - (i) *is not paid when due, including the relevant grace period; or*
 - (ii) *is declared due and payable before the original maturity date of such Financial Indebtedness as a result of a demand to accelerate such Financial Indebtedness by reason of an event of default (howsoever described);*
- (e) *the relevant court issued a valid decision on liquidation, winding-up or dissolution of the Issuer or the Suretyship Provider or the applicable corporate body of the Issuer or the Suretyship Provider adopted (pursuant to the relevant laws applicable to the Suretyship Provider) a valid resolution on liquidation, winding-up or dissolution of the Issuer or the Suretyship Provider or other process analogous to the above events shall occur with respect to the Suretyship Provider pursuant to the relevant laws applicable to the Suretyship Provider;*
- (f) *a decision to transfer the seat of the Issuer abroad is made by the shareholders of the Issuer unless it results with immediate opening of the Issuer's liquidation;*
- (g) *the Group ceases to conduct all or a material part of its business, being the development, lease and sale of commercial properties;*
- (h) *a member of the Group (including the Suretyship Provider or the Issuer) establishes any Security Interest (other than these established or to be established under the Programme) securing the claims of any holders of the debt securities being the object of an offering conducted in the territory of Poland or denominated in PLN, unless such Group member simultaneously establishes an equivalent Security Interest in favour of the Bondholders (the term "equivalent" means that either the encumbrances shall be created on the same assets or alternatively, on the assets accepted by the Bondholders, and, that considering the terms and conditions of such security, under no circumstances the establishment of such Security Interest shall result in placing the holders of the Bonds issued under the Programme in a worse position compared to that existing prior to the date of the establishment of such Security Interest);*
- (i) *any information included in the Issuer's financial statements or the Suretyship Provider's financial statements, published under Clause 13 (Information Covenants), which could have had a material influence on an investor's decision to purchase the Bonds, proves to be misleading, incomplete or in correct, in whole or in part, with reference to the facts existing as at the date the relevant financial statements were prepared;*
- (j) *in relation to any assets of the Suretyship Provider or a Material Subsidiary, pursuant to a final writ of execution issued against the Suretyship Provider or Material Subsidiary, a seizure or judicial security was made, or based on this title, enforcement of claims in excess of EUR 25,000,000 (in total until the Redemption Date) was initiated and such seizure, judicial security or enforcement was not repealed, stopped (including as a result of an appeal) or redeemed within 45 days of its establishment*

or commencement, unless the Suretyship Provider or Material Subsidiary fulfilled its duty;

- (k) in relation to any assets of the Issuer, pursuant to a final writ of execution issued against the Issuer, a seizure or judicial security was made, or based on this title, enforcement of claims in excess of EUR 500,000 (in total until the Redemption Date) was initiated and such seizure, judicial security or enforcement was not repealed, stopped (including as a result of an appeal) or redeemed within 45 days of its establishment or commencement, unless the Issuer fulfilled its duty;*
- (l) in relation to any assets of a member of the Group not referred to in point (j) or (k), pursuant to a final writ of execution issued against that entity, a seizure or judicial security was made, or based on this title, enforcement of claims in excess of 10 per cent. of the Suretyship Provider's Consolidated Assets, was initiated and such seizure, judicial security or enforcement was not repealed, stopped (including as a result of an appeal) or redeemed within 45 days of its establishment or commencement, unless the relevant member of the Group fulfilled its duty;*
- (m) the Indebtedness Ratio exceeds 0.55;*
- (n) the Equity to Assets Ratio decreases below 0.35;*
- (o) the Registered Pledge, Assignment or the Suretyship ceases to be valid, legal or enforceable, and is not replaced with a valid, legal and enforceable Registered Pledge, Assignment or Suretyship within 30 business days;*
- (p) the Issuer will increase the amount of the Programme without the consent of the Bondholders Meeting or if the amount of the Programme is increased with the consent of the Bondholders Meeting, the Issuer will not increase the maximum secured amount in relation to the Register Pledge and the Suretyship up to 150% of the maximum amount of the Programme, within 60 days from the date of the increase of the amount of the Programme;*
- (q) the Issuer grants any loan from the proceeds of the issue of the Bonds: (i) to an entity which is not a member of the Group; or (ii) which will be governed by any law other than Polish law; or (iii) which will not become the subject of the Assignment within the time resulting from the Assignment Agreement;*
- (r) the aggregate amount of receivables of a member of the Group under granted loans, other than loans granted in the ordinary course of business regarding leasing or acquiring property, subscribed bonds, issued promissory notes, other than promissory notes issued for the purpose of a bank financing, or other agreements for granting debt financing to any entity not being:*
 - (i) a member of the Group; or*
 - (ii) a Related Party,**exceeds 1 per cent. of the Suretyship Provider's Consolidated Assets;*
- (s) the aggregate amount of guarantees and sureties provided by a member of the Group for obligations and liabilities of an entity which is not a member of the Group, excluding guarantees and sureties for liabilities of Related Parties included in the Financial Indebtedness, exceeds 1 per cent. of the Suretyship Provider's Consolidated Assets;*

- (t) *the Issuer grants any guarantee or surety;*
- (u) *any member of the Group sells, transfers or otherwise disposes of a real property or shares in a member of the Group to an entity which is not a member of the Group unless:*
 - (i) *such transaction is executed on arm's length basis; or*
 - (ii) *if such transaction is not executed on arm's length basis, the aggregate value of such transactions in one calendar year does not exceed EUR 20,000,000;*
- (v) *the Issuer fails to comply with a final judgment or administrative decision, which cannot be amended or appealed from, ordering the Issuer to make a payment of at least EUR 1,000,000 (in total until the Redemption Date);*
- (w) *the Issuer enters into a merger, division or transformation within the meaning of the Commercial Companies Code without a prior consent of the Bondholders Meeting;*
- (x) *the Issuer does not comply with any of its information covenants set out in Clause 13 (Information Covenants) and such non-compliance is not remedied within 15 days from the date on which the covenants were breached;*
- (y) *if the Issue Supplement indicates that the Bonds are to be listed on the ATS:*
 - (i) *the Bonds are not listed on the ATS within 30 days from the Issue Date; or*
 - (ii) *the Bonds are withdrawn or excluded from trading on the ATS for reasons other than being redeemed by the Issuer;*
- (z) *the Issuer or the Suretyship Provider:*
 - (i) *admits in writing its inability to repay its debts as they fall due;*
 - (ii) *by reason of financial difficulties which does not permit to fulfil its obligations in the total amount exceeding 1% (one per cent.) of the Suretyship Provider's Consolidated Assets, commences negotiations with all or any calls of its creditors with a view to rescheduling any of its Financial Indebtedness;*
 - (iii) *concludes with the arrangement supervisor an agreement for the supervision over the arrangement approval proceedings;*
- (aa) *the Suretyship Provider is deemed, under relevant provisions of law, unable to repay its debts as they fall due, insolvent or a person other than the Suretyship Provider file a petition to consider the Suretyship Provider unable to repay its debts as they fall due or insolvent unless such petition is frivolous or vexatious or is discharged or dismissed in 90 days of the date when the Suretyship Provider became aware of such petition; or such a petition is filed by the Suretyship Provider;*
- (bb) *the Issuer does not convene the Bondholders Meeting to be held no later than 28 days after receiving the Bondholder's request, in spite of the Bondholder's duly submitted request, or deliberately makes it impossible to convene or hold the Bondholders Meeting or does not publish the minutes of the Bondholders Meeting within seven days from the day on which the Bondholders Meeting was closed;*

- (cc) *after the Issue Date the Issuer will issue, without the prior consent of the Bondholders Meeting, bonds (or other debt instruments) which will be issued otherwise than on the terms and within the scope of the Programme; or*
- (dd) *a Group member (other than the Issuer) issues: (i) bonds other than Retail Bonds; or (ii) the Retail Bonds the redemption date of which (however defined) occurs earlier than 6 months after the date of redemption of the bonds issued under the Programme, before the issue date of such Retail Bonds, the redemption date of which is the latest, with the proviso that no Event of Default under this section will occur if the bonds are subject to an offering conducted exclusively outside the territory of Poland and are not denominated in PLN.*

If an Event of Default referred to in Clause 12.3(a), 12.3(e), 12.3(f), 12.3(o), 12.3(y)(ii), 12.3(z), 12.3(bb), 12.3(cc) or 12.3(dd) of the Terms and Conditions has occurred, in order for the Bondholders to be able to demand the early redemption of the Bonds the Bondholders Meeting does not need first to adopt a resolution authorising the Bondholders to demand the early redemption of the Bonds.

If an Event of Default other than indicated in Clause (a) of the Terms and Conditions has occurred and is continuing, in order for the Bondholders to be able to demand the early redemption of the Bonds the Bondholders Meeting must first adopt a resolution authorising the Bondholders to demand the early redemption of the Bonds.

If the given event constituting an Event of Default was eliminated or ceased to continue before the date of submission of the demand of an early redemption of the Bonds as a result of occurrence of such event, then occurrence of such event will not be deemed as an Event of Default constituting the basis for the demand of an early redemption of the Bonds.

As at the date of this Information Document no events have occurred enabling the Bondholders to demand early redemption of the Bonds.

The period regarding immediate redemption demand

According to Clause 12.6 (The period regarding immediate redemption demand) of the Terms and Conditions:

- (a) *If a Bondholder's demand of an early redemption of the Bonds is not conditional upon adoption by the Bondholders Meeting of a resolution allowing the Bondholders to demand an early redemption of the Bonds, a demand of an early redemption of the Bonds may, in such case, be submitted by a Bondholder with no more than 60 days of the later of: (i) the date of occurrence of the given Event of Default, or (ii) the date on which the Bondholders were informed by the Issuer on the occurrence of such Event of Default - unless the given event the occurrence of which constituted an Event of Default was eliminated or ceased to continue before the date of submission of the demand of an early redemption of the Bonds as a result of the occurrence of such event.*
- (b) *If a Bondholder's demand of an early redemption of the Bonds is conditioned upon prior adoption by the Bondholders Meeting of a resolution allowing the Bondholders to demand an early redemption, and a demand of an early redemption of the Bonds may, in such case, be submitted by a Bondholder with no more than 30 days of the later of: (i) the date of adoption by the Bondholders Meeting of a resolution allowing the Bondholders to demand an early redemption, or (ii) the date on which the Bondholders were informed by the Issuer on the adoption by the Bondholders Meeting of a resolution allowing the Bondholders to demand an early redemption, following*

the occurrence of such Event of Default – unless the given event the occurrence of which constituted an Event of Default was eliminated or ceased to continue before the date of submission of the demand of an early redemption of the Bonds as a result of the occurrence of such event. Additionally, the given event constituting an Event of Default may be discussed on only one Bondholders Meeting.

Early or immediate redemption demand

According to Clause 12.7 (Early or immediate redemption demand) of the Terms and Conditions:

- (a) *The Bondholder demanding the early or immediate redemption of the Bonds should serve the redemption demand on the Issuer personally, by registered mail or courier. In the redemption demand the Bondholder should indicate the grounds for its redemption demand and attach a certificate of deposit. If a payment to the Bondholder is subject to the withholding tax and the Bondholder wants to apply the reduced or zero rate of the withholding tax, the Bondholder should attach his tax residence certificate to his redemption demand. As a result of serving the redemption demand the Bonds held by the relevant Bondholder shall become due and payable.*
- (b) *If interest-bearing Bonds are redeemed early or immediately, the Issuer will pay to the Bondholder the amount being the total of:*
 - (i) *the principal amount of the Bonds reduced by the effected Amortisation; and*
 - (ii) *the amount of interest accrued between the beginning of the Interest Period (excluding) and the early redemption date (including).*
- (e) *Conditions of interest payment*

Detailed information about the interest and conditions of interest payment is included in Clause 6.1 (Floating interest rate) of the Terms and Conditions.

Interest Payments Dates

Interest on each Bond shall accrue for the given Interest Period and shall be payable on each Interest Payment Date. Interest Payment Dates are indicated in point 13(b) of the Issue Supplement and in the table below:

Number of the Interest Period	First day of the Interest Period	Interest Payment Day (last day of the Interest Period)	Record Date	Interest Rate Determination Date
1 interest period	8 December 2020	8 June 2021	31 May 2021	3 December 2020
2 interest period	8 June 2021	8 December 2021	1 December 2021	2 June 2021
3 interest period	8 December 2021	8 June 2022	1 June 2022	3 December 2021
4 interest period	8 June 2022	8 December 2022	1 December 2022	3 June 2022
5 interest period	8 December 2022	8 June 2023	1 June 2023	5 December 2022

6 interest period	8 June 2023	8 December	1 December 2023	5 June 2023
-------------------	-------------	------------	-----------------	-------------

Floating interest rate

Determination of the floating interest rate

According to Clause 6.1(b) (Determination of the Floating Interest Rate) of the Terms and Conditions:

- (i) *The interest rate for the given Interest Period will be equal to the aggregate of the Base Rate and the Margin.*
- (ii) *On each Interest Rate Determination Date the Calculation Agent will determine the WIBOR rate.*
- (iii) *If it is impossible to determine the WIBOR rate, including specifically in connection with the Announcement of Termination of Publication or if No WIBOR Permit has been issued, the Base Rate will be determined as the Alternative Ratio adjusted by the Adjustment (if applicable), in the manner described below.*
- (iv) *If the unavailability of WIBOR is related with the Announcement of Termination of Publication or if No WIBOR Permit has been issued, the Alternative Ratio will permanently replace WIBOR. Otherwise WIBOR will once again be used to determine the Base Rate as of the Interest Rate Determination Date, on which WIBOR becomes once again available.*
- (v) *The Alternative Ratio will be determined in accordance with one of the following methods:*
 - (I) *the Alternative Ratio is the ratio recommended instead of WIBOR by the Polish Financial Supervision Authority;*
 - (II) *the Alternative Ratio is the ratio that was recommended instead of WIBOR, by other authority authorised in accordance with the Regulation of the Parliament of the European Parliament and of the Council (EU) 2016/1011 of 8 June 2016 on the indices used as reference indices in instruments financial and financial agreements or to measure the fund's performance and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;*
 - (III) *the Alternative Ratio is the ratio recommended instead of WIBOR by the industry-specific organisation designated by the Polish Financial Supervision Authority and which is responsible for preparing proposals of WIBOR replacement; or*
- (vi) *The Issuer applies the methods referred to in (v), in the sequence from (v)(I) above to (III). The next method is applied if the previous method brings no results until the Interest Rate Determination Date, inclusive (if the relevant Designating Entity does not designate the Alternative Ratio).*
- (vii) *Following the determination of the Alternative Ratio the Adjustment is established in accordance with the following rules:*

- (I) *the Adjustment is either a value or action that results in the adjustment of the value of the Alternative Ratio. The value of the Adjustment may be positive, negative or may equal zero and it may also be specified as a formula or calculation method;*
- (II) *once determined the Adjustment is applied throughout the time of application of the Alternative Ratio;*
- (III) *if, in the given method of determination of the Alternative Ratio, as referred to in (v)(I) through (III) above:*
 - a. *the Designating Entity did determine the Adjustment – such Adjustment shall be used;*
 - b. *the Designating Entity declared that no Adjustment is to be used – no Adjustment shall be used;*
- (IV) *if, in the given method of determination of the Alternative Ratio, as referred to in (v)(I) through (v)(III) above, the Designating Entity made no reference to the Adjustment;*
 - a. *the Adjustment is added to the value of the Alternative Ratio;*
 - b. *the Adjustment is equal to the historical median of the differences between WIBOR and the Alternative Ratio;*
 - c. *the median of differences is established: (A) for the period of 24 months prior to the date on which publication of WIBOR was terminated (when the Announcement of Termination of Publication has occurred) or the first date on which the Alternative Ratio has been applied (if WIBOR was not published, but no Announcement of Termination of Publication was made) or the date on which No WIBOR Permit was issued; (B) taking into consideration each day in the reviewed period in which both WIBOR and the Alternative Ratio were published.*
- (viii) *The procedure of selection of the Alternative Ratio and determination of the Adjustment in connection with the Announcement of Termination of Publication or No WIBOR Permit is conducted only once (the same Alternative Ratio and Adjustment are used instead of IBOR also on the next Interest Rate Determination Dates).*
- (ix) *The Alternative Ratio and the Adjustment are designated at the instructions of the Calculation Agent or another professional entity, if such entity was designated by a Resolution of the Bondholders Meeting with the consent of the Issuer. The Issuer shall publish, on the Issuer's Website, the information about the abovementioned entity, including the particulars of such entity, and the selected Ratio as well as (after it is prepared) the method of calculation of the Adjustment or an opinion of that entity that no Adjustment is required.*
- (x) *If the Alternative Ratio is published in arrears and thus is unavailable for an Interest Period on the Interest Rate Determination Date, the Interest Rate Determination Date shall be postponed accordingly until the time of publication of the Alternative Ratio for the given Interest Period, subject to market standard.*

- (xi) *In the event that, in accordance with (iv), the Alternative Ratio permanently replaces WIBOR, the provisions of (iii) – (xi) relating to WIBOR shall apply accordingly to such Alternative Ratio subject to the Adjustment.*
- (xii) *If the Base Rate is less than zero, the Base Rate shall be deemed zero for the purpose of determining the Floating Interest Rate.*

Calculation of interest

The amount of interest on one Bond shall be calculated following the determination of the Floating Interest Rate by multiplying the principal amount of one Bond by the Floating Interest Rate, multiplying the product by the number of days in the given Interest Period, dividing the result by 365 and rounding the resultant figure to the nearest grosz (half a grosz or more being rounded upwards).

- (f) *Amount and form of security and designation of the entity providing the security*

The security interests established as security of the Bondholders' claims under the Bonds are described below and in Clause 4 (Security Interests) of the Terms and Conditions. Schedule 2 (Description of methods of enforcing the registered pledge and the suretyship) to the Terms and Conditions contains a detailed description of methods of enforcing the security interests established as security of the Bondholders' claims under the Bonds.

Registered Pledge

The Bondholders' claims under the Bonds, as of the moment of its registration in the pledge register, will be secured with a first ranking registered pledge of up to PLN 600,000,000 established by the Issuer over a collection of movable assets and property rights pursuant to the registered pledge agreement concluded on 19 November 2020. The application for entry of the Registered Pledge in the pledge register was filed with the relevant district court (registry court) on 24 November 2020. According to Clause 4.2 of the Terms and Conditions, the Registered Pledge should be registered in the pledge register within 60 days from the issue date of the Bonds.

The Issuer indicates a disparity between the value of the registered pledge established before the Bonds issue and the maximum secured amount of PLN 600,000,000 which results from the Issuer's intention to establish the security also over the future assets which are supposed to be acquired after the issue of the Bonds for money from the issue of the Bonds.

The registered pledge has been established in favour of mBank S.A. with its registered office in Warsaw, at ul. Senatorska 18, 00-950 Warsaw, whose documentation is kept by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, recorded in the National Court Register under number 0000025237, NIP 526-021-50-88, share capital PLN 169,461,036 (paid in full) in its capacity as a pledge administrator. Copy of the agreement appointing mBank S.A. to act as the pledge administrator is attached to this Information Documents in section 9.9 below.

The valuation of assets encumbered with the registered pledge was prepared by Rafał Belka of Value Advisors sp. z o.o. with its registered office in Warsaw. As at the date of the valuation (30 September 2020) the value of the Issuer's assets amounted to PLN 55,007.32 however the Issuer's assets increased significantly after the issue of the Bonds. Accordingly each issue of the bonds by the Issuer will increase the values of the assets encumbered with the registered pledge.

Copy of the registered pledge agreement is attached to this Information Documents in section 9.10 below.

The risk associated with the registered pledge over assets of the Issuer in relation to the maximum secured amount is described in point 2.4(b) of this Information Document.

Suretyship

The Bondholders' claims under the Bonds are secured with the suretyship provided by the Suretyship Provider governed by Polish law for all liabilities of the Issuer under the Bonds up to PLN 600,000,000 pursuant to the Suretyship Agreement concluded on 19 November 2020 between the Suretyship Provider and Spaczyński, Szczepaniak i Wspólnicy sp.k. acting as the security administrator.

Copy of the agreement appointing Spaczyński, Szczepaniak i Wspólnicy sp.k. to act as the security administrator is attached to this Information Documents in section 9.7 below.

Copy of the Suretyship Agreement is attached to this Information Documents in section 9.8 below.

The Suretyship Provider and its business is described in point 6 (Information on the Suretyship Provider) of this Information Document.

Assignment

The Bondholders' claims under the Bonds are secured with the security assignment of the Issuer's claims under any future intra-group loans, established on the basis of the Polish-law governed Assignment Agreement concluded on 19 November 2020 between the Issuer and Spaczyński, Szczepaniak i Wspólnicy sp.k. acting as the security administrator. The security assignment agreement provides that if the Issuer executes in the future any intra-group loan agreement or becomes the creditor in relation to such agreement executed by the third party, it will, within 5 business days, supply the security administrator with a new agreement notice under which the Issuer will irrevocably assign the rights under such intra-group loan agreement to the security administrator.

Copy of the agreement appointing Spaczyński, Szczepaniak i Wspólnicy sp.k. to act as the security administrator is attached to this Information Documents in section 9.7 below.

The risk associated with the Assignment is described in point 2.4(c) of this Information Memorandum.

(g) Valuation of the object encumbered with a mortgage or a pledge

The valuation of assets encumbered with the registered pledge was prepared by Rafał Belka of Value Advisors sp. z o.o. with its registered office in Warsaw. As at the date of the valuation (30 September 2020) the value of the Issuer's assets amounted to PLN 55,007.32.

(h) Value of the Issuer's liabilities, with a specification of overdue liabilities, determined as at the last day of the quarter preceding the last day of the quarter by no more than four months making available a proposal to purchase the instruments covered by the proposal and the prospects for the Issuer's liabilities until the final redemption of the debt financial instruments covered by the proposal

PLN 0.00.

- (i) *General information about the rating assigned to the Issuer or debt financial instruments issued by the Issuer and name of the rating institution, and reference to the specific terms of the rating referred to in the additional information*

Not applicable. The Issuer has not applied for a credit rating.

- (j) *Indication and detailed description of additional rights of holders of the debt financial instruments*

Not applicable. The Bonds do not give any additional rights to their holders.

- (k) *General information about taxation rules concerning income related to holding of and trading in debt financial instruments referred to in the Information Document*

The following is a discussion of certain Polish tax considerations relevant to an investor resident in Poland or which is otherwise subject to Polish taxation. This statement should not be deemed to be tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this document, it may thus be subject to change, including a change with retroactive effect. Any change may negatively affect the tax treatment, as described below. Any change may negatively affect the tax treatment described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their personal circumstances. The information provided below does not cover tax consequences resulting from tax exemptions applicable to specific taxable items or specific taxpayers (e.g. domestic or foreign investment funds).

Prospective purchasers of Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of those countries.

The reference to "interest" as well as to any other terms in the paragraphs below means "interest" or any other term as understood in Polish tax law.

(i) Polish tax residents – individuals (natural persons)

Under Art. 3.1a of the PIT Act, a Polish tax resident individual is a natural person who (i) has his/her centre of personal or business interests located in Poland or (ii) stays in Poland for longer than 183 days in a year, unless any relevant tax treaty dictates otherwise.

Interest income

Under Article 30a.7 of the PIT Act, interest income does not cumulate with general income subject to the progressive tax rate, but under Art. 30a.1.2 of the PIT Act it is subject to a 19% flat rate of tax.

Under Art. 41.4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the 19% Polish tax upon any interest payment.

Under Art. 41.4d of the PIT Act, the entities operating securities accounts for individuals, acting as tax remitters, should withhold this interest income if such interest income (revenue) has been earned in the territory of Poland and is connected with securities registered in the said accounts, and the interest payment to the individual (the taxpayer) is made through said entities. This principle also applies to remitters who pay corporate income tax and are subject

to limited tax liability in Poland, to the extent they conduct their business through a foreign establishment and it is to that establishment's operations that the securities account is linked.

Separate, specific rules apply to interest income on securities held in omnibus accounts. Under Art. 41.10 of the PIT Act, insofar as securities registered in omnibus accounts are concerned, the entities operating omnibus accounts through which the amounts due are paid are liable to withhold the flat-rate income tax on interest income. The tax is charged on the day of placing the amounts due at the disposal of the omnibus account holder.

Pursuant to Art. 30a.2a of the PIT Act, with respect to income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in omnibus accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19% flat-rate tax is withheld by the tax remitter (under Art. 41.10 of the PIT Act the entity operating the omnibus account) from the aggregate income (revenue) released for the benefit of all such taxpayers through the omnibus account holder.

Under Article 45.3b of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by 30 April of the following year. Under Art. 45.3c of the PIT Act, taxpayers are obliged to disclose the amount of interest (discount) on securities (including the Bonds) in the annual tax return if the Bonds were registered in omnibus account and the taxpayer's identity was not revealed to the tax remitter.

Other income

Income other than interest derived by a Polish tax resident individual from financial instruments held as non-business assets, qualify as capital income according to Art. 17 of the PIT Act. This income does not cumulate with the general income subject to the progressive tax scale but is subject to a 19% flat rate tax. The costs of acquiring the securities are recognised at the time the revenue is achieved. In principle, this income should be settled by the taxpayer by 30 April of the year following the year in which the income was earned. No tax or tax advances are withheld by the person making the payments.

Bonds held as business assets

If an individual holds the Bonds as business assets, in principle, interest (discount) and income from transfer of Bonds against a consideration should be subject to tax in the same way as other business income. The tax, at 19% flat rate or the 17% to 32% progressive tax rate depending on the choice and meeting of certain conditions, should be settled by the individuals themselves

(ii) Polish tax residents – corporate income taxpayers

Under Art. 3.1 of CIT Act the entire income of taxpayers who have their registered office or management in Poland is subject to tax obligation in Poland, irrespective of where the income is earned.

A Polish tax resident corporate income taxpayer is subject to income tax in respect of the Bonds (including any capital gains and on interest/discount), following the same principles as those which apply to any other income received from business activity within the same source of income. As a rule, for Polish income tax purposes interest is recognised as revenue on a cash basis, i.e. when it is received and not when it has accrued. In respect of capital gains, the cost of acquiring the securities will be recognised at the time the revenue from the disposal of the securities for remuneration is achieved. In the case of income from the transfer of securities against a consideration, tax deductible costs are generally recognized when the corresponding revenue has been achieved. The taxpayer itself (without the involvement of the tax remitter)

settles tax on interest (discount) and on the transfer of securities against a consideration, which is settled along with other income from the taxpayer's business activity within the same source of income.

Regarding the proper source of revenue, in principle, the income (revenue) from the Bonds, including their transfer for consideration, is combined with revenues from capital gains (Art. 7b.1 of the CIT Act). In the case of insurers, banks and some other entities (such as financial institutions), this revenue is included in revenues other than revenues from capital gains (Art. 7b (2) of the CIT Act).

The appropriate tax rate will be the same as the tax rate applicable to business activity, i.e. 19 per cent. for a regular corporate income taxpayer or 9 per cent. for small and new taxpayers.

Although no Polish withholding tax should apply on interest payable to Polish corporate income taxpayers, under specific rules applying to interest income on securities held in omnibus accounts, under Art. 26.2a of the CIT Act, for income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in omnibus accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 20% flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the omnibus account holder. In such case the tax is withheld by the entity operating the omnibus account on the day of placing the amounts due at the disposal of the omnibus account holder (art.26.2b of the CIT Act). If such tax is withheld for a Polish tax resident corporate income taxpayer, to receive a refund of such tax, the entity should contact its tax advisor.

(iii) Non-Polish tax residents: individuals (natural persons or corporate income taxpayers)

A non-Polish tax resident individual is a natural person who does not (i) have his/her centre of personal or business interests located in Poland or (ii) does not stay in Poland for longer than 183 days in a year, unless any respective double tax treaty provides otherwise.

A non-Polish tax resident corporate income taxpayer is a corporate income taxpayer who does not have its registered office or place of management in Poland, unless any respective double tax treaty provides otherwise.

Non-Polish tax resident individuals and corporate income taxpayers are subject to Polish income tax only with respect to their income originating from the territory of Poland. There are no explicit regulations on where interest or capital gains or other income is earned. However, in practice it is considered that if securities are issued by a Polish entity, interest should be considered as having been earned in Poland. As a rule, such interest should be subject to 19% (individuals) or 20% (corporate income taxpayers) withholding tax in Poland, unless the respective double tax treaty provides otherwise or exemption applies under other, specific rules. Most of the double tax treaties concluded by Poland provide for a reduced, 10% withholding tax rate on interest derived by a foreign tax resident.

A frequent condition of the applicability of an exemption from or reduction of the tax rate is that the recipient of interest is its beneficial owner, i.e. an entity meeting all of the following conditions:

- (i) it receives the amount due for its own benefit, which includes deciding independently about its purpose, and bears the economic risk associated with the loss of that receivable or part of it;

- (ii) it is not an intermediary, representative, trustee, or another entity legally or actually obliged to transfer the receivable in whole or in part to another entity; and
- (iii) it conducts real business activity in the country of its registration, if the receivables are obtained in connection with the conducted business activity.

Furthermore, the applicability of a double tax treaty is conditional on the interest payer being provided with a certificate issued by the competent tax authorities confirming that the payee of interest is a tax resident of the relevant state. Notwithstanding the reduction of the tax rate under the relevant double tax treaty, an exemption from the withholding tax may be applicable when interest is payable to the Polish branch of a foreign tax resident (on providing a certificate of tax residency and a statement that interest is attributable to the given branch), certain related parties on the satisfaction of certain formal conditions, or under other local regulations related to the status of the interest payee.

Moreover, under the newly introduced withholding tax regulations, the tax remitter (in principle, the interest payer) is obliged to ignore any exemptions or tax rate reductions under domestic legislation or double tax treaties and to withhold tax at a maximum rate (19%/20% - with respect to interest) if the total amount of payments subject to withholding tax (including interest, dividends, royalties and other) made to the same taxpayer exceed PLN 2 million in a 12-month tax year of the payer (if the tax year is shorter or longer, the threshold is adjusted accordingly). This obligation to withhold can be excluded in certain circumstances, e.g. on a qualified statement of the management board of the payer. If, despite the exemption under a tax treaty or domestic regulations, the tax (or an excessive tax in case of a tax rate reduction) is withheld under these new provisions, the taxpayer, or the tax remitter in case of a gross-up, can apply for a tax refund, which should be granted within six months. Pursuant to the Regulation of the Minister of Finance issued on 31 December 2018, the full entry into force of the above regulations was suspended until 31 December 2020.

Most of the double tax treaties concluded by Poland provide for a tax exemption with respect to Polish income tax on capital gains derived from Poland by a foreign tax resident.

If a foreign recipient of income acts through a permanent establishment in Poland to which interest is related, as a matter of principle it should be treated in the same manner as a Polish tax resident.

(iv) Tax on Civil Law Transactions

Under Art. 1.1.1.a of the PCC Act, agreements for sale or exchange of assets or proprietary rights are subject to tax on civil law transactions tax. Such transactions are taxable if their subjects are:

- assets located in Poland or proprietary rights exercisable in Poland;
- assets located abroad or proprietary rights exercisable abroad if the acquirer's place of residence or registered office is located in Poland and the civil law transaction was carried out in Poland.

The securities issued by a Polish issuer should be considered as rights exercisable in Poland.

Neither an issuance of the Bonds nor a redemption of the Bonds is subject to tax on civil law transactions.

Tax on the sale or exchange of the Bonds is 1% of their market value. It is payable within 14 days after the sale or exchange agreement has been entered into. However, if such

agreement has been entered into in notarial form, the tax due should be withheld and paid by the notary public. Tax on sale of the Bonds is payable by the entity acquiring the Bonds. In the case of exchange agreements, tax on civil law transactions should be payable by both parties jointly and severally.

However, under Art. 9.9 of the PCC Act an exemption applies to the sale of property rights constituting financial instruments:

- to investment companies and foreign investment companies;
- via investment companies or foreign investment companies;
- as part of organised trading;
- outside organised trading by investment companies and foreign investment companies, if those rights were acquired by those companies under organised trading, within the meaning of the provisions of the Act of 29 July 2005 on Trading in Financial Instruments.

Under Article 2.4 of the PCC Act, as a rule, tax on civil law transactions does not apply to civil law activities such as selling or exchanging the Bonds: (i) to the extent such activity is charged with VAT (in any EU country), or (ii) if at least one of the parties to the transaction is exempt from VAT (in any EU country).

(v) Remitter's liability

Under Art. 30 of the Tax Ordinance dated 29 August 1997, a tax remitter failing to fulfil its duty to calculate, withhold or pay tax to a relevant tax authority is liable for the tax that has not been withheld or that has been withheld but not paid, up to the value of all its assets. The tax remitter is not liable if the specific provisions provide otherwise or if tax has not been withheld due to the taxpayer's fault. In such case, the relevant tax authority will issue a decision concerning the taxpayer's liability.

5. INFORMATION ON THE ISSUER

5.1 Name, legal form, state where the registered office is located, registered office and address of the Issuer together with telecommunications data

Legal name:	HB REAVIS FINANCE PL 3 sp. z o.o. (previously Rainford Sp. z o.o.)
Legal form:	Spółka z ograniczoną odpowiedzialnością (limited liability company)
Country of incorporation:	Republic of Poland
Seat:	Warsaw, Poland
Address:	ul. Postępu 14, 02-676 Warsaw
Address for correspondence:	ul. Postępu 14, 02-676 Warsaw
Phone:	+48 22 203 44 20
Fax:	+48 22 203 44 21
www:	https://hbreavis.com/bond/hbrfinancepl3/
E-mail:	poland@hbreavis.com

5.2 Identification numbers according to the appropriate statistical classification and number according to the appropriate tax identification

Tax identification number (NIP):	5252757202
Statistical classification (REGON):	380827481

5.3 Duration of the Issuer

The Issuer was established for an indefinite period.

5.4 Legal regulations under which the Issuer was formed

The Issuer was established under the provisions of Polish law, in particular the Commercial Companies Code.

5.5 Indication of the court that issued a decision to enter the Issuer into the appropriate register

The decision to enter the Issuer into the register of entrepreneurs under the number KRS 0000741386 was issued by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register.

5.6 Information whether the activities carried out by the Issuer require a permit, licence or approval

The activities carried out by the Issuer do not require a permit, licence or approval. In the event that starting of a particular activity will require a permit, licence or approval such activity will be started only after obtaining the above.

5.7 Brief description of Issuer's history

The Issuer, which is a subsidiary of the Suretyship Provider and part of the Group, is an SPV company bought as a shelf company for the purpose of issuing bonds in Poland. The Issuer was incorporated on 6 July 2018 and entered into the register of entrepreneurs of National Court Register on 24 July 2018. The principal activity of the Issuer is raising funds for the investment activities of the Group.

Due to the fact, that Issuer is an SPV company bought as a shelf company for the purpose of issuing bonds and the Bonds will be the first bond issue done by the Issuer there is no relevant background information to be included in this Information Document.

5.8 Types and values of the Issuer's equity and rules of their formation

Issuer's share capital, as at the date of this document, equals to PLN 10,000 (ten thousand zloty) and consists of 200 (two hundred) equal in rights shares with a nominal value of PLN 50 (fifty zloty) per share.

Share capital meets the requirements of the Commercial Companies Code, which specify the minimum amount of capital for at least PLN 5,000 (five thousand zloty). Detailed description of the Issuer's share capital can be found in the Issuer's Articles of Association. Detailed description of the Issuer's share capital can be found in §5 of the Issuer's Articles of Association.

5.9 Issuer's statement on the working capital

In the Issuer's opinion, the Issuer's working capital is sufficient for the Issuer's present requirements for the period of 12 months starting on the date of preparation of this Information Document.

5.10 Information about any unpaid portion of the share capital

The share capital was fully paid.

5.11 Information about projected changes to the share capital due to bondholders exercising their rights attached to convertible bonds or subscription warrants (priority rights) attached to bonds

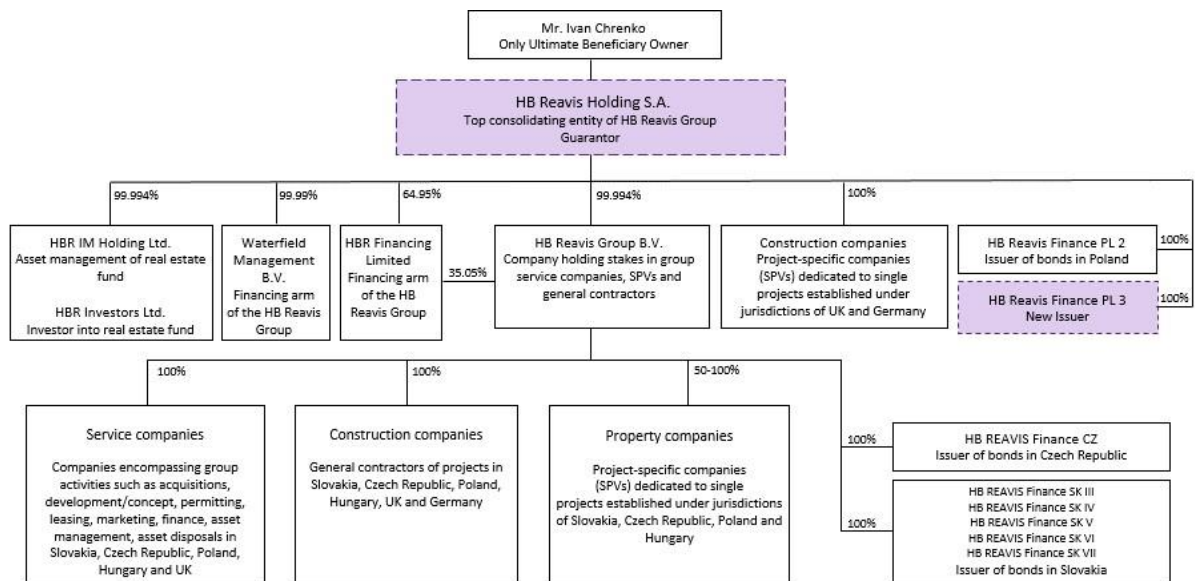
The Issuer did not issue convertible bonds or bonds with subscription warrants (priority rights) attached. The Issuer does not anticipate any changes in the share capital as a result of the bondholders exercising their rights.

5.12 Financial instrument markets on which the Issuer's financial instruments or related depositary notes are or were listed

Issuer's financial instruments or related depositary notes are not and have not been listed on any financial instrument market.

5.13 Basic information about capital relations of the Issuer having a significant impact on its business, including essential units of its group

At the date of the Information Document, the Issuer is a company fully owned by HB Reavis Holding S.A. – top consolidating entity within the Group and the Suretyship Provider. The graph presenting the Group structure is presented below:



The Issuer does not hold any shares in other entities. The Issuer has no significant capital and personal relations with the entities outside the Group.

5.14 Personal, asset and organisational relations between:

(a) *The Issuer and persons on the Issuer's managing and supervising authorities*

There are no personal, asset and organisational relations between the Issuer and persons on the Issuer's managing and supervising authorities.

(b) *The Issuer or persons on the Issuer's managing and supervising authorities and the Issuer's significant shareholders or partners*

There are no asset relations between the Issuer or persons on the Issuer's managing and supervising authorities or the Issuer's significant shareholders or partners. Managing persons of the Issuer are acting as managing authorities on behalf of the Group's project companies operating predominantly in Poland.

(c) *The Issuer or persons on the Issuer's managing and supervising authorities or the Issuer's significant shareholders or partners and the authorised adviser (or persons on the authorised adviser's managing and supervising authorities)*

The Issuer has not entered into an agreement with the Authorised Adviser.

5.15 Basic information about the main products, goods or services, together with their value and quantity and share of each group of products, goods and services, or, if essential, individual products, goods and services in total sales of the group and the issuer, broken down to business segments

The Issuer, which is a subsidiary of the Suretyship Provider and part of the Group, is an SPV company established for the purpose of issuing bonds. The principal activity of the Issuer is raising funds for the investment activities of the Group.

The funds raised by the Issuer will be transferred directly to the Suretyship Provider or any other entity belonging to the Group in a form of intra-Group financing. Intra-Group financing will be structured by way of a borrowing to cover the payments related to the Bonds – repayment and interest payments

related to the Bonds debt service will be secured via repayment and interest payments connected with financing provided to the Group's entities.

Due to nature of its activities the Issuer is not expected to generate significant profits.

5.16 Description of major domestic and foreign investment projects of the Issuer, including capital investments, for the period covered by the financial statements or consolidated financial statements included in the Information Document

There were no major domestic and foreign investment projects, including capital investments, done by the Issuer in the period covered by the financial statements included in the Information Document.

5.17 Information about bankruptcy, composition or liquidation proceedings instituted with respect to the Issuer

There are no bankruptcy, composition or liquidation proceedings instituted with respect to the Issuer.

5.18 Information about settlement, arbitration or enforcement proceedings instituted with respect to the Issuer, if the outcome of such proceedings is or may be of significance for the Issuer's business

There are no settlements, arbitration or enforcement proceedings instituted with respect to the Issuer.

5.19 Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceedings that are threatened according to the Issuer's knowledge, which might have had or have recently had or may have a significant impact on the Issuer's financial situation, or information about lack of such proceedings

According to the Issuer's best knowledge, there are no proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceedings that are threatened according to the Issuer's knowledge, which might have had or have recently had or may have a significant impact on the Issuer's financial situation.

5.20 Issuer's liabilities relevant to the performance of its obligations towards holders of financial instruments, which are related in particular to the development of the Issuer's economic and financial situation

There are no Issuer's liabilities relevant to the performance of obligations towards holders of financial instruments, which are related in particular to the development of the Issuer's economic and financial situation.

5.21 Off-balance sheet liabilities of the Issuer and their structure by time and type

As at the date of preparation of this Information Document, the Issuer has no off-balance-sheet liabilities.

5.22 Information on unusual circumstances or events affecting business performance for the period covered by the financial statements or consolidated financial statements, included in the Information Document

No unusual circumstances or events affecting business performance occurred during the period which is covered by the financial statements or consolidated financial statements, included in the Information Document.

5.23 Any significant changes to the economic, asset and financial situation of the Issuer and its group and other information relevant to the assessment of such changes, which occurred after financial data contained in this Information Document were prepared

Not applicable.

5.24 Managing persons and supervisory persons

(a) Issuer's Management Board

The Issuer's Management Board is composed of the following persons:

Peter Pecnik – President of the Management Board.

Peter Pecnik has been appointed for a position in the Issuer's Management Board an indefinite period.

Peter Andrasina - Member of the Management Board.

Peter Andrasina has been appointed for a position in the Issuer's Management Board an indefinite period.

(b) Profile of Issuer's management board member

Peter Pecnik – President of the Management Board

Peter Pecnik graduated at the Faculty of Business Management of Economic University in Bratislava. Since 1997 he worked on various financial positions in Tatra banka (member of Raiffeisen Group), in the European Bank of Reconstruction and Development and Deloitte Advisory in Bratislava. Since 2008 he joined HB Reavis Group where he is in charge of external debt financing across all markets where HB Reavis Group actively operates (i.e. currently Slovakia, Czech Republic, Poland, Hungary, United Kingdom). Since 2018 Peter has been Country CEO responsible for Polish operations within the Group. In November 2020 Peter was appointed as a CFO of the Group.

Peter Pecnik is not engaged in any activity outside the Group which would be important for the Group or the Issuer.

Peter Pecnik is a board member of all Polish companies within the Group.

Peter Pecnik has not been convicted for fraud during the previous five years from the date of this Information Document; in the last five years he has also not received a court ban on acting as a member of the management or supervisory bodies in commercial companies.

There are no cases of bankruptcy, receivership or liquidation in the last five years, with respect to entities in which Peter Pecnik performed a function of member of the management or supervisory body.

Peter Pecnik does not conduct business competitive to the Issuer and the Group, does not participate in any competitive company or civil partnership nor is he a member of the rival company or a member of any other competitive legal person.

Peter Pecnik has not been entered in the Register of Insolvent Debtors maintained pursuant to the Act on the National Court Register.

Peter Andrasina – Member of the Management Board

Peter Andrasina graduated at Faculty of Management of Comenius University in Bratislava in 2004. Since 2004 he worked in several positions involving credit risk management in UniCredit Group in Bratislava and Milan. Since 2011 he has been working in HB Reavis Group as a manager of the external financing department.

Peter Andrasina also acts as a member of the statutory body or a member of the supervisory board in many companies of the HB Reavis Group, primarily as an executive of the following companies that issued bonds: HB REAVIS Finance SK sro, HB REAVIS Finance SK II sro, HB REAVIS Finance SK III sro, HB REAVIS Finance SK IV sro, HB REAVIS Finance SK V sro, HB REAVIS Finance SK VI sro, HB REAVIS Finance SK VII sro, all based in the Slovak Republic, and HB Reavis Finance CZ, sro and HB Reavis Finance CZ II, sro based in the Czech Republic.

Peter Andrasina has not been convicted for fraud during the previous five years from the date of this Information Document; in the last five years he has also not received a court ban on acting as a member of the management or supervisory bodies in commercial companies.

There are no cases of bankruptcy, receivership or liquidation in the last five years, with respect to entities in which Peter Andrasina performed a function of member of the management or supervisory body.

Peter Andrasina does not conduct business competitive to the Issuer and the Group, does not participate in any competitive company or civil partnership nor is he a member of the rival company or a member of any other competitive legal person.

Peter Andrasina has not been entered in the Register of Insolvent Debtors maintained pursuant to the Act on the National Court Register.

5.25 Issuer's supervisory board

The Issuer is not required by Polish law to create a supervisory board. No supervisory board was established by the Issuer.

5.26 Issuer's shareholding structure including specification of shareholders holding at least 5% of votes at shareholders' meeting

The below table presents Issuer's shareholding structure, as at the date of this Information Document.

Table 1: Issuer's shareholder structure

Shareholder	No. of shares	Shareholding
HB Reavis Holding S.A.	200	100%
Total	200	100%

Source: Issuer's own data.

6. INFORMATION ON THE SURETYSHIP PROVIDER

6.1 Name, legal form, state where the registered office is located, registered office and address of the Suretyship Provider together with telecommunications data

Legal name:	HB Reavis Holding S.A.
Legal form:	Société anonyme (public limited company)
Country of incorporation:	Grand Duchy of Luxembourg
Seat:	Luxembourg
Address:	21 Rue Glesener, L-1631 Luxembourg, Grand Duchy of Luxembourg
Address for correspondence:	21 Rue Glesener, L-1631 Luxembourg, Grand Duchy of Luxembourg
Phone:	00352.27.86.40.97
Fax:	Not applicable
www:	https://hbreavis.com/en/
E-mail:	Luxoffice@hbreavis.com

6.2 Duration of the Suretyship Provider

The Suretyship Provider was established for an indefinite period.

6.3 Legal regulations under which the Suretyship Provider was formed

The Suretyship Provider was established and existing under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”).

6.4 Indication of the court that issued a decision to enter the Suretyship Provider into the appropriate register

The decision to enter the Suretyship Provider into the appropriate register was issued by the Luxembourg RCS.

6.5 Information whether the activities carried out by the Suretyship Provider requires a permit, licence or approval

The activities carried out by the Suretyship Provider do not require a permit, licence or approval.

6.6 Brief description of Suretyship Provider’s history

The Suretyship Provider was incorporated on 20 October 2010 and is domiciled in Luxembourg. The company was set up as a *société anonyme* (public limited company) under the law of the Grand Duchy of Luxembourg. Since 2010 the Group is headquartered in Luxembourg and the Suretyship Provider is acting as top consolidating and controlling entity of the Group. In 2018 the Suretyship Provider was converted from HB Reavis Holding S.à.r.l. (fr. *société à responsabilité limitée*) to HB Reavis Holding S.A. (fr. *société anonyme*).

The Group was founded in 1993 in Bratislava, Slovakia, originally as a real estate agency. The founders identified a lack of modern office stock in Bratislava and were involved in the development of the city’s first modern office business centre in the city in 1997 (Bratislava Business Center I-II (BBC I-II)). In 2000, the founders of the Group were involved in completing Slovakia’s first real estate institutional investment transaction when it sold BBC I-II to an Austrian-based real estate company, CA Immobilien Anlagen AG (currently CA Immo). Since the completion of BBC

I-II to the date of this Base Information Document, the Group has developed 15 other office buildings in Bratislava, totalling together with BBC I-II, more than 425,500 square metres of office GLA. Management believes that the development of these properties has played an important role in transforming the formerly industrial zone around Prievozska, Mlynske Nivy and Karadzicova streets into Bratislava's largest central business district. The CBD office complex also enjoys the benefits of its close proximity to Bratislava's historical centre.

The Group has also created the successful shopping centre brand "Aupark". Since the first Aupark shopping centre was completed in Bratislava in 2001, the concept has expanded with the completion of three other shopping centres in Slovak regional cities (Piestany, Zilina, Kosice), each of which are among the top shopping centres based on footfall and turnover in their respective regions. In 2016, the Aupark concept was expanded to the Czech Republic with the construction of the modern Aupark Shopping Centre in the regional city of Hradec Kralove.

In the past, the Group also developed several logistics centres in Slovakia and the Czech Republic, however by 2017, it sold all of its logistics assets to institutional investors as part of an active decision to exit the market and to focus its activities on offices.

Recognising that ongoing sustainable growth would require a greater scope of activity than was being offered in its home market of Slovakia, since 2006 the Group has pursued international expansion as a key part of its overall strategy. The Group has progressively established a strong presence in new markets, including the Czech Republic and Hungary since 2007, Poland since 2008, the United Kingdom since 2013 and Germany since 2017.

As at the date of this Information Document, the Group had completed over 606,000 sq. m. of GLA in commercial properties outside Slovakia, specifically in Poland (over 327,000 sq. m. of offices in Warsaw), in the Czech Republic (over 160,000 sq. m. in office, retail and logistics segments), in the United Kingdom (almost 36,000 sq. m. of offices in London) and in Hungary (83,000 sq. m. of offices in Budapest).

6.7 Types and values of the Suretyship Provider's equity and rules of their formation

The share capital of the Suretyship Provider equals to €30,000 (thirty thousand euro) and consists of 30,000 (thirty thousand) ordinary shares with a par value of €1 (one euro) per share. Each ordinary share carries one vote. 12,500 shares were issued on 20 October 2010 and additional 17,500 shares were issued on 4 September 2018 due to change of legal form of the company from a private limited liability company into a public limited liability company.

Table 2: Suretyship Provider's equity composition as at 30 June 2020

In million €	Value
Share capital	-
Share premium	392.4
Retained earnings	1,054.7
Translation reserve	(76.3)
Revaluation reserve	3.8
Equity attributable to the Company's equity holders	1,374.6
Non-controlling interest	0.1
Total equity	1,374.7

Source: Suretyship Provider's Consolidated Financial Statements 30 June 2020

6.8 Information about any unpaid portion of the share capital

The share capital was fully paid.

6.9 Information about projected changes to the share capital due to bondholders exercising their rights attached to convertible bonds or subscription warrants (priority rights) attached to bonds

The Suretyship Provider did not issue any convertible bonds or bonds with subscription warrants (priority rights) attached. The Suretyship Provider does not anticipate any changes in the share capital as a result of the bondholders exercising their rights.

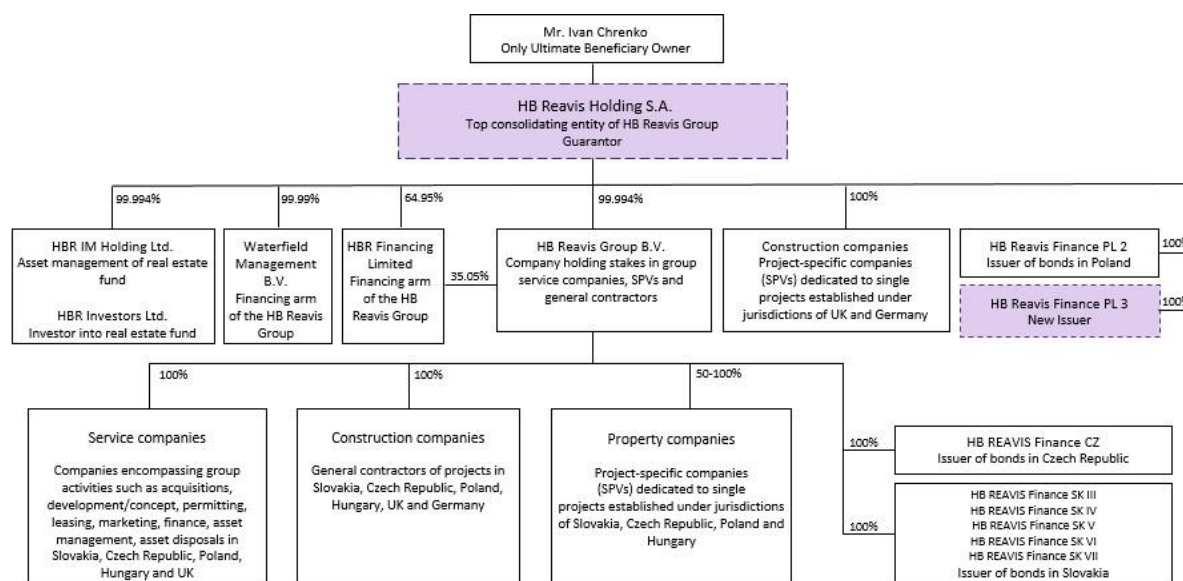
6.10 Financial instrument markets on which the Suretyship Provider's financial instruments or related depositary notes are or were listed

The Suretyship Provider's financial instruments or related depositary notes are not and have not been listed on any financial instrument market.

6.11 Basic information about capital relations of the Suretyship Provider having a significant impact on its business, including essential units of its group

The Suretyship Provider is the top consolidating entity of the Group.

As at 30 June 2020, there were 178 entities consolidated within the Group (including joint ventures). The ultimate consolidating and controlling entity of the Group is the Suretyship Provider. A simplified organisational structure of the Group is as follows:



The interests shown in the structure of the Group correspond to the share in voting rights.

A significant majority of the Group's real estate assets is in the ownership of its property companies. With the exception of Luxembourg-based companies that own projects located in the United Kingdom and Germany, property companies are controlled by the Suretyship Provider through Dutch-based HB Reavis Group B.V.

Operating and construction activities, including a significant part of the Group's WaaS operations, are performed by service companies and construction companies that are indirectly controlled by the Issuer through HB Reavis Group B.V.

The Group's investment management activities (see "Investment Management") are controlled by the Company through HBR IM Holding Ltd. (the company responsible for asset management), and HBR Investors Ltd. (the company responsible for investments of the Group into real estate funds).

The Group's investments into innovations, start-up companies, technological companies, including HubHub operations (see paragraph "HubHub" below) and CIC (see paragraph "Cambridge Innovation Center" below) are controlled by the Company through HB Reavis Strategic Innovation Investments S.à r.l., a venture capital organization investing into these types of investments.

Third-party debt providers of corporate financing (see "Corporate financing and other financial indebtedness") provide bonds and loans to the Group's special purpose financing companies through HB Reavis Corporate Finance SPV's, the proceeds of which are used to fund the Group's operations.

6.12 Personal, asset and organizational relations between:

- (a) *The Suretyship Provider and persons on the Suretyship Provider's managing and supervising authorities*

There is no relation between persons on Issuer's managing and supervising authorities and Suretyship Provider.

- (b) *The Suretyship Provider or persons on the Suretyship Provider's managing and supervising authorities and the Suretyship Provider's significant shareholders or partners*

Mr. Ivan Chrenko, Chairman of the Suretyship Provider's Management Board and Director B, is the ultimate beneficiary owner of the Suretyship Provider.

Other than ownership of the Suretyship Provider, there are no personal, asset and organizational relations between Suretyship Provider's significant shareholders and Suretyship Provider or persons on the Suretyship Provider's managing and supervising authorities.

- (c) *The Suretyship Provider or persons on the Suretyship Provider's managing and supervising authorities or the Suretyship Provider's significant shareholders or partners and the authorised adviser (or persons on the authorised adviser's managing and supervising authorities)*

Mr. Ivan Chrenko, Chairman of the Suretyship Provider's Management Board and Director B is the ultimate beneficiary owner of the Suretyship Provider.

6.13 Basic information about the main products, goods or services, together with their value and quantity and share of each group of products, goods and services, or, if essential, individual products, goods and services in total sales of the group and the issuer, broken down to business segments

History of the Suretyship Provider and the Group

The Group was founded in 1993 in Bratislava, Slovakia, originally as a real estate agency. The founders identified a lack of modern office stock in Bratislava and were involved in the development of the city's first modern office business centre in 1997 (Bratislava Business Center I-II (BBC I-II)). In 2000, the founders of the Group were involved in completing Slovakia's first real estate institutional investment transaction when the Group sold BBC I-II to CA Immobilien Anlagen AG (currently CA Immo), an Austrian based real estate company.

Since the completion of BBC I-II to the date of this Information Document, the Group has developed 15 other office buildings in Bratislava, totalling together with BBC I-II, more than 425,500 square metres (or "sq. m.") of office GLA. Management believes that the development of these properties has played an important role in transforming the former industrial zone around Prievozska, Mlynske Nivy

and Karadzicova streets into Bratislava's largest CBD. The CBD office complex also enjoys the benefits of its proximity to Bratislava's historical city centre.

The Group has also created the successful shopping centre brand "Aupark". Since the first Aupark shopping centre was completed in Bratislava in 2001, the concept has expanded with the completion of three other shopping centres in Slovak regional cities (Piestany, Zilina, Kosice), which are all among the top shopping centres based on footfall and turnover in their respective regions. In 2016, the Aupark concept was expanded into the Czech Republic with the construction of the modern Aupark Shopping Centre in the regional city of Hradec Kralove.

In the past, the Group also developed several logistics centres in Slovakia and in the Czech Republic, however by 2017, it sold all its logistics assets to institutional investors as part of an active decision to exit the market and to focus its activities on offices.

Recognising that ongoing sustainable growth would require a greater scope of activity than was being offered in its home market of Slovakia, since 2006 the Group has pursued international expansion as a key part of its overall strategy. The Group has progressively established a strong presence in new markets, including the Czech Republic and Hungary since 2007, Poland since 2008, the United Kingdom since 2013 and Germany since 2017.

As at the date of this Information Document, the Group had completed over 606,000 sq. m. of GLA in commercial properties outside Slovakia, specifically in Poland (over 327,000 sq. m. of offices in Warsaw), in the Czech Republic (over 160,000 sq. m. in office, retail and logistics segments), in the United Kingdom (almost 36,000 sq. m. of offices in London) and in Hungary (83,000 sq. m. of offices in Budapest).

Key milestones in the history of the Group:

1993	• Foundation of the Group as a real estate agency
1997	• Completion of the Group's first commercial development-the office building Bratislava Business Centre I-II, the first modern office building in Bratislava
2000	• Sale of the Bratislava Business Centre I-II office building to CA Immobilien Anlagen AG (currently CA Immo) – the first institutional real estate transaction in Slovakia
2001	• Opening of the first retail project of the Group-Aupark Shopping Centre Bratislava, the best performing (based on footfall and turnovers) shopping centre in Slovakia
2006	• Sale of a 50% stake in Aupark Shopping Centre Bratislava to Rodamco (currently Unibail-Rodamco); this was an important capital injection for the international expansion of the Group
2007	• Entry of the Group in the international market – opening of offices in Prague and Budapest • Net asset value (NAV) of the Group surpassing EUR 500 million
2008	• Opening of office in Warsaw
2010	• Completion of the first real estate project outside Slovakia (Lovosice Logistics Centre, Czech Republic) • Acquisition of the first projects in Prague (River Garden I) and Warsaw (Konstruktorska Business Centre) • Introduction of a group-wide environmental certification in accordance with the BREEAM standard for all future projects
2011	• Launch of the first real estate fund HB Reavis CE REIF (registered in Luxembourg) with the seed capital consisting of five assets originally held by the Group
2012	• Completion of the first office project in Prague (River Garden Office I) • Acquisition and development of the first project in Hungary (Váci Corner Offices)
2013	• Completion of the first office project in Warsaw (Konstruktorska Business Centre)

	<ul style="list-style-type: none"> • Opening of office in London • Acquisition of the first project in London (33 Central) • Entry to the capital markets with an inaugural bond issue in Poland amounting to a total of PLN 111 million (EUR 26.5 million)
2014	<ul style="list-style-type: none"> • The first bond issue in Slovakia of EUR 30 million
2015	<ul style="list-style-type: none"> • Group's total assets amounted to more than EUR 2 billion and NAV amounted to more than EUR 1.1 billion
2016	<ul style="list-style-type: none"> • The PropertyEU Magazine ranks the Group as the third largest office developer in Europe based on the total area of completed office space delivered in years 2013 - 2015 • The first bond issue in Czech Republic of EUR 46.3 million • The execution of the agreement on the future divestment of the office project 33 Central in London with American bank Wells Fargo – the Group's first divestment in the London market and the first building of the Group divested before its completion • Launch of the development of flagship projects of the Group in Budapest (Agora) and Warsaw (Varso place) • Own in-house product design team was built and the workspace solution service Origameo and the co-working scheme HubHub were created • The Group divested 13 projects from its portfolio (including three projects owned by the HB Reavis CE REIF) with a value of approximately EUR 1 billion
2017	<ul style="list-style-type: none"> • Launch of the development of multifunctional complex Nivy Station – the HB Reavis flagship project in Bratislava • Opening of office in Berlin • Acquisition of the Group's fourth project in London-the Elizabeth House office building (also known as One Waterloo) in London's South Bank, which is the largest acquisition (by purchase price) to date in the history of the Group • All new initiatives of the Group related to workspace services (including HubHub and Origameo) were grouped under the new WaaS business line and became an integrated part of the Group's business model • Completion and settlement of the 33 Central project divestment in London with Wells Fargo • Completion of strategic exit from logistic sector with completion of divestment Logistic Center Lovosice
2018	<ul style="list-style-type: none"> • Acquisition of the first two office projects in Germany (in Berlin and in Dresden) • Announcement of strategic partnership with CIC, a US based real estate company which builds and operates innovation campuses • The Group divested 4 projects from its portfolio with a value of approximately €400 million including its second completed project in London, Cooper & Southwark
2019	<ul style="list-style-type: none"> • With respect to strategic decision to focus on large schemes, the Group's announced a strategic divestment of all of its stand-alone Prague assets • The Group completed divestment of West Station I and West Station II in Warsaw, a JV projects together with Polish PKP and two projects in Bratislava; Twin City C and Twin City Tower • HB Reavis acquired a new development site in Shoreditch to further increase its pipeline and commitment to the UK market.
2020 <i>(up to the date of the Information Document)</i>	<ul style="list-style-type: none"> • The Group has completed divestment of 3 projects from its portfolio. Twin City B was sold to HB Reavis CE REIF, 20 Farringdon Street to the hands of private investor and Postepu 14 was sold to CA Immobilien Anlagen AG • HB Reavis completed 5 projects (Nivy Tower, Varso 1, Varso 2, Agora Tower, Agora Hub) despite government implemented lockdowns caused by worldwide pandemic related to the spread of virus COVID 19

Strategy and business strengths of the Group

Strategy

The strategy of Group is based mainly on three components being (i) core business strategy, (ii) building an attractive and sustainable pipeline and (iii) its financial framework, which are described in further detail below.

Core Business Strategy

The Group is one of the few fully integrated real estate developers in Europe, focusing primarily on the office segment. Its integrated business model covers all phases of the real estate development process – from property selection and acquisition, through the planning and permitting process, in-house product concept and product design, construction management and project commercialisation via its own general contractor and leasing team, up to asset and facility management of completed projects and their eventual divestment.

In recent years, workspace habits of tenants in the office segment have changed significantly. People require flexibility of when and where they work, more support in terms of agile collaboration, technological advancements, innovation communities, diverse offering of services which help them to solve everyday issues and events programmes that enhance their lives.

As a reaction to the changing workspace environment, the Group decided to continually improve its integrated business model through the set of strategic external and internal initiatives and made certain adjustments to its business strategy, namely (i) shift of focus from B2B approach to B2U (*business-to-user*) approach, (ii) enhance focus on large-scale business hubs, and (iii) shift from being only a real estate developer to becoming a real estate developer and operator (services provider). The Group believes that by shifting its focus to developing and operating large-scale schemes (with GLA of 100,000 sq. m. or more) with the ability to offer a wide range of leasing arrangements (from traditional long-term leases to flexible and shared spaces up to start-ups and innovation communities) and complemented by active asset and facility management, it can provide the flexibility and the service mix its clients need not only in an efficient way, but with authentic and effective business and social synergies.

Building an attractive and sustainable pipeline

The Group operates a complex business model which is difficult and costly for initial set up in any new geographic market. Therefore, the Group's preference is to operate as a long-term investor in the markets in which it invests. Once the Group has invested in a new market, it typically aims to create a robust pipeline of projects to be able to capitalise on the internal know-how and competitive advantage of its integrated business model with a long-term perspective.

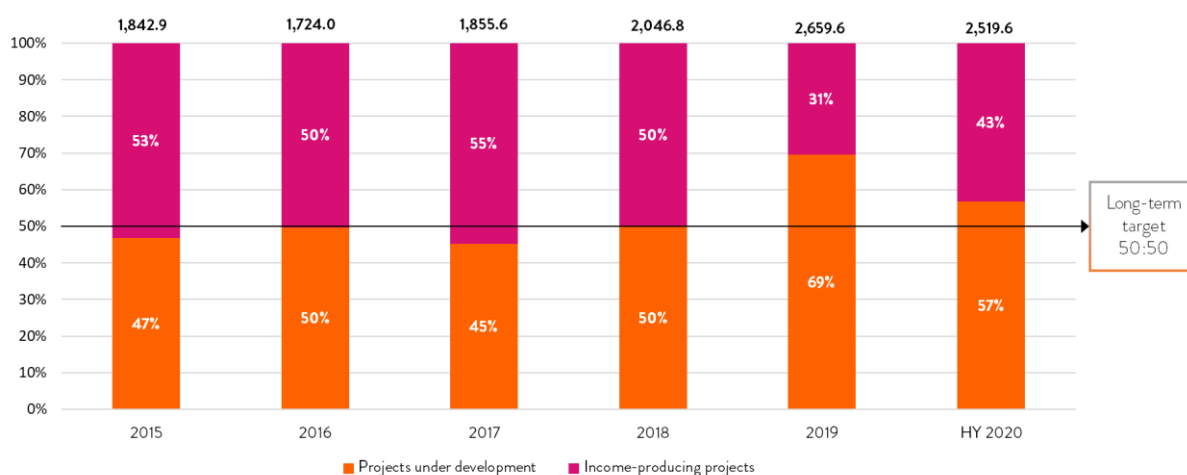
In the Central Europe region the Group focuses on building up its office project pipeline in strategically selected business districts to maintain the Group's offering of high-quality workspace developments, to develop products that are distinct from its competitors and to secure projects in the earlier phases of the development chain in order to maximise value. Acquisitions of retail projects are carried out on an opportunistic basis.

The Group entered the German market in 2017 with acquisitions of first two projects already in 2018. In the long-term horizon, the Group is looking for potential entry into new markets which may include the capitals of Austria, France, the Netherlands and the Republic of Ireland.

Financial framework

From a long-term perspective, the Group is targeting a 50:50 ratio between projects under development

(projects in preparation and projects under construction) and income-producing projects (completed and leased projects) which the Group believes, provides the right balance on the risk/return curve. Since the Group plans to rotate out its remaining mature income-producing assets, there may be a temporary overrun in the share assigned to projects under development. The following chart illustrates the development of the ratios between assets of projects under development and income-producing projects from 2015 to 30 June 2020 based on their fair market value (Development properties includes projects under developments and in pipeline, income-producing projects under projects that are classified as venture investment property in use or):



Note: Values in the table in millions of EUR.

Strict financial policy

The Group has a robust financial policy in place. Conservative debt leverage targets (compared to other competitors in real estate segment), reasonable dividend policy, optimal cash reserve, and active hedging policy – all allows the Group to find right balance between risk and return while still providing enough room to seize interesting investment opportunities.

Furthermore, the Group has a robust financial policy in place which forms some of the Group's key financial measures, namely:

- (a) Target level of leverage:
 - (i) Gross debt leverage ratio of 40% (being the optimal level) but no more than 45% (as maximum level); and
 - (ii) Net debt leverage ratio at 35% (optimal level) but no more than 40% (maximum level) with an appropriate mix of non-recourse project debt and Group level debt.
- (b) Target debt maturity:
 - (i) Initial maturity of project loan financing and issued bonds to be commensurate with the length of Group's product development cycle.
- (c) Dividend policy:

- (i) Annual dividend pay-out of up to 4% of the Group's Net asset value.
- (d) Optimal cash reserve:
 - (i) cash reserve target at a minimum of 5% of the Group's balance sheet with additional reserve build-up profile to cover future debt-bullet repayments.
- (e) Active hedging policy:
 - (i) careful risk management aimed primarily at mitigating foreign exchange and interest rate risks associated with macroeconomic or property cycles, in particular
 - (A) foreign exchange risk hedging for all known and estimated exposure 12 months forward; and
 - (B) interest rate hedging via fixed, embedded or active hedging covering from 50% to 100% of the Group's total external debt exposure.

Business Strengths

The Group's principal business strengths include:

Integrated business model

The Group operates a fully vertically integrated business model, with distinctive in-house capabilities that increase the Group's operational efficiency and allow for a flexible and scalable platform. Unlike conventional office developers, the Company controls every step of the development value creation chain, from research and acquisition, to product design, procurement, construction management, leasing, asset management and investment management. As at 31 August 2020, the Group had 730 employees, comprising seasonal industry professionals with talents from various sectors, with the aim of driving innovation and disruption across its operational platforms. In order to achieve optimal utilisation of its integrated business platform, the Group requires a steady inflow of new projects at the various stages of development.

Having control over every development stage provides the Group substantial development flexibility, with some cost implications. Hence, the Group is able to adapt to tenant preferences throughout the development phase, providing it with a clear competitive advantage over traditional developers. The operation of local leasing and acquisition teams, combined with trendsetting knowhow of workplace requirements, ensures that the Group has a strong knowledge of the local markets and the local tenants' needs and preferences.

The high quality of its developments and user-focused designs have supported the Group in attracting a broad range of blue chip tenants for its buildings. BMW, GE, Heineken, Procter & Gamble, BNP Paribas and KPMG are a handful of examples that have been long-term (i.e. for eight or more years) tenants of the Group and have moved with the Group across locations.

Innovative and value-additive WaaS platform underpinned by smart technology and analytical tools

The Group's innovative product offering differentiates it from traditional real estate competitors. In line with its user-centric approach, the Group has developed a unique WaaS business line focused on enhancing user experience and productivity that creates significant value for its tenants. and landlords. The Company's in-house WaaS platform consists of six pillars that are uniquely integrated and aimed at enhancing user satisfaction and tenant retention which are: HubHub, Qubes, Symbiosy, Origameo, More and Set which are described in more detail WaaS.

The Group believes that increased user satisfaction, and hence productivity, resulting from the use of elements of the WaaS platform helps build tenants' loyalty, and attracts both rental and valuation premiums in WaaS-enabled projects.

Strong office product design know-how and experienced team

The Group currently employs 730 professionals and although this figure seems relatively high compared to other real estate developers of a similar scale of operations, such number of professionals is necessary for running a complex integrated business model like the Group does. To have skilled and experienced internal teams for every stage of the development process, the Group cumulates important professional know-how which allows it to fully control and, if needed, flexibly adjust each phase of the development process.

In line with the Group's aim to set trends in office space solutions, a great emphasis is placed on its own product design, research and development. The number of employees of the Group working in its internal Product design and Workspace advisory teams, that infuses client experience and technical innovations into the Group's products, is considerably above the real estate sector average.

Proven ability to replicate full development cycle completion

On every market, where the Group actively operates (except for recently entered German market), the Group successfully completed the full project development cycle (from project acquisition through its completion up to its divestment) and prove its ability to find, deliver and sell the product the market is interested in.

Strong financial track record and credibility with banks and investors

During its 27-year history, the Group has co-operated with more than 20 banking groups (while financing its development activities) and has divested its completed projects to more than 20 different institutional investors. The professional and long-term relationship with business partners, including financing institutions and investors, is the crucial parameter to be successful in the business and the Group's track record proves so.

Diversification across markets and locations

As at date of this Information Document, the Group actively operates in six countries. The combination of Central European markets (Slovakia, Czech Republic, Poland and Hungary) and Western European markets (the United Kingdom, Germany) provides favourable geographical diversification of the Group's activity while maintaining the right balance in risk, return and liquidity of the Group's project portfolio.

Scope of business

The Suretyship Provider is the top holding company of the Group. Therefore, the Suretyship Provider mainly owns, manages and finances its subsidiaries; however, it does not conduct any significant business activities.

Introduction to the Group

Founded in 1993 in Slovakia, the Group is currently one of Europe's largest office real estate developers by GLA and as at release of the Information Document, the Group has developed 951,000 sq. m. of office GLA since its founding. As at the date of this Information Document, the Group has developed 44 projects in office, retail and logistics property segments totalling more than 1.2 million sq. m. of GLA. As at release of the Information Document, the Group had additional projects in pipeline totalling more than 1.1 million sq. m. of planned GLA, with an estimated GDV of EUR 6-8

billion, out of which six schemes are currently under construction, with planned GLA totalling almost 312,600 sq. m. and with estimated GDV of EUR 1.8 billion (planned GLA and estimated GDV are subject to successful permitting process, project completion and its commercialisation; estimated GDV is also based on actual market conditions). The Group is focused primarily on the development of office projects, with retail development opportunities considered on opportunistic basis.

The Group is one of the few fully integrated real estate developers in Europe with a specialised team of 730 professionals managing and executing various aspects of creating commercial real estate solutions, including property selection and acquisition, in-house product development and design, construction management, project commercialisation and asset management, all the way to the delivery of client experience focused spaces and services which seek to enhance the productivity and well-being of their users.

The success of the Group, an international provider of workspace, in the field of development quality and sustainability has been recognized internationally by several awards. In 2020, the Group defended its first place in Europe in the "Volume of planned construction" ranking, which is regularly published by Property EU. The stability of the strategy is confirmed by a total of eight awards, which the Group won from this year's Euromoney Real Estate Survey, where it collected awards in four European and four Slovak categories. "Overall absolute winner", "Mix development", "Office development", and also in the category "Development of shopping centers". It is also worth mentioning the victory in the "Office of the Year" competition, regularly organized by CBRE, where the Group won with its new headquarters in Slovakia. In London, the new offices of the UK branch won the "Award Winner Office Interior London" from the International Property Award, the "Golden Award" from the Novum Design Awards and the "Silver Awards" in the category of interior design from the Design Awards. The Polish Forest project scored in the "Office Development" category, which is regularly organized by Kompas Inwestycji. In Poland, the Group also received the "Technology Market Leader" award from Executive Club Infrastructure & Construction Diamonds 2020.

In 2019, the Group won the CBRE "ASB Developer of the Year" award in Slovakia, defending its leadership position in the London market in the "Award Winner Office Interior London", "Golden Award" and "Silver Awards". The year 2018 was marked by a victory in the category "Developer of the Year" in Slovakia from ASB magazine, the award "The Best Coworking Space - HubHub Warsaw" by CBRE. The Aupark Hradec Králové shopping and entertainment center received the "Shopping Center of the Year" award from Europa Property. The Group's first London project 33 Central won the "Project of the Year" category, organized by the Graphisoft UK Awards. The Group has adopted BREEAM certification for its projects, the main method of assessing, evaluating and certifying the sustainability of buildings in the world, which since 2010 has become the standard for all projects of the Group in the preparation and development phase. In 2017, the Group tightened its building standards even further and became a pioneer in the field of WELL certification in Central and Eastern Europe by starting to use WELL building standards for selected Slovak, Czech and Polish office projects. The WELL certificate is the first building standard aimed at improving people's health and overall well-being through an innovative approach to the design, construction and operation of commercial buildings.

Description of the Group's business activities and operations

Integrated business model

The Group's integrated business model covers all phases of the real estate development process – from property selection and acquisition, through planning and permitting process, in-house product concept and product design, construction management and project commercialisation via its own general contractor and leasing team, up to the asset and facility management of completed projects and their eventual divestment. The strategic shift of the Group from the client centric model towards the user centric model, which is covered by the WaaS business line, is also embedded within the integrated

business model. The Group is successfully rolling out this business model to all markets where it is active.

The Group's integrated business model is made up of its core business lines and non-core (supporting) business lines, as shown in the following table:

Core Business Lines	Real Estate Development and Investment	<ul style="list-style-type: none"> • Acquisitions • Product development • Concept design • Asset & Facility Management • Leasing • Permitting • Construction management • Divestment
	WaaS	<ul style="list-style-type: none"> • HubHub • Qubes • Symbiosy • Origameo • SET • More
	Investment management	<ul style="list-style-type: none"> • Fundraising from third-party investors • Real estate fund management • Project divestment
Non-Core (Supporting) Business Lines	Shared services	<ul style="list-style-type: none"> • Finance • Accounting and controlling • Marketing & PR • IT • Legal and tax services / Compliance • Human resources

The Group believes that the integrated business model, the combination of real estate development and WaaS together with initiatives deepening the Group's capabilities in the delivery of differentiating product design, disciplined construction cost management and offering unique solutions for its clients provides the Group with competitive advantages that make it a trendsetter with respect to workspace solutions and one of the leaders in the European commercial real estate market (with a strong focus on the office segment).

Description of Selected Business Lines and Services

Real estate development

Real estate development includes all activities connected with each individual real estate project, starting from land acquisition through the product concept and product design phases, the permitting process, the construction phase, leasing management, property asset and facility management, and project financing up to the eventual divestment of the project.

Acquisitions

The Group constantly monitors investment opportunities in every market it actively operates in, and pre-selected investments are carefully analysed. The Group runs a strict due diligence process and detailed feasibility evaluation before any project acquisition to identify and mitigate potential risks which could occur in the later stages of project development. If the outputs from internal due diligence and feasibility assessments are satisfactory and the new acquisition is approved by the Executive Management Team, the Group may choose to enter into an acquisition process (which could be in the

form of a public tender or bilateral negotiation) with the aim of acquiring the selected property (existing buildings or plots) from the seller under commercially acceptable terms.

The Group operates a complex business model which involves significant expenditure in the initial phases of an investment. Its preference is to invest in its chosen markets on a long-term basis and, therefore, every new market which it considers entering is carefully analysed prior to any investments being made. Once the Group has invested in a new market, it aims to create a robust pipeline of projects to be able to capitalise on the internal know-how and competitive advantage of its integrated business model from a long term perspective.

Product development, concept design and permits process

Uncompleted projects which are owned by the Group are categorised based on their stage of development into “projects in preparation” and “projects under construction”.

“Projects in preparation” are those which have not yet received a building permit. The Group’s main development activities with respect to such projects include activities in relation to permitting, concept and design works including feasibility assessments of various alternatives, determination and finalization of the project budget, and preparation of the project for the commencement of the construction. After obtaining a final, valid and effective building permit, each such project is reclassified as a “project under construction” and its construction can then be launched. The tables with projects in preparation and projects under construction could be found in the section “Portfolio overview” below.

In line with the Group’s aim to set trends in office space solutions, a great emphasis is placed on product development, and concept design activities. As at 30 June 2020, the Group employed more than 100 professionals (15% of total employees) in its dedicated product design and workspace planning and advisory team, infusing client experience and technical innovations into the Group’s products and supporting the Group’s transformation from a fully integrated but “standard” real estate developer into a WaaS provider. However, the Group does not rely solely on its internal know-how, but also brings international expertise in its projects through co-operation with highly acclaimed architectural studios such as Benoy, Foster+Partners, Make Architects, John Robertson Architects or Allford Hall Monaghan Morris architects for some of its recent flagship and landmark projects.

As a developer, the Group is able to design properties to be developed with such parameters that are capable for operating various WaaS elements.

Construction Management

The construction of a project encompasses all activities required for a successful completion of a construction – from the construction procurement, contracting and management of subcontractors and related logistics, through on site management to technical supervision ensuring that cost, quality and time schedules are under control and constantly verified against the original feasibility. The construction phase of the project is finalised with its completion and after obtaining an occupancy permit or a similar decision allowing for the legal use of the project. However, certain construction activities may continue to be carried out even after an occupancy permit has been obtained – this includes construction works related to fitting out of tenants’ premises which are generally performed after the lease agreements relating to such property have been executed with lessees but prior to their occupancy. The Group typically commences the construction of the majority of its projects without any significant pre-lease in place. Therefore, in parallel with development and construction activities, the “leasing up” campaign of the project is undertaken and the Group enters into contracts with future tenants.

The Group’s in-house general contractor engages a variety of suppliers for project design and construction who act as contractors and subcontractors. The general contractor, an entity owned by the

Group, arranges and delivers construction of the project through a construction contract with the project SPV. Contractors are third-party suppliers with a direct contractual relationship to the general contractor, while subcontractors are third-party suppliers working on project delivery, but without a direct contractual relationship to the general contractor.

As a real estate developer, the Group does not own any construction hardware (such as construction machines, cranes, etc.) and does not employ construction workers itself. The Group does, however, have its own in-house general contractor in every market where it actively operates, supported by strong local internal procurement teams. This allows the Group to achieve cost-efficient construction without compromising on quality and to both tender and supervise contractors and subcontractors. The Group also benefits from positive long-term relationships with several subcontractors that have repeatedly proven to be reliable and flexible in delivering high-quality supplies and product output. Such strong partnerships are especially vital for items with high price impact and high supply risk. As a result, the Group has significant flexibility to adjust project parameters to tenants' needs and requirements, even after the commencement of project construction (which would be very costly or potentially impossible with third party general contractors).

Additionally, the Group integrates its procurement and construction management structures to allow the design and procurement aspects of construction to run smoothly. The Group believes that this provides it with a competitive advantage by shortening its delivery phase. Furthermore, the Group aims to achieve full control of the value chain in its construction activity so as to allow it to increase its value proposition to clients and deliver strong financial outcomes.

Leasing

The Group employs experienced internal leasing teams which operate locally and are composed of leasing professionals with knowledge of their respective markets in each of the countries in which the Group is active. The internal leasing teams, coordinated Group-wide and from time to time supported by external leasing agents, cover all leasing activities, from the initial product offering to prospective tenants and the securing of initial tenants for the building, through active management of remaining terms of currently signed lease agreements through to rent renewals or re lettings. The Group's core activities in this regard are, on the one hand, finding appropriate tenants for assets under construction or under the Group's asset management and, on the other, aligning the design preferences of future tenants with the ongoing project design. During the negotiations with prospective tenants, the Group may offer or may be required to offer various lease incentives to tenants, such as void periods (periods during which the tenant does not have to pay rent to the landlord, reduction in rent (e.g. step rents where the tenant pays reduced rent at the beginning of the rent period and the rent gradually increases during the lease term up to the full amount) or special capital expenditure programmes (in which the landlord may contribute to the tenant's expenses regarding fit-out works or may offer the respective tenant a higher standard of premises than the basic standard offered in the building). The form and amount of offered incentives depends on the size and importance of the tenant for the respective project and the competitive situation of the market in which the project is located. The leasing team, in cooperation with other internal teams such as construction, controlling and finance, aims to find and maintain an economical balance between client requirements (both from the quality and cost point of view) and the Group's financial expectations. The leasing phase coincides to various extents with the acquisition, business planning, construction and asset management phases of development.

In 2019, the Group signed leasing contracts for approximately 144,000 sq. m. of GLA (including leases managed for the HB Reavis CE REIF fund) and leasing activities were primarily undertaken in Slovakia (representing 42% of the total area leased by the Group in 2019), Hungary (representing 24% of the total area leased by the Group in 2019), Poland (representing 22% of the total area leased by the Group in 2019) and Germany (representing 11% of the total area leased by the Group in 2019). Despite the significant implications of Covid-19 pandemic, the Group has managed to lease 16,600 sq. m. of GLA within the first six month of the year 2020.

Property Asset and Facility Management

Another relevant aspect of the Group's real estate activity is asset management, which is an active management of completed, income-producing assets that are held (or controlled) by the Group or third parties. These activities require frequent contact with tenants in order to ensure their stay in the building meets their expectations, extension of maturing lease contracts, searching for new tenants, as well as invoicing, rent collection, building specific property management and technical maintenance of the building.

In addition, in 2017 the Group introduced new initiatives for active asset management "More", which is covered by its WaaS business line and described in detail in "Workspace as a Service - WaaS" below.

The Group's strategy regarding asset management is to achieve and maintain a balanced share of investment property and assets under development for long-term retention. The Group seeks to achieve this balance through the active divestment of its matured assets, as well as maintaining assets at top commercial and operational levels so that they can be in the best condition possible when divestment opportunities arise.

As part of its diagnostic tools, the Group aims to seek feedback from users of its buildings through regular, focused interviews with end-users in the project area, resulting in the Group's Net Promoter Score which measures user satisfaction. Identified areas for improvement are then further analysed with the aim of selective implementation into the Group's existing or future projects.

As at 30 June 2020, the Group owned and managed 9 projects with a total GLA of approximately 254,200 sq. m. The table of Group's income-producing portfolio can be found in the section "Portfolio overview" below. In addition to projects referred to as income-producing, the Group also manages four projects owned by HB Reavis CE REIF (listed in "Investment Management" below) with a total GLA of approximately 109,200 sq. m. that are not consolidated on the Group's balance sheet.

Divestment

Generally, the Group acquires and develops individual projects without specific plans to divest them immediately after completion. Financial and legal structures are, therefore, designed for long term holding nature. Nevertheless, in line with its long-term strategy of maintaining a 50:50 share between projects under development and income-producing projects, the Group has retained only part of the completed projects in its portfolio, while the rest of the completed projects have been divested to third-party investors after their completion and commercialisation. As at 30 June 2020, the Group has successfully sold 35 out of 38 projects to institutional investors (including eight projects which were sold to HB Reavis CE REIF) with an aggregate sale price amounting to more than €3.2 billion. The Group's balance between divestment and investment allows for efficient capital recycling as revenue generated from divestment and operations is channelled into further pipeline additions.

The Group divestment programme is run by an experienced internal team of divestment managers and lawyers in cooperation with external agents and advisors. Divestment processes are often initiated by the Group management taking into consideration Group cash flow and current conditions on the market. In such cases, the divestment team organizes competitive tenders or approaches pre-selected investors that may be interested in a specific project. Some transactions are also initiated on the basis of an unsolicited offer from the potential buyer that are considered and executed if approved by the board of directors. Special divestment structures, including forward sales, are less common in Central Europe, but can be considered by the Group on the markets where it operates. With the intention to increase the importance of WaaS expansion, the Group is exploring structures that lead to partial divestment of the property, while still keeping control and management of the asset. Such structures would allow the Group to increase property value even after the partial divestment, driven by rental

uplift above market level and driven by implementation of WaaS components. In order to capture the increased value of the property, the Group intends to introduce an earn-out scheme for the remaining part of the stake in the asset, and as a result fully capitalize on the investment property's maximum potential.

Over its 27-year history, the Group has delivered 38 projects covering various segments (office projects, shopping centres, logistics complexes) with a total area of more than 1.0 million sq. m. of GLA in five different countries (Slovakia, Czech Republic, Poland, Hungary and the United Kingdom).

The following table illustrates the Group's track record in divestment of its projects to institutional investors (as at 30 June 2020):

Project	Segment	Location	Completion	Investor (Divestment Date)	GLA (thsd. sq m)
Bratislava Business Center I-II	office	Bratislava, Slovak Republic	1997	CA Immobilien Anlagen AG (2000)	13.5
Bratislava Business Center III-IV	office	Bratislava, Slovak Republic	1999	B.S.R. Group (2000)	20
Aupark Bratislava Shopping Center	retail	Bratislava, Slovak Republic	2001 (extension 2007)	Unibail-Rodamco (2006/2011)	58
Apollo Business Center I	office	Bratislava, Slovak Republic	2005	Hannover Leasing (2006)	44
City Business Center I-II	office	Bratislava, Slovak Republic	2006	HB Reavis CE REIF (2011)	39
Logistics Center Svaty Jur	logistics	Svaty Jur, Slovak Republic	2007	HB Reavis CE REIF (2011)	31.5
Aupark Tower Bratislava	office	Bratislava, Slovak Republic	2008	Heitman Central Europe Property Partners IV (2011)	32.5
UNI-CC	office	Bratislava, Slovak Republic	2009	HB Reavis CE REIF (2011)	3.8
Logistics Center Maly Saris	logistics	Maly Saris, Slovak Republic	2009	HB Reavis CE REIF (2011)	16.5
Aupark Piest'any Shopping Center	retail	Piestany, Slovak Republic	2010	HB Reavis CE REIF (2011)	10.5
Apollo Business Center II (F/G/H blocks)	office	Bratislava, Slovak Republic	2009	Generali Group (2013)	32
Aupark Zilina Shopping Center	retail	Zilina, Slovak Republic	2010	NEPI Rockcastle (2013)	25.5
City Business Center III-V	office	Bratislava, Slovak Republic	2011	Tatra Asset Management (2014)	25.5
River Garden Office I	office	Prague, Czech Republic	2012	IAD Investments (2014)	19.2
Aupark Kosice Shopping Center	retail	Kosice, Slovak Republic	2011	NEPI Rockcastle (2015)	33.5
Forum Business Center I	office	Bratislava, Slovak Republic	2013	REICO (2015)	19
Aupark Tower Kosice	office	Kosice, Slovak Republic	2012	NEPI Rockcastle (2015)	13
Air Cargo Ostrava – Mosnov	logistics	Mosnov, Czech Republic	2011	Macquarie Group (2016)	14.5
Konstruktorska BC	office	Warsaw, Poland	2013	Golden Star Estate (2016)	49.4
Vaci Corner Offices	office	Budapest, Hungary	2014	Zeus Capital Management (2016)	21.6
Gdanski Business Center I – A	office	Warsaw, Poland	2014	Savills Investment Management (2016)	31.8
Gdanski Business Center I – B	office	Warsaw, Poland	2014	Savills Investment Management (2016)	15.9
River Garden Office II-II	office	Prague, Czech Republic	2014	Aviva Investors (2016)	25.8
Logistics Center Raca	logistics	Bratislava - Raca, Slovak Republic	2005 (extension 2007)	Macquarie Group (2016)	69.5
Twin City A	office	Bratislava, Slovak Republic	2015	IAD Investments (2016)	16.5
Aupark Hradec Kralove	retail	Hradec Kralove, Czech Republic	2016	HB Reavis CE REIF (2016)	22.7

Project	Segment	Location	Completion	Investor (Divestment Date)	GLA (thsd. sq m)
33 Central	office	London, United Kingdom	2017	Wells Fargo (2016)	21.1
Logistics Center Lovosice	logistics	Lovosice, Czech Republic	2010	P3 (2017)	43.5
Metronom	office	Prague, Czech Republic	2015	REICO (2018)	34.1
Cooper & Southwark	office	London, United Kingdom	2018	Overseas private investor (2018)	7.2
Gdanski Business Center I – C	office	Warsaw, Poland	2015	Savills Investment Management (2018)	22.7
Gdanski Business Center I – D	office	Warsaw, Poland	2016	Savills Investment Management (2018)	29.8
West Station I	office	Warsaw, Poland	2016	Mapletree Investments (2019)	30.8
West Station II	office	Warsaw, Poland	2017	Mapletree Investments (2019)	38.0
Twin City C	office	Bratislava, Slovak Republic	2016	HB Reavis CE REIF (2019)	23.7
Twin City Tower	office	Bratislava, Slovak Republic	2018	AIP Asset Management (2019)	34.6
Twin City B	office	Bratislava, Slovak Republic	2016	HB Reavis CE REIF (2020)	23.5
20 Farringdon Street	office	London, United Kingdom	2018	Overseas private investor (2020)	7.9
Total					1021.6

Between 30 June 2020 and the date of this Information Document, the Group completed further divestment of Postepu 14 in Warsaw to an institutional investor CA Immobilien Anlagen AG.

Workspace as a Service - WaaS

The Group believes that the implementation of the WaaS business line in 2017, as a component of its integrated business model represents an important shift in the Group's strategy from a client-centric model towards a user-centric model while accelerating the Group's ability to become a trendsetter in workspace solutions. The initiatives discussed below are aimed at improving the experience and productivity of users and clients in the buildings owned and/or managed by the Group. With tenants generally achieving higher productivity and profitability through a greater focus on users, the Group believes that the demand for the Group's projects and the interest of tenants in the Group's buildings should increase. The WaaS business line consists of:

- (a) HubHub, the co-working platform;
- (b) Qubes: flexible leases – providing tenants with flexibility across time, space or services in the building.
- (c) Symbiosy: Technological platform integrating technological capacities into the building with focus on integration between end users and building and providing information about the usability of the workspace;
- (d) Origameo: providing consulting services and creating workspace solutions based on the collected information so that solutions would be tailored made to each tenant according to their respective needs;
- (e) More: Active asset management of the services provided in the business hubs of HB Reavis (sports, health or family related services such as concierge, child care, etc.), and community enhancing activities such as street food or services related to well-being education with the aim to boost end user satisfaction; and

- (f) SET: connecting academic research on elements influencing productivity and well-being with workplace user-centric design solutions.

HubHub

HubHub is an international co-working network of HB Reavis, through which the Group intends to service and connect education-focused non-governmental organizations, start-ups and fast-growing companies with students and universities, as well as traditional corporate clients at a single point and to create a knowledge based learning and entrepreneurial ecosystem.

The main components through which the HubHub platform aims to create talent ecosystems are (1) concentrating and connecting progressive companies and service providers in high-quality serviced offices, (2) offering quality education, including lectures, workshops and education programs on technology and business topics in cooperation with experienced entrepreneurs and sector experts and (3) building a community (by creating opportunities for collaboration and connecting its members with each other as well as with external partners to foster their growth).

HubHub offers space in fully serviced office premises on the basis of flexible monthly memberships. Companies or individuals can buy memberships based on the number of desks, either in the open space or closed offices. Members and third parties can also rent various meeting rooms and conference facilities. The advantages of membership for corporations include start-up scouting and talent sourcing through education programs and events, innovation programs for employees, and the opportunity for corporations to promote their tech capabilities to existing and potential customers. Corporations that have cooperated with HubHub include Tatrabanka, SAP, Mercedes-Benz, Unilever and T-Mobile.

In addition, HubHub is an organiser of the largest start-up competition and technology conference in Slovakia, FutureNow, which is striving to become one of the biggest tech events in Central Europe. This provides HubHub with the opportunity to become a vital part of the start-up and innovation community in the region and beyond. The Group has historically been focused on serving larger tenants on the basis of traditional lease arrangements. In addition to the Group offering its services to a wider group of clients, the HubHub service offering may also increase the attractiveness of the Group's properties for larger tenants as they are able to flexibly use the services of HubHub, including desks for remote workers, temporary workspaces for project teams or meeting rooms and event space for client meetings.

The Group plans to roll out HubHub selectively into certain development projects. HubHub is, however, not limited to the Group's development pipeline and the Group has in the past entered, and may in the future enter, into lease agreements with third-party landlords for new HubHub locations. The overview of HubHub locations that are already operated together with locations which are in the preparatory phase as at 30 June 2020 are shown in the following table:

Project	HB Reavis owned property	Location	Status	GLA (in thsd. sq m)
20 Farringdon	No	London, United Kingdom	Operating	3.2
Postepu 14	No	Warsaw, Poland	Operating	2.1
Na Prikope	No	Prague, Czech Republic	Operating	3.7
Twin City C	No	Bratislava, Slovakia	Operating	2.1
Palac ARA	No	Prague, Czech Republic	Operating	2.6
Kiraly 26	No	Budapest Hungary	Operating	2.4
Nowogrodzka	No	Warsaw, Poland	Operating	2.7
Nivy Tower	Yes	Bratislava, Slovakia	Operating	3.6
Total				22.4

As at 30 June 2020, HubHub had more than 1,500 members in its locations.

In addition to the rent the Group collects from HubHub-operated premises, the Group also believes that the flexibility and services provided by HubHub to its clients and the entrepreneurial and knowledge-based environment which HubHub creates for them may in the future have positive effects on the rental levels and sale value in the properties where HubHub has been implemented.

Qubes

Qubes is a new product of the Group which was launched at the end of 2018. It is intended to provide tenants with flexibility across time, space or services.

Time flexibility means that the length of a tenant's commitment is significantly shorter than traditional institutional leases, with potential for extension, although subject to the space availability in that project. The Group provides for contract durations starting at six months and can adapt lease durations to suit tenant planning.

Space flexibility means adaptable space ready to move in, combining private units and a variety of shared spaces to boost productivity and allow tenants to revise their space requirements at an agreed frequency, leading to sizing up or shrinking down the leased space. This is accomplished by complementing the combined shared and owned spaces with functional space plug-ins. These plug-ins are movable fit-out modules, such as coffee stands, private meeting cabins or mini reception areas. Modular spaces can furthermore be combined to form units and are interchangeable and adaptable. The Group aims to achieve an optimal ratio between private and shared space through a model of 70% private space and 30% shared space. Smart space planning, including with areas for both work and socializing, helps improve the well-being and efficiency of office users.

Services flexibility means that package of services provided within a lease arrangement can be viewed as a "menu" of services from which a tenant can choose, split into base package and add-ons. This flexibility allows tenants multiple options to suit their expansion such as "granular growth" within which a company is able to progressively increase its individual and/or shared space, or rent additional modules, such that its spatial needs expand with its business. The Group is also able to move tenants within the flexible office space system (a maximum of once per year) to allow for the tenant's or another tenant's growth, with the Group covering costs both if a tenant initiates a move or is compelled to move.

Flexible office space is expected to complement the offering of other commercial products of the Group and is aimed at contributing to value creation formula within the Group's properties.

Symbiosy

Symbiosy is a technological platform which transforms buildings from mere hardware (i.e. buildings providing only a space for work) to hardware infused with software inputs (i.e. buildings providing both workspace and intelligent interactions between users and their working environment).

A smart building aims to remove barriers and distractions, as well as to enable full control and understanding of both the space and employee workstyles. The Group's goal is to enable a symbiotic relationship between users and a building in order to improve the building's functionality towards enhancing the user experience and provide actionable insights for clients.

The Symbiosy platform uses big data analytics to both describe how a space works and suggest how the Group and its clients could optimise their spaces. It furthermore uses tools, including HVAC, light control and booking systems, which are integrated into a platform accessible by smart devices. These data-driven insights are intended to further improve key asset management capacities including building maintenance and improving the client experience.

In addition, the platform employs an indoor positioning system which, as one of the cornerstones of the Group's WaaS ecosystem, increases the detail of occupancy analyses and provides a wide array of managerial insights as well as valuable inputs for Origameo diagnostics and know-how. These include uncovering collaboration networks and/or individual work habits, which can be utilised in space design to drive user experience, well-being and productivity, as well as organizational growth. While typically occupancy analyses merely provide basic navigation insights and access experience data, along with simple tabular information and a manually controlled environment, indoor positioning technology allows real-time analyses of indoor navigation, tailored access experience data, advanced collaboration opportunities, and allows for personalized environmental insights.

Origameo

In 2016, the Group created its own in-house workspace advisory and workspace creation service under the brand name Origameo with the aim of providing comprehensive, tailored advisory services and office space solutions based on an understanding of clients' strategies, visions, challenges, workstyles, processes and cultures.

A multidisciplinary Origameo team consists of architects, designers, psychologists, sociologists, HR specialists and IT experts and operates as a consultancy unit when arranging new workspaces according to the clients' individual requests. As at 30 June 2020, the Origameo team consisted of 45 full-time employees.

The Origameo team aims to cover all activities to provide tenants with creative and smart office space solutions which helps them to increase productivity and stimulate the engagement and well being of their employees. Since its foundation to the date of this Information Document, the Origameo team has completed 14 client engagements in Slovakia, Poland, Czech Republic and Hungary, and counts among its partners eTravel, Innovatrics, BASF, Panalpina, ON Semiconductors and Citibank.

The methods with which the Group measures the impact of its Origameo service is through regular interviews with key stakeholders in the service offering, the Net Promoter Score, which measures user satisfaction, and the service's post-relocation survey.

More

In order to deliver value to tenants and users while contributing to its financial results, it is imperative for the Group to manage its projects after completion. As a result, the Group believes that there is significant rental uplift potential achievable through the active management of its portfolio.

More is a platform that supports a new level of active asset management for commercial real estate buildings. A combination of events and services provided by proactive asset managers aims to not only save clients' time but also aid in their employee retention efforts while increasing the attractiveness and value of the asset.

The aim of More is (1) increasing the wellbeing of the users of its building, (2) making the building a lively place during and after working hours, (3) extending tenant benefit systems, (4) promoting local community interaction and (5) complimenting leasing activities by serving as a competitive advantage over market peers.

During 2017, the Group launched a pilot version of More which includes concierge services, bike sharing, e-commerce points, seasonal/weekend markets and social/hobby events in three office projects in Bratislava developed by the Group, and sold to the Group's real estate fund, HB Reavis Real Estate Investment Fund (the "Fund") and one project in Warsaw, Postepu BC.

Once the More approach is successfully implemented within its own portfolio of projects, the Group's ambition is to provide such services for third-party landlords as well (from the position of active assets

manager) via earn-out arrangements which would allow the Group to participate in prospective project value increases.

SET

SET represents the Group's know-how platform for user centric design. The platform was structured around four goals targeted for the end user that are being implemented predominantly in design and planning stage. Four main goals are ultimately structured so that the users become healthier, more productive, more innovative and more responsible to the community and the environment. These goals are then achieved by various tools available that are carefully selected for each project in unique way.

The Group's user experience team compiles comprehensive research supporting the importance, effects, recommended standard and above-standard design guidelines for each of the Group's projects.

To measure outcomes, the Group uses internally sourced methodologies, including satisfaction surveys and workplace sensors to conduct pre- and post-occupancy measurements, along with client and/or third-party data, including sick leave prevalence and performance records. The Group believes that its approach to user well being and sustainable development is confirmed by the BREEAM and WELL certifications of its projects.

Cambridge Innovation Center - CIC

With its aim to create knowledge based, innovative and entrepreneurial ecosystems, on 15 March 2018, the Group announced another strategic step – it entered into a partnership with Cambridge Innovation Center, a US-origin shared service provider focusing on developing ecosystems that allow exceptional entrepreneurs to create new products and companies to focus on their businesses and faster growth. CIC builds “innovation communities” – campuses targeting start-ups, corporate innovation spin outs and venture capital funds and their workspaces, laboratories and specialised industry ‘hubs’ to attract key local innovators. CIC currently operates in nine sites, ten locations are in the United States (Cambridge (three), Boston, St. Louis (three), Providence, Philadelphia, and Miami), two are in Europe (Rotterdam, Netherlands and Warsaw, Poland), and one in Asia (Tokyo, Japan) with expansion plans in selected cities worldwide.

Through creation of innovation communities, CIC intensifies the demand of their clients “who want to be in”, thus sustainably beats the market rent growth substantially. The following chart illustrates rental growth of buildings where CIC operates its innovation workspaces at Kendall Square in Boston, the United States vs average market rent growth in Boston.

Investing approximately EUR 50 million, the Group acquired a significant non-controlling stake in CIC and has also taken a seat on CIC's board. In addition, CIC will lease approximately 30% of the space (13,500 sq. m.) in the Group's Varso II building in Warsaw.

Investment management

HB Reavis launched its investment management business in 2011 with the aim of creating a platform for third-party investors looking for exposure to real estate in Central Europe that leverages the Group's presence and track record in the region.

The Group's investment management business was started by the establishment of the Fund, which is an umbrella fund incorporated as a corporate partnership limited by shares (*société en commandite* par actions or S.C.A.) under the laws of Luxembourg. From the year 2017, the Fund is an open-ended fund in the form of SICAF and it is qualified as alternative investment fund according to laws of Luxembourg. The Fund's investment management functions were outsourced to a Luxembourg licensed external alternative investment manager Crestbridge Management Company S.A.

The general partner of the Fund is the Luxembourg-based company HB Reavis Investment Management S.à.r.l. where the general partner acts as the statutory body of the Fund and the Group exercises its control over the Fund through this entity. Although HB Reavis Investment Management is part of the Group, when exercising management control in sub-funds, it must take due consideration of the interests of all investors (and under no circumstance may it give priority to the interest of a single investor). As a result, the management of the Fund's sub-funds is strictly separate from the management of the Group.

The investors in the Fund's sub-funds are limited partners who have limited voting and control power, while the sub-fund is managed and controlled by the general partner, HB Reavis Investment Management. As at the date of this Information Document, two sub-funds were established within the Fund: (i) HB Reavis CE REIF and (ii) HB Reavis Global REIF.

The sub-fund HB Reavis CE REIF was launched in 2011 focusing on investments in A-class office and retail properties, and selectively in logistics assets in Central Europe. At its launch the Group transferred five real estate projects amounting to €168 million as an initial investment to HB Reavis CE REIF (where the shares subscribed by the Group were held by its subsidiary HBR Investors Ltd., which acts as investor (limited partner) in the two sub-funds). All these initial seed portfolio real estate projects (except for the UNI CC office building) were carried out within the development activities of the Group. The initial investment stake of HBR Investors was subsequently sold to third-party investors and the current stake of HBR Investors in HB Reavis CE REIF is below 5%. As a result of this, the assets managed by HB Reavis CE REIF, as well as its equity and liabilities, were not consolidated in the Group's consolidated financial statements.

The second sub-fund, HB Reavis Global REIF, was launched in 2015 and in 2016 acquired its first asset from the Group. The assets managed by HB Reavis Global REIF, as well as its equity and liabilities, are consolidated in the Group's consolidated financial statements.

In September 2016, the Group obtained a licence for the management of alternative investment funds from the National Bank of Slovakia for its Slovak management company HB Reavis IM SK. The licence allows HB Reavis IM SK to manage alternative investment funds across the EU on a cross-border basis under the EU passport. It is not expected that HB Reavis IM SK will take over the investment management of the Fund in the short or long term.

In 2018, HB Reavis IM SK has established a Hungarian-based alternative investment fund, HB Reavis Real Estate Development Fund, which currently owns the Agora project.

As at 30 June 2020, the Fund owned a portfolio of four projects with total assets of more than EUR 371.3 million, net assets value of more than EUR 140.7 million, and shareholders' equity of almost 180 million – pooled by approximately 200 wealthy individuals and institutional investors.

6.14 Description of major domestic and foreign investment projects of the Suretyship Provider, including capital investments, for the period covered by the financial statements or consolidated financial statements included in the Information Document

Material Investments

Between 1 January 2018 and 30 June 2020, the Group spent on acquisitions of new sites and projects for a potential future development total amount of EUR 228.1 million. In addition, the Group spent on construction costs related to investment properties EUR 895.7 million over the same period. In addition to investment in acquisitions and construction expenditures, the Group invested EUR 50 million in strategic partnership with CIC in an exchange for minority stake.

As at 30 June 2020, the Group had contractual obligations to purchase, construct or develop investment properties in the amount of EUR 255.3 million.

As at 30 June 2020, the Group had six projects under construction in five countries with a total GLA area of almost 347,400 sq. m. (subject to successful projects completion) and GDV of EUR 1.9 billion, which are all expected to be completed between 2020 – 2022. These projects include developments (i) in Slovakia with Nivy Zone, which among other standing office buildings will also include Nivy Station, a 70,000 sq. m. shopping center with an integrated underground bus station (31,700 sq. m.) in the middle of Bratislava's largest CBD, (ii) in Poland with Varso Tower, a 230 metres high tower with an estimated GLA of 69,800 sq. m. and with project Forest, which is located on a former industrial zone of Warsaw with GLA of 79,400 sq. m., (iii) in Budapest with project Agora Hub with an estimated GLA upon completion of 34,800 sq. m. (iv) in London with project Bloom Clerkenwell, which is located next to the Farringdon underground and rail station with an estimated GLA of 13,200 sq. m., and (v) in Berlin with project DSTRCT with an estimated GLA upon development completion of 48,500 sq. m.

The portfolio overview

The Group's property portfolio overview by stage of development

Income-Producing portfolio

As at 30 June 2020, the Group owned and managed 9 income-producing projects in four countries with a total GLA of approximately 254,200 sq. m. and market value of more than EUR 851 million, while it has developed all of the projects except for the H Business Centre, Centrum Bottova and Kesmark. Project Centrum Bottova is earmarked for further development, hence the existing rental income will cease once the new building permit is obtained and construction of new projects is commenced.

The following table illustrates the income-producing portfolio of Group by projects as at 30 June 2020:

Project	Segment	Location	Completion	GLA (thsd. sq. m)
Nivy Tower	office	Bratislava, Slovakia	2020	31.5
Centrum Bottova	office	Bratislava, Slovakia	2016	6.2
Apollo BC II	office	Bratislava, Slovakia	2008	48.7
H Business Centrum (JV)	office	Bratislava, Slovakia	2007	7.8
Postepu 14	office	Warsaw, Poland	2015	34.5
Varso 1	office	Warsaw, Poland	2020	29.8
Varso 2	office	Warsaw, Poland	2020	44.2
Agora Tower	office	Budapest, Hungary	2020	36.5
Kesmark	office	Budapest, Hungary	2008	15.0
Total				254.2

Between 30 June 2020 and the date of this Information Document, the Group completed Agora Hub in Budapest and re-classified the project from under construction to income-producing and divested Postepu 14 to an institutional investor CA Immobilien Anlagen AG.

Portfolio of projects under construction

As at 30 June 2020, the Group had six projects under construction in five countries with a total GLA area of more than 347,400 sq. m. (subject to successful projects completion) and which are expected to be completed between 2020 – 2022.

The following table illustrates the projects of the Group that were in the construction phase as at 30 June 2020:

Project	Segment	Location	Planned Completion	GLA (thsd. sq. m)
Nivy Station	retail	Bratislava, Slovakia	2021	101.7
Agora Hub	office	Budapest, Hungary	2020	34.8
Varso Tower	office	Warsaw, Poland	2022	69.8
Forest I-II	office	Warsaw, Poland	2021	79.4
DSTRCT	office	Berlin, Germany	2021	48.5
Bloom Clerkenwell	office	London, UK	2021	13.2
Total				347.4

Between 30 June 2020 and the date of this Information Document, the Group completed Agora Hub office project in Budapest, predominantly leased to British Petroleum Plc. and re-classified the project from the under construction to the income-producing portfolio.

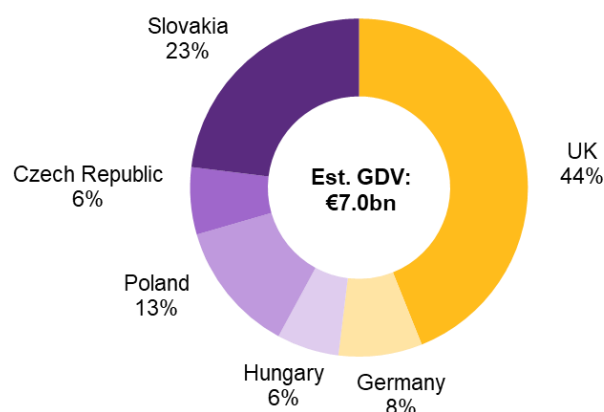
Portfolio of projects in preparation

As at 30 June 2020, the Group had in various stages of planning and permits process 13 projects with a total estimated GLA (subject to obtaining zoning and building permits) of almost 779,400 sq. m., including large scale development projects in London (One Waterloo), in Budapest (second phase of Agora development), and in Slovakia (further development in Nivy Zone – with projects Smart City and Nivy Port).

The following table reflects the projects that were in the preparation phase as at 30 June 2020:

Project	Segment	Location	Planned Completion	GLA (in thsd. sq m)
Smart City	office	Bratislava, Slovakia	2023+	99.8
Nivy Port	office	Bratislava, Slovakia	2022	34.9
Nivy Lab	office	Bratislava, Slovakia	2023	34.8
Nivy Depo	office	Bratislava, Slovakia	2023+	23.5
Alfa Park	office	Bratislava, Slovakia	2025+	169.2
Forum BC II	office	Bratislava, Slovakia	2022+	16.7
Apollo Brno Office I-III	office	Brno, Czech Republic	2025	101.9
Agora C – I-III	office	Budapest, Hungary	2024	61.6
Lodz	office	Lodz, Poland	2022	40.4
One Waterloo	parking	London, United Kingdom	2026	120.9
Worship Square	office	London, United Kingdom	2023	12.5
Dresden	office	Dresden, Germany	2023	40.5
Museo	office	Prague, Czech Republic	2022	22.7
Total				779.4

The following chart provides an overview of the projects in preparation and projects under construction of the Group by country and the estimated project GDV as of 30 June 2020:



Note: Estimated GDV at completion are subject to successful permits process, project completion and commercialisation

The Group's property portfolio overview by geographical representation

The Group's presence in its respective markets

As at the date of this Information Document, the Group is based in Luxembourg and actively operates in Slovakia, the Czech Republic, Hungary, Poland, the United Kingdom and in Germany.

The following table indicates the geographical diversification of the Group's owned portfolio based on the share of the Group's total assets in the respective countries as a percentage of the total assets of the Group as at 31 December 2018, 2019 to 30 June 2020.

Country	As at 30 June 2020		As at 31 December 2019		As at 31 December 2018	
	Total Assets (€ million)	%	Total Assets (€ million)	%	Total Assets (€ million)	%
United Kingdom.....	579.4	20	675.0	22	478.8	20
Germany.....	210.4	7	182.6	6	99.5	4
Poland.....	915.1	31	875.4	29	646.3	28
Czech Republic	71.0	3	75.0	3	68.7	3
Slovakia.....	651.0	22	742.8	24	711.5	30
Hungary.....	341.7	12	296.3	10	140.2	6
Other countries & unallocated....	157.5	5	193.2	6	204.9	9
Total.....	2,926.1		3,040.3		2,349.9	

Source: HB Reavis audited annual financial statements and unaudited semi-annual financial statements

The following table indicates the Group's profit before income tax generated in countries where the Group actively operated (Slovakia, Czech Republic, Poland, Hungary, the United Kingdom, and Germany) as a share of the Group's total profit before income tax generated in all these countries for the years 2018 to 2019 and for the six months ended 30 June 2020:

Country	As at 30 June 2020		As at 31 December 2019		As at 31 December 2018	
	€ million	%	€ million	%	€ million	%
United Kingdom.....	(58.7)	32	84.3	18	48.7	32
Germany.....	(0.9)	0	47.4	10	(1.7)	(1)
Poland	(21.1)	12	158.0	35	90.6	60
Czech Republic	(1.0)	1	16.7	4	7.5	5
Hungary.....	(0.4)	0	79.1	17	11.7	8
Slovakia.....	(67.0)	37	96.0	21	14.7	10
Other countries & unallocated	(33.6)	18	(24.8)	(5)	(19.9)	(13)
Total	(182.7)		456.7		151.6	

Source: HB Reavis audited annual financial statements and unaudited semi-annual financial statements

Slovakia

Slovakia is the Group's home market and to 30 June 2020, the Group has developed and leased 15 office projects, 4 retail schemes under the Aupark brand and 3 logistics centres, totalling more than 671,000 sq. m. of GLA. Most of these projects have been divested to institutional investors such as Unibail Rodamco, Heitman, Generali, NEPI Rockcastle and the Macquarie Group.

As at the date of this Information Document, the Group owns and manages four office projects and one retail project in Bratislava: the Apollo Business Centre II (except for blocks F/G/H which were sold to the Generali group in 2013), Nivy Tower, as well as office projects Centrum Bottova and H Business centrum (JV).

The Group also operates as asset and facility manager for three office projects in Bratislava owned by HB Reavis CE REIF: Twin City B, Twin City C and City Business Centre I II. The office project H Business Centre, in which the Group holds a 50% share in the form of a joint venture with a local partner, is also managed by the Group.

As at the date of the Information Document, the Group's current development activities in Bratislava include one retail scheme with an integrated bus station Nivy Station. The Nivy Station construction project, development of which started in 2017, is expected to be completed in 2021. In addition, the Group is in the planning and permitting stages with respect to the Smart City zone office complex, Alfa Park project, Nivy projects that includes Nivy Port, Nivy Lab and Nivy Depo and Forum Business Center II project (all of which will be office projects situated in Bratislava).

The following table illustrates the projects in the Group's balance sheet in Slovakia (as at 30 June 2020):

Project	Segment	Status	GLA (in thsd. sq m)
Centrum Bottova	Office	Income producing	6.2
H Business Centrum	Office	Income producing	7.8
Apollo BC II	Office	Income producing	48.7
Nivy Tower	Office	Income producing	31.5
Nivy Station	Retail	Under construction	101.7
Smart City	Office	In preparation	99.8
Forum BC II	Office	In preparation	16.7
Nivy Lab	Office	In preparation	34.9
Nivy Port	Office	In preparation	35.3
Nivy Depo	Office	In preparation	23.5
Alfa Park	Office	In preparation	169.2

Total	574.8
--------------	--------------

Poland

The Group entered the Polish market in 2008 and initially focused exclusively on office projects in Warsaw. However, in 2017, the Group acquired its first office project outside Warsaw, in Lodz, the third-largest Polish city by population.

As at the date of this Information Document, the Group has developed ten office projects in Warsaw, with a total GLA of 327,100 sqm.: the Konstruktorska Business Centre (sold in 2016), the Gdanski Business Centre I - A, B (sold in 2016) the Gdanski Business Center II - C, D (sold in 2018), the Postepu 14 Business Centre (sold in 2020), West Station I, West Station II (sold in 2019), Varso and Varso 2. The West Station I and West Station II projects were developed by the Group in the form of a JV with 29% stake held by the Polish State Railway.

At the end of 2016, the Group launched the development of its flagship project in Warsaw, the Varso Place office complex, which consists of three office buildings (Varso I, Varso II and Varso Tower) with a total GLA of almost 144,000 sq. m. The dominant feature of the complex will be a 53-floor office tower designed by the Foster + Partners architecture studio. At a height of 230 metres (310 m with antenna), upon its completion it is expected to be the tallest building in Poland and one of the tallest in Europe. To the date of the Information Document, the Group has completed Varso 1, Varso 2 from its Varso Place office complex and only Varso Tower remains under construction.

The following table illustrates the projects in the Group's balance sheet in Poland (as at 30 June 2020):

Project	Location	Segment	Status	GLA (in thsd. sq m)
Postepu 14	Warsaw	Office	Income producing	34.5
Varso Tower	Warsaw	Office	Under construction	69.8
Varso 1	Warsaw	Office	Income producing	29.8
Varso 2	Warsaw	Office	Income producing	44.2
Forest I-II	Warsaw	Office	Under construction	79.4
Lodz	Lodz	Office	In preparation	40.4
Total.....				298.1

Between 30 June 2020 and the date of this Information Document, the Group divested Postepu 14 to an institutional investor CA Immobilien Anlagen AG.

Czech Republic

As at the date of this Information Document, the Group has developed in the Czech Republic two logistics projects: Lovosice Logistics Center (sold in 2017) and Air Cargo Ostrava Mosnov logistics project (sold in 2016); three office projects in Prague: the River Garden Office I project (sold in 2014), the River Garden II/III project (sold in 2016) and the Metronom Business Centre project (sold in 2018); and one shopping centre under the Aupark brand in the regional city Hradec Kralove (sold in 2016 to HB Reavis CE REIF).

Currently, the Group is preparing the development of the Apollo office project in Brno. At the beginning of the year 2019, the group has reconsidered its business activities in Prague and made the decision to divest all projects in preparatory and permitting stages of the business cycle, primarily due

to their limited scale potential, a factor which was misaligned with the Group's strategy to invest in large-scale hubs. The Group intends to hold Apollo Brno, as the project is in line with the Group's strategy, and to further operate and expand its co-working platform in Prague. HB Reavis Group also manages retail scheme Aupark Hradec Kralove on behalf of HB Reavis CE REIF and will continue to monitor the Czech real estate market for prospective future acquisitions, under the assumption they are in line with its investment strategy.

The following table illustrates the projects in the Group's balance sheet in Czech Republic (as at 30 June 2020):

Project	Location	Segment	Status	GLA (in thsd. sq. m)
Museo	Prague	Office	In preparation	22.7
Apollo Brno Office 1-3	Brno	Office	In preparation	101.9
Total.....				124.6

Hungary

From its entry into the Hungarian market in 2007, the Group has focused exclusively on office projects in Budapest. In 2014, it completed its first office project, the Váci Corner Offices, which in 2016 was sold to an institutional investor.

In 2016, the Group started the construction of its flagship project in Budapest, the Agora office complex, where it plans to develop almost 133,000 sq. m. of new office space, directly in the heart of the Váci office corridor. The development of the first phase of the Agora project consists of two office buildings (Agora Hub and Agora Tower, together approximately 71,300 sq. m. of GLA) and was completed in 2020.

The following table illustrates the projects in the Group's balance sheet in Hungary (as at 30 June 2020):

Project	Segment	Status	GLA (in thsd. sq. m)
Agora Tower	Office	Income producing	36.5
Agora Hub	Office	Under construction	34.8
Agora C – I,II,III	Office	In preparation	61.6
Kesmark	Office	Income producing	15.0
Total.....			147.9

Between 30 June 2020 and the date of this Information Document, the Group completed the Agora Hub project and re-classified the project from the under construction to the income-producing portfolio.

United Kingdom

The Group entered the real estate market in London in 2013 with its acquisition of the land and old office building at 33 King William Street where it developed a new office project "33 Central" in the summer of 2015. The "33 Central" project was successfully completed and subsequently divested to Wells Fargo at the end of 2017.

The Group has substantiated its long-term interest in the London office market with further acquisitions. In 2014, the Group acquired its second project located at 20 Farringdon Street. The project underwent demolition and a ground-up office development which was completed in April 2018

and consequently sold to the hands of a private investor in May 2020. In 2016, the Group acquired project located at 61 Southwark Street. The project was named Cooper & Southwark and was the first refurbishment in the Group's history, completed in 2018 and shortly after leased to Global Workplace Solutions (division of commercial real estate services firm CBRE). In June 2018 the Group sold project Cooper & Southwark to the hands of private investor.

In May 2017, the Group completed its largest acquisition in London by acquiring the Elizabeth House office building (also known as "One Waterloo"), which is located in the immediate vicinity of the Waterloo railway station in London's South Bank district, the busiest railway hub in the United Kingdom (used by approximately 160 million people annually). Since the acquisition, the Group has been working on optimising the consented scheme and selected a reputable architect AHMM to re-design a new remarkable project. A new design is expected to receive a permit in coming months in the form of signed S106. The start of the demolition and construction will be carefully evaluated in current environment impacted by the pandemic of COVID-19.

The Group also acquired a Crossrail Over-Site Development at Farringdon West, located in the heart of Clerkenwell in Central London. The development is immediately adjacent to the newly built Farringdon station, which is uniquely positioned as the only station where Crossrail (which will operate as the Elizabeth line), London Underground and Thameslink meet. When the Elizabeth line opens it will be one of the busiest stations in the UK. The project is currently under construction and has outstanding sustainability credentials. It received a pre-certification of BREEAM Outstanding which only a handful of buildings have in London.

The Group also made its latest acquisition of a new development site in Shoreditch, to further strengthen the pipeline and commitment to the UK market. Quick & Tower House represents a new commercial redevelopment opportunity with a clear focus on sustainability, well-being and adoption of innovative workspace technology. The new development is expected to provide 12,500 sq. m. of GLA upon completion (subject to successful permits and construction process).

The following table illustrates the projects in the Group's balance sheet in the United Kingdom (as at 30 June 2020):

Project	Segment	Status	GLA (in thsd. sq m)
Bloom Clerkenwell	Office	Under construction	13.2
Worship Square	Office	In preparation	12.5
One Waterloo.....	Office	In preparation	120.9
Total.....			146.6

Germany

After establishing a strong presence in the Central Europe region and the competitive London market, the Group decided to continue in its international expansion. After thorough in-house research, Germany was chosen as the next country to be in, as a result of its positive macroeconomic performance, political stability and the positive supply and demand dynamics for office space in various cities across the country. The German office of the Group was established in 2017 and, in May 2018, the Group finalised the acquisition of its first two German projects in Berlin and Dresden with expected GLA at completion (subject to successful permits and construction process) of 48,500 sq. m. and 40,500 sq. m., respectively. To create sufficient development pipeline in Germany, the Group continues to actively monitor and assess further acquisition opportunities in several German cities (e.g. Berlin, Dresden, Frankfurt am Main, Düsseldorf and Munich).

The following table illustrates the projects in the Group's balance sheet in Germany (as at 30 June 2020):

Project	Location	Segment	Status	GLA (in thsd. sq m)
DSTRCT	Berlin	Office	Under construction	48.5
Budapester Strasse	Dresden	Office	In preparation	40.5
Total.....				89.0

6.15 Information about bankruptcy, composition or liquidation proceedings instituted with respect to the Suretyship Provider

There are no bankruptcy, composition or liquidation proceedings instituted with respect to the Suretyship Provider.

6.16 Information about settlement, arbitration or enforcement proceedings instituted with respect to the Suretyship Provider, if the outcome of such proceedings is or may be of significance for the Suretyship Provider's business

The Issuer represents, that to the best knowledge of the Suretyship Provider, as at the date of this Information Document, the Suretyship Provider is not involved in or party to any litigation, for a period of at least the last 12 months, which might have had or have recently had or may have a material adverse effect on the financial situation of the Suretyship Provider.

6.17 Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceeding that are threatened according to the Suretyship Provider's knowledge, which might have had or have recently had or may have a significant impact on the Suretyship Provider's financial situation, or information about lack of such proceedings

The Issuer represents, that to the best knowledge of the Suretyship Provider, there are no proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceedings that are threatened according to the Suretyship Provider's knowledge, which might have had or have recently had or may have a significant impact on the Suretyship Provider's financial situation.

6.18 Suretyship Provider's liabilities relevant to the performance of its obligations towards holders of financial instruments, which are related in particular to the development of the Suretyship Provider's economic and financial situation

In line with common practice in the real estate sector, the Group uses various forms of external financing to fund its development activities featuring a combination of project based financing (construction and investment loans) and group financing (non-project loans and bonds).

Construction loans are provided for the financing or refinancing of part of the project construction costs and typically range from 60% to 75% of the total investment costs of the project. The maturity of the construction loan depends on the construction period of the project and after the completion of the project and its commercialisation (space lease up and subsequent stabilisation of the project cash flow), the construction loan is replaced by an investment loan (usually, this is an automatic procedure agreed in advance with the financing bank(s), and after the satisfaction of certain conditions related to the project, the automatic refinancing of funds provided in the form of a construction loan takes place by virtue of the investment loan (i.e., the loan conversion)). Moreover, due to the fact that a project in the construction phase does not generate any income, a construction loan is usually not amortised

and the financial costs associated with the construction loan (fees, interest) are usually not paid in cash but are instead capitalised into the construction loan principal.

The investment loans typically range from 60% to 75% of the total market value of the project, and in line with market practice, their maturity is usually shorter (around five years) compared to the economic lifetime of the financed real estate, as they better reflect the usual term of lease agreements. The investment loans are repaid continuously in the form of regular payments of the principal amount of the loan and end at the maturity date with one off balloon payment amounting typically to 80% to 90% of the original amount of the loan that is the subject of further prolongation or refinancing.

The Group uses project financing to ensure that it keeps the majority of its financing on a non-recourse project basis without a guarantee provided by other companies within the Group, or with only a strictly limited guarantee (e.g., for potential cost overruns with regard to construction loans). Each real estate project of the Group is owned by a special purpose vehicle company (project company) and the Group endeavours to set the financing of individual project so that each project is self-financed (i.e., the amount of the loan and conditions of project financing reflect the economic opportunities and generated income of the relevant project), and to ensure that any problem with the financing of the project company has no direct impact on the remaining part of the Group (ring fenced financing). Respective project financing is usually secured by the assets of the respective project company.

To a certain degree, the Group also obtains group level financing which is not directly related to projects. Such Group financing is usually obtained in the form of bonds and non-project loans from banks. In general, such debt is guaranteed by the Suretyship Provider guarantee and the use of funds arising from such financing is not limited to a specific purpose. It usually serves for the financing of earlier investment phases of the Group's projects in preparation and under construction (before it is replaced by standard project financing) or for the acquisition of new projects. As at 30 June 2020, the bonds issued by the Group represented 27.9% of the Group's total external financing. An overview of the external financing of the Group and debt maturity profile as at 30 June 2020 (in millions of EUR) are shown in the following tables:

Type of Borrowings	Outstanding as of 30. June 2020	% of Total Outstanding
Construction bank loans	486	39.4%
Investment bank loans	129	10.5%
Non-project bank loans	273	22.2%
Bonds secured by real estate collateral and Suretyship Provider guarantee	75	6.1%
Bonds secured by Suretyship Provider guarantee	269	21.8%
Total	1232	100.0%

	Up to 12 months	12 – 24 months	24 – 36 months	36 - 48 months	48 - 60 months	>60 months	Total
Bonds	69	109	0	31	15	120	344
Bank loans	162	188	125	105	142	166	888
Group's total consolidated debt as at 30. June 2020⁽¹⁾	232	296	125	136	157	286	1232

(1) Based on internal management view. Bonds issued in a currency other than EUR were converted to EUR according to the exchange rate of the relevant currency swap (cross currency interest rate swap) used for the conversion of the proceeds from the issue of the relevant bonds into EUR and not according to IFRS. Total difference of outstanding amount of bonds based on management view compared to IFRS is 1.1 million EUR. Total difference of the outstanding amount of the bank loans as a result of different currency, accrued based on management view compared to IFRS is 11.9 million EUR. The consolidated debt of the Group in the above table and in the Group's consolidated figures does not contain borrowings related to the JV project in the amount of €2.8, since this project is accounted in the consolidated financial statements under the equity method, in accordance with IFRS.

Group's non-project banks loans and bonds outstanding contain a covenant for the Group's level of total indebtedness that requires the Group to have total indebtedness (borrowings, finance leases and other indebtedness as per the Issuer's Terms & Conditions) below 55% ratio at 30 June and 31 December each respective year. Below is the table of historical consolidated indebtedness based on Issuer's Terms & Conditions.

	31. December 2018	31. December 2019	30. June 2020	Covenant
Group's total net consolidated indebtedness ratio	30.9 %	32.5 %	36.6 %	45 % for step up margin
Group's total consolidated indebtedness ratio	38.3 %	36.5 %	43.2 %	55 %

6.19 Off-balance sheet liabilities of the Suretyship Provider and their structure by time and type

Other than guarantees for the liabilities of its subsidiaries (that are recognized as balance sheet liabilities in its consolidated financial statements), the Suretyship Provider has not issued any material guarantees. The group has no significant off-balance sheet liabilities.

6.20 Information on unusual circumstances or events affecting business performance for the period covered by the financial statements or consolidated financial statements, included in the Information Document

No unusual circumstances or events affecting business performance occurred during the period which is covered by the financial statements or consolidated financial statements, included in the Information Document.

6.21 Any significant changes to the economic, asset and financial situation of the Suretyship Provider and its group and other information relevant to the assessment of such changes, which occurred after financial data contained in this Information Document were prepared

Not applicable.

6.22 Managing persons and supervisory persons

(a) Suretyship Provider's Management Board

Suretyship Provider's Management Board consists of the following members: Isabel Schellenberg, Joel Cárdenas San Martín, Melanie Koch, Neil Fleming Ross, Rusu Liviu-Constantin, Pavel Trenka, Ivan Chrenko, Marcel Sedlák, Marián Herman and Maarten J. Hulshoff.

(b) Profile of Suretyship Provider's management board member

As at the date of this Information Document, the Management Board of the Suretyship Provider consists of the following members (managers):

The following are short profiles of the members of the Board of Directors of the Suretyship Provider:

Name of director	Director type	Appointment date	Education, experience and other relevant information
Isabel Schellenberg	Director A	31 January 2019	Isabel Schellenberg studied business administration at the Technical University of Chemnitz in Germany. She worked as a tax advisor at the PWC branch in Hamburg and as the head of the tax department of the real estate company Akelius GmbH in Berlin. He is

Name of director	Director type	Appointment date	Education, experience and other relevant information
Joel Cárdenas San Martín	Director A	1 February 2020	currently responsible for the tax department of the Group for Germany and Luxembourg. Joel Cárdenas San Martín studied law at the University of Madrid and law and economics at the Sorbonne University in Paris. He has worked for Deloitte, Knight Frank, Ernst & Young and Intertrust. He currently works at TMF Luxembourg S.A. in the position of Director Real Estate.
Melanie Koch	Director A	1 January 2019	Melanie Koch studied law in Germany. She has been working for TMF Luxembourg S.A. since 2012, currently in the position of Supervisor - Real Estate Department.
Neil Fleming Ross	Director A	4 September 2018	Neil Fleming Ross studied for a diploma in business at Edinburgh University in Scotland. He is a member of the Institute of Chartered Accountants of Scotland. Presently he works as an Independent Manager for real estate clients and for significant European and American pension and investment funds which invest in the real estate sector. In the past, he was the Director at the Sanne Group (Luxembourg) S.A., and at HERMES REIM in London and Financial Manager at the Abu Dhabi Investment Authority in the United Arab Emirates.
Rusu Liviu-Constantin	Director A	23 March 2020	Rusu Liviu-Constantin studied economics at Bucharest University of Economic Studies. He worked in the audit department at KPMG and EY in Romania and subsequently at EY in Luxembourg. He currently works as the Head of the Accounting Department of the HB Reavis Group in Luxembourg.
Pavel Trenka	Director B	4 September 2018	Pavel Trenka graduated with a degree in economics from the University of Economics in Bratislava and the William E. Simon Graduate School of Business Administration of the University of Rochester in the US. Prior to joining the Group, he worked as an Investment Banker at Bank Austria and as an Associate Partner at McKinsey & Company, a consultancy company. He joined the Group in 2007 and focuses on the Group's international expansion and strategy. From October 2013 to March 2018 Pavel was the Chief Executive Officer of the Group.
Ivan Chrenko	Director B	4 September 2018	Ivan Chrenko is a businessman and co-founder of the Group. He has been the Chairman of the Board of Directors of the Suretyship Provider since 2010 and he was the CEO of the Group from 1993 to October 2013. He is the ultimate beneficial owner of the Group.
Marcel Sedlák	Director B	4 September 2018	Marcel Sedlák studied law at the Law Faculty of Comenius University in Bratislava. He has been the Senior Manager of the companies within the Group since 2001. Prior to joining the Group, he worked as Senior Associate in a leading Slovak law firm.
Marián Herman	Director B	4 September 2018	Marián Herman studied financial management at the Faculty of Management of Comenius University in Bratislava and a second degree in finance at London Business School. Since 1997,

Name of director	Director type	Appointment date	Education, experience and other relevant information
Maarten J. Hulshoff	Director C	4 September 2018	<p>he has been working in the field of finance, investment banking and investment management. Prior to joining HB Reavis, he worked in London for the ING Group, Deutsche Bank and RREEF Infrastructure for more than 10 years. He has been a director of investment management and divestments at HB Reavis since 2010 and Chief Financial Officer of the Group since 2014. Since March 2018, Marián Herman has been the Chief Executive Officer of the Group.</p> <p>Maarten J. Hulshoff studied economics at the Erasmus University of Rotterdam in the Kingdom of the Netherlands. He is a member of the Board of Directors of Brit Insurance Holdings N.V., Damen Shipyards Group and the Wilhelmina Aleida Foundation and a member of the Supervisory Boards of Goedland and Westplan Investments. In the past, he held several leading managerial positions such as Chief Executive Officer of Rodamco Europe NV and Chairman of the Board of Directors of NCM Holding (renamed to Atradius), one of the three largest credit risk insurance companies in the world. Maarten has been associated with the Group since 2007.</p>

The business address of the Board of Directors of the Suretyship Provider is the G Suretyship Provider's office at 21 rue Glesener, L-1631 Luxembourg, Grand Duchy of Luxembourg.

Group's Executive Management Team

Apart from the formal Board of Directors of the Suretyship Provider (as described in "Board of Directors of the Suretyship Provider" above), the Group is internally managed by the Executive Management Team.

The Executive Management Team is an informal executive board of managers of the Group and carries out day to day management of the Group's business and implementation of Group's strategy. Its approval is necessary also for all acquisitions and divestments of the Group. The senior Executive Management Team consists of the following senior managers

Marián Herman

Marián Herman worked as the Chief Financial Officer (CFO) of the Group from 2014 to April 2019. In 2018, he became the General Manager (CEO) of the Group and is also the B Manager of the Suretyship Provider's Board of Directors. Marián Herman in the Group covers leasing, WaaS elements More, Symbiosy and Origameo, and is also responsible for marketing, HR and sales of projects. Marián Herman studied financial management at the Faculty of Management of Comenius University in Bratislava and finance at the London Business School in London. Prior to joining Group, he worked for ING Group, Deutsche Bank and RREEF Infrastructure in London for over 10 years.

Peter Pecník

Peter Pecník was appointed as the CFO of the Group in November 2020, when he became responsible for the management of the finance department (excluding divestment), controlling, accounting, law, taxes and compliance. Peter joined Group in 2008 as a person in charge of external debt financing across all markets where Group actively operates (i.e. currently Slovakia, Czech Republic, Poland, Hungary, United Kingdom, Germany). Since 2018 Peter has been Country CEO responsible for Polish operations within the Group. Prior to joining Group, Peter held various financial positions in Tatra Banka (member of Raiffeisen Group), in the European Bank of Reconstruction and Development and Deloitte Advisory in Bratislava. Peter Pecník graduated at the Faculty of Business Management of Economic University in Bratislava.

Peter Čeresník

Peter joined the Group in 2016 and took responsibility for the Group's leasing, marketing and IT, as well as the Group's new Origameo and HubHub services. Peter previously held leadership positions within the IT sector as General Manager at Exe and Country Manager at both Microsoft and the SAS Institute.

Pavel Jonczy

Pavel Jonczy joined the Group in 2015. He is currently responsible for Product Design, Construction, Procurement and the flexible HubHub and Qubes products. In the past, he worked at the Prague branch of McKinsey & Company, mainly on international projects focusing on B2B and B2C sales, operational improvements and corporate restructuring, and on management roles for the world's largest steel producer ArcelorMittal. Pavel Jonczy graduated from VSB in Ostrava with major in Management.

Group's Non Executive Management Team of the Group

The Executive Management Team is overseen by the Non Executive Management Team, which provides an independent, external perspective on the Group's business and strategy and participate in approval of strategic matters such as major acquisitions and divestments or entry to new markets. The Non Executive Management Team is an informal non executive board of directors of the Group and has three members:

Ivan Chrenko

See Mr. Chrenko's short profile above.

Pavel Trenka

Pavel is the former CEO of the Group (October 2013 – March 2018) and is also a Director B of the Suretyship Provider.

Maarten J. Hulshoff

Maarten has been a member of the Non-Executive Management Team since 2007 when he joined the Group and is also a Director C of the Suretyship Provider.

Martin Mikláš

Martin is the former CFO of the Group in (April 2019 - October 2020) and has been a member of the Non-Executive Management Team since November 2020

6.23 Suretyship Provider's Supervisory Board

Supervisory Board of the Suretyship Provider has not been established.

6.24 Suretyship Provider's shareholding structure including specification of shareholders holding at least 5% of votes at shareholders' meeting

The below table presents Suretyship Provider's shareholding structure, as at the date of this Information Document.

Table 1: Suretyship Provider's shareholder structure

Shareholder	No. of shares	Shareholding
Kennesville	30,000	100%
Total	30,000	100%

Source: Suretyship Provider's management

7. FINANCIAL STATEMENTS

7.1 Issuer's financial statements

Copy of the Issuer's audited financial statement as at and for the financial year ended 31 December 2019 is attached to this Information Document in section 9.8 below.

7.2 Suretyship Provider's consolidated financial statements

Copy of the Suretyship Provider's audited consolidated financial statement as at and for the financial year ended 31 December 2019 is attached to this Information Document in section 9.9 below. The consolidated financial statements as at and for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Copy of the Suretyship Provider's unaudited consolidated financial statements as at and for the first six months ended 30 June 2020 is attached to this Information Document in section 9.10 below. The condensed consolidated interim financial statements as at and for six months ended 30 June 2020 have been prepared in accordance IAS 34 "Interim Financial Reporting", the standard of IFRS applicable to the preparation of interim financial statements, and should be read with the annual consolidated financial statements as at and for the year ended 31 December 2019.

8. ADDITIONAL INFORMATION

There are no credit ratings assigned to the Issuer or its debt financial instruments. There are no credit ratings assigned to the Suretyship Provider or its debt financial instruments. The Issuer or Suretyship Provider does not intend to apply for assignment of any credit rating.

9. ATTACHMENTS

9.1 Definitions and abbreviations

AHMM means Allford Hall Monaghan Morris, an architecture practice.

Act on Bonds means the Act on Bonds dated 15 January 2015 (consolidated text, J.L. 2020, item 1208).

Act on Public Offerings means the Act on Public Offerings dated 29 July 2005 (consolidated text, J.L. 2019, item 623).

Act on Trading in Financial Instruments means the Act on Trading in Financial Instruments dated 29 July 2005 (consolidated text, J.L. 2020, item 89).

AIFMD means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.

ATS GPW means an alternative trading system for debt securities operated by GPW.

ATS GPW Rules means The Alternative Trading System Rules adopted by the management board of GPW in Resolution No. 147/2007 dated 1 March 2007, as further amended.

Assignment means the security assignment of the Issuer's claims under the intra-group loans, securing the performance of the obligations of the Issuer under all the bonds (including the Bonds).

BBC means Bratislava Business Center.

Bondholder means any holder of the Bonds.

Bonds means 85,000 ordinary registered bearer series A bonds with a nominal value of PLN 1,000 (one thousand) each and a total nominal value of PLN 85,000,000 (eighty-five million).

BondSpot means BondSpot S.A.

BREEAM means the Building Research Establishment Environmental Assessment Method.

B2B means business-to-business.

CBD means central business district in Bratislava.

CBRE means CBRE Group, Inc.

CEE means Central and Eastern Europe.

CEEQA means CEE Quality Awards.

CIC means Cambridge Innovation Center.

CIT Act means Corporate Income Tax Act of 15 February 1992.

Commercial Companies Code means the Commercial Companies Code dated 15 September 2000 (consolidated text, J.L. 2020, item 1526).

Fund means HB Reavis Real Estate Investment Fund.

GDV means gross development value.

GLA means gross leasable area.

GPW means Giełda Papierów Wartościowych w Warszawie S.A., with its registered seat in Warsaw.

Group means the Suretyship Provider and its subsidiaries.

HB Reavis IM SK means HB Reavis Investment Management správ. spol., a. s.

HSE means health, safety and environment risks.

IFRS means International Financial Reporting Standards.

Issue Programme means a PLN 400,000,000 bond issue programme established by the Issuer.

Issuer means HB Reavis Finance PL 3 sp. z o.o.

JV means joint venture.

KDPW means Krajowy Depozyt Papierów Wartościowych S.A. with its registered seat in Warsaw.

KNF means Polish Financial Supervision Authority.

MAR means Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation).

Maturity Date means the date on which the Issuer makes the final redemption of the Bonds.

NAV means net asset value.

PCC Act means act of 9 September 2000 on tax on civil law transactions

PIT Act means act of 26 July 1991 on personal income tax.

RCS means Luxembourg Register of Commerce and Companies.

SICAF means Société d'investissement à capital fixe.

SPV means special purpose vehicle.

Registered Pledge means the registered pledge over the Issuer's assets securing the performance of the Issuer's liabilities owed on account of all the bonds (including the Bonds).

Suretyship means the suretyship securing the satisfaction of the liabilities of the Issuer under all the bonds (including the Bonds) granted by the Suretyship Provider.

Suretyship Provider means HB Reavis Holding S.A.

Suretyship Agreement means suretyship agreement concluded on 19 November 2020 between the Suretyship Provider and the security administrator in order to secure the Bondholders' claims under the Bonds.

Terms and Conditions means terms and conditions specified in the attachment 9.5 included in the Information Document (Document defining the terms and conditions of the Bonds).

WaaS means Group's Workplace as a Service business line.

9.2 Up-to-date excerpt from the register relevant for the Issuer

Wydruk informacji pobranej w trybie art. 4 ust. 4a ustawy z dnia 20 sierpnia 1997 r. o Krajowym Rejestrze Sądowym, posiada moc dokumentu wydawanego przez Centralną Informację, nie wymaga podpisu i pieczęci.

CENTRALNA INFORMACJA KRAJOWEGO REJESTRU SĄDOWEGO

KRAJOWY REJESTR SĄDOWY

Stan na dzień 03.12.2020 godz. 12:47:49

Numer KRS: 0000741386

Informacja odpowiadająca odpisowi pełnemu
Z REJESTRU PRZEDSIĘBIORCÓW

Nr wpisu	1	Data dokonania wpisu	24.07.2018
Opis	REJESTRACJA W KRAJOWYM REJESTRZE SĄDOWYM		
Sygnatura aktu	WA.XII NS-REJ.KRS/45593/18/5		
Oznaczenie sądu	SĄD REJONOWY DLA M. ST. WARSZAWY W WARSZAWIE, XII WYDZIAŁ GOSPODARCZY KRAJOWEGO REJESTRU SĄDOWEGO		
Nr wpisu	2	Data dokonania wpisu	24.07.2018
Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura aktu	WA.XII NS-REJ.KRS/45593/18/5/NIP		
Oznaczenie sądu	-----		
Nr wpisu	3	Data dokonania wpisu	25.07.2018
Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura aktu	WA.XII NS-REJ.KRS/45593/18/5/REGON		
Oznaczenie sądu	-----		
Nr wpisu	4	Data dokonania wpisu	24.10.2018
Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura aktu	WA.XII NS-REJ.KRS/65254/18/833		
Oznaczenie sądu	SĄD REJONOWY DLA M. ST. WARSZAWY W WARSZAWIE, XII WYDZIAŁ GOSPODARCZY KRAJOWEGO REJESTRU SĄDOWEGO		
Nr wpisu	5	Data dokonania wpisu	30.11.2018
Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura aktu	WA.XIII NS-REJ.KRS/69167/18/540		
Oznaczenie sądu	SĄD REJONOWY DLA M. ST. WARSZAWY W WARSZAWIE, XIII WYDZIAŁ GOSPODARCZY KRAJOWEGO REJESTRU SĄDOWEGO		
Nr wpisu	6	Data dokonania wpisu	31.12.2018
Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura aktu	WA.XIII NS-REJ.KRS/73145/18/677		
Oznaczenie sądu	SĄD REJONOWY DLA M. ST. WARSZAWY W WARSZAWIE, XIII WYDZIAŁ GOSPODARCZY KRAJOWEGO REJESTRU SĄDOWEGO		
Nr wpisu	7	Data dokonania wpisu	18.09.2019
Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura aktu	WA.XIII NS-REJ.KRS/49752/19/809		
Oznaczenie sądu	SĄD REJONOWY DLA M. ST. WARSZAWY W WARSZAWIE, XIII WYDZIAŁ GOSPODARCZY KRAJOWEGO REJESTRU SĄDOWEGO		
Nr wpisu	8	Data dokonania wpisu	14.05.2020

Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura akt	RDF/200599/20/159		
Oznaczenie s du	SYSTEM		
Nr wpisu	9	Data dokonania wpisu	14.05.2020
Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura akt	RDF/200599/20/560		
Oznaczenie s du	SYSTEM		
Nr wpisu	10	Data dokonania wpisu	18.09.2020
Opis	ZMIANA DANYCH W REJESTRZE		
Sygnatura akt	WA.XIII NS-REJ.KRS/43096/20/538		
Oznaczenie s du	S D REJONOWY DLA M. ST. WARSZAWY W WARSZAWIE, XIII WYDZIAŁ GOSPODARCZY KRAJOWEGO REJESTRU S DOWEGO		

Dział 1

Rubryka 1 - Dane podmiotu			
Numer i nazwa pola	Nr wpisu		Zawarto
	wprow.	wykr.	
1.Oznaczenie formy prawnej	1	-	SPÓŁKA Z OGRANICZON ODPOWIEDZIALNO CI
2.Numer REGON/NIP	2	3	REGON: ---, NIP: 5252757202
	3	-	REGON: 380827481, NIP: 5252757202
3.Firma, pod któr spółka działa	1	10	RAINFORD SPÓŁKA Z OGRANICZON ODPOWIEDZIALNO CI
	10	-	HB REAVIS FINANCE PL 3 SPÓŁKA Z OGRANICZON ODPOWIEDZIALNO CI
4.Dane o wcze niejszej rejestracji	-	-	-----
5.Czy przedsi biorca prowadzi działalno gospodarcz z innymi podmiotami na podstawie umowy spółki cywilnej?	1	-	NIE
6.Czy podmiot posiada status organizacji po ytku publicznego?	1	-	NIE

Rubryka 2 - Siedziba i adres podmiotu			
Numer i nazwa pola	Nr wpisu		Zawarto
	wprow.	wykr.	
1.Siedziba	1	-	kraj POLSKA, woj. MAZOWIECKIE, powiat WARSZAWA, gmina WARSZAWA, miejsc. WARSZAWA
2.Adres	1	4	ul. GRZYBOWSKA, nr 2, lok. 29, miejsc. WARSZAWA, kod 00-131, poczta WARSZAWA, kraj POLSKA
	4	-	ul. POST PU, nr 14, lok. ---, miejsc. WARSZAWA, kod 02-676, poczta WARSZAWA, kraj POLSKA
3.Adres poczty elektronicznej	1	-	-----
4.Adres strony internetowej	1	-	-----

Rubryka 3 - Oddziały

Brak wpisów

Rubryka 4 - Informacje o umowie

Numer i nazwa pola	Nr kolejny w polu	Nr wpisu		Zawarto
		wprow.	wykr.	
1. Informacja o zawarciu lub zmianach umowy spółki	1	1	-	06.07.2018 R., REP. A NR. 3935/2018, NOTARIUSZ JOANNA NOWACZY SKA, KANCELARIA NOTARIALNA W WARSZAWIE
	2	4	-	13.09.2018 R., REP. A NR 14331/2018. NOTARIUSZ MAREK HRYMAK, KANCELARIA NOTARIALNA W WARSZAWIE, UCHYLA SI W CAŁO CI DOTYCHCZASOW TRE AKTU ZAŁO YCIELSKIEGO SPÓŁKI I NADAJE SI MU NOWE BRZMIENIE
	3	10	-	21.08.2020 R., REP. A NR 7898/2020, EMERYTOWANY NOTARIUSZ TERESA STAROSTA, ZAST PCA NOTARIUSZA KATARZYNY BORAWSKIEJ, KANCELARIA NOTARIALNA W WARSZAWIE, ZMIENIONO: § 2, § 4 UST P 1 ORAZ PRZYJ TO TEKST JEDNOLITY AKTU ZAŁO YCIELSKIEGO SPÓŁKI.

Rubryka 5

Numer i nazwa pola	Nr wpisu		Zawarto
	wprow.	wykr.	
1. Czas, na jaki została utworzona spółka	1	-	NIEOZNACZONY
2. Oznaczenie pisma innego niż Monitor S dowy i Gospodarczy, przeznaczonego do ogłosze spółki	-	-	-----
3. Wspólnik mo e mie :	1	-	WI KSZ LICZB UDZIAŁÓW
4. Czy statut przyznaje uprawnienia osobiste określonym akcjonariuszom lub tytuły uczestnictwa w dochodach lub majątku spółki nie wynikających z akcji?	-	-	*****
5. Czy obligatoriusze mają prawo do udziałów w zysku?	-	-	*****

Rubryka 6 - Sposób powstania spółki

Brak wpisów

Rubryka 7 - Dane wspólników

L.p.	Numer i nazwa pola	Nr wpisu		Zawarto
		wprow.	wykr.	
1	1. Nazwisko / Nazwa lub firma	1	4	BLACKSTONES SPÓŁKA Z OGRANICZON ODPOWIEDZIALNO CI HOLDINGS SPÓŁKA KOMANDYTOWA
	2. Imiona	-	-	*****
	3. Numer PESEL/REGON	1	4	147461537
	4. Numer KRS	1	4	0000526278
	5. Posiadane przez wspólnika udziały	1	4	100 UDZIAŁÓW O Ł CZNEJ WARTO CI 5.000,00 ZŁ
	6. Czy wspólnik posiada całość	1	4	TAK

	udziałów spółki?			
2	1.Nazwisko / Nazwa lub firma	4	-	HB REAVIS HOLDING S.A.
	2.Imiona	-	-	*****
	3.Numer PESEL/REGON	-	-	-----
	4.Numer KRS	-	-	-----
	5.Posiadane przez wspólnika udziały	4	6	100 UDZIAŁÓW O Ł CZNEJ WARTO CI 5000,00 ZŁ
		6	-	200 UDZIAŁÓW O Ł CZNEJ WARTO CI 10.000,00 ZŁOTYCH
	6.Czy wspólnik posiada całość udziałów spółki?	4	-	TAK

Rubryka 8 - Kapitał spółki			
Numer i nazwa pola	Nr wpisu		Zawarto
	wprow.	wykr.	
1.Wysoko kapitału zakładowego	1	6	5 000,00 ZŁ
	6	-	10 000,00 ZŁ
Podrubryka 1			
Informacja o wniesieniu aportu			
Brak wpisów			

Rubryka 9 - Nie dotyczy			
Brak wpisów			

Rubryka 10 - Nie dotyczy			
Brak wpisów			

Dział 2

Rubryka 1 - Organ uprawniony do reprezentacji podmiotu				
L.p.	Numer i nazwa pola	Nr wpisu		Zawarto
		wprow.	wykr.	
1	1.Nazwa organu uprawnionego do reprezentowania podmiotu	1	-	ZARZ D
	2.Sposób reprezentacji podmiotu	1	4	DO REPREZENTOWANIA UPRAWNIONY JEST CZŁONEK ZARZ DU DZIAŁAJ CY SAMODZIELNIE
		4	-	ZARÓWNO W PRZYPADKU ZARZ DU JEDNOOSOBOWEGO, JAK I WIELOOSOBOWEGO DO SKŁADANIA O WIADCZE I PODPISYWANIA W IMIENIU SPÓŁKI UPRAWNIONY JEST KA DY CZŁONEK ZARZ DU DZIAŁAJ CY SAMODZIELNIE.
	Podrubryka 1			
Dane osób wchodz cych w skład organu				
L.p.	Numer i nazwa pola	Nr wpisu		Zawarto

		wprow.	wykr.	
1	1.Nazwisko / Nazwa lub Firma	1	4	ZIMMERMANN
	2.Imiona	1	4	HENRYK JERZY
	3.Numer PESEL/REGON	1	4	66032115774
	4.Numer KRS	-	-	*****
	5.Funkcja w organie reprezentuj cym	1	4	CZŁONEK ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	1	4	NIE
	7.Data do jakiej została zawieszona	-	-	-----
2	1.Nazwisko / Nazwa lub Firma	4	5	FR KA
	2.Imiona	4	5	STANISLAV
	3.Numer PESEL/REGON	4	5	75071118873
	4.Numer KRS	-	-	*****
	5.Funkcja w organie reprezentuj cym	4	5	PREZES ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	4	5	NIE
	7.Data do jakiej została zawieszona	-	-	-----
3	1.Nazwisko / Nazwa lub Firma	4	7	DIALLO
	2.Imiona	4	7	YACINE NORBERT
	3.Numer PESEL/REGON	4	7	73110601179
	4.Numer KRS	-	-	*****
	5.Funkcja w organie reprezentuj cym	4	7	CZŁONEK ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	4	7	NIE
	7.Data do jakiej została zawieszona	-	-	-----
4	1.Nazwisko / Nazwa lub Firma	5	-	PECNIK
	2.Imiona	5	-	PETER
	3.Numer PESEL/REGON	5	-	75111516111
	4.Numer KRS	-	-	*****
	5.Funkcja w organie reprezentuj cym	5	-	PREZES ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	5	-	NIE
	7.Data do jakiej została zawieszona	-	-	-----
5	1.Nazwisko / Nazwa lub Firma	10	-	ANDRAŠINA
	2.Imiona	10	-	PETER
	3.Numer PESEL/REGON	10	-	81050318815
	4.Numer KRS	-	-	*****
	5.Funkcja w organie reprezentuj cym	10	-	CZŁONEK ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	10	-	NIE
	7.Data do jakiej została zawieszona	-	-	-----

Rubryka 2 - Organ nadzoru

Brak wpisów

Rubryka 3 - Prokurenci

Brak wpisów

Dział 3

Rubryka 1 - Przedmiot działalności

Numer i nazwa pola	Nr kolejny w polu	Nr wpisu		Zawarto
		wprow.	wykr.	
1.Przedmiot przeważającej działalności przedsiębiorcy	1	1	4	70, 22, Z, POZOSTAŁE DORADZTWO W ZAKRESIE PROWADZENIA DZIAŁALNOŚCI GOSPODARCZEJ I ZARZĄDZANIA
		4	-	68, 10, Z, KUPNO I SPRZEDAŻ NIERUCHOMOŚCI NA WŁASNY RACHUNEK
2.Przedmiot pozostałej działalności przedsiębiorcy	1	1	4	41, ---, ---, ROBOTY BUDOWLANE ZWIĄZANE ZE WZNOSZENIEM BUDYNKÓW
	2	1	4	62, ---, ---, DZIAŁALNOŚĆ ZWIĄZANA Z OPROGRAMOWANIEM I DORADZTWEW W ZAKRESIE INFORMATYKI ORAZ DZIAŁALNOŚĆ POWIĄZANA
	3	1	4	63, ---, ---, DZIAŁALNOŚĆ USŁUGOWA W ZAKRESIE INFORMACJI
	4	1	4	68, ---, ---, DZIAŁALNOŚĆ ZWIĄZANA Z OBSŁUGĄ RYNKU NIERUCHOMOŚCI
	5	1	4	73, ---, ---, REKLAMA, BADANIE RYNKU I OPINII PUBLICZNEJ
	6	1	4	74, ---, ---, POZOSTAŁA DZIAŁALNOŚĆ PROFESJONALNA, NAUKOWA I TECHNICZNA
	7	1	4	78, ---, ---, DZIAŁALNOŚĆ ZWIĄZANA Z ZATRUDNIENIEM
	8	1	4	82, ---, ---, DZIAŁALNOŚĆ ZWIĄZANA Z ADMINISTRACYJNĄ OBSŁUGĄ BIURA I POZOSTAŁA DZIAŁALNOŚĆ WSPOMAGAJĄCA PROWADZENIE DZIAŁALNOŚCI GOSPODARCZEJ
	9	1	4	96, ---, ---, POZOSTAŁA INDYWIDUALNA DZIAŁALNOŚĆ USŁUGOWA
	10	4	-	68, 20, Z, WYNAJEM I ZARZĄDZANIE NIERUCHOMOŚCIAMI WŁASNYMI LUB DZIERŻAWIONYMI
	11	4	-	68, 3, ---, DZIAŁALNOŚĆ ZWIĄZANA Z OBSŁUGĄ RYNKU NIERUCHOMOŚCI WYKONYWANA NA ZLECENIE
	12	4	-	41, ---, ---, ROBOTY BUDOWLANE ZWIĄZANE ZE WZNOSZENIEM BUDYNKÓW
	13	4	-	42, ---, ---, ROBOTY ZWIĄZANE Z BUDOWĄ OBIEKTÓW INŻYNIERYJNYCH I WODNEJ
	14	4	-	43, ---, ---, ROBOTY BUDOWLANE SPECJALISTYCZNE
	15	4	-	64, 92, Z, POZOSTAŁE FORMY UDZIELANIA KREDYTÓW
	16	4	-	71, ---, ---, DZIAŁALNOŚĆ W ZAKRESIE ARCHITEKTURY I INŻYNIERYI; BADANIA I ANALIZY TECHNICZNE
	17	4	-	73, ---, ---, REKLAMA, BADANIE RYNKU I OPINII PUBLICZNEJ
	18	4	-	82, ---, ---, DZIAŁALNOŚĆ ZWIĄZANA Z ADMINISTRACYJNĄ OBSŁUGĄ BIURA I POZOSTAŁA DZIAŁALNOŚĆ WSPOMAGAJĄCA PROWADZENIE DZIAŁALNOŚCI GOSPODARCZEJ

Rubryka 2 - Wzmianki o złożonych dokumentach
--

Numer i nazwa pola	Nr	Nr wpisu	Data	Okres
--------------------	----	----------	------	-------

	kolejny w polu	wprow.	wykr.		
1.Wzmianka o złożeniu rocznego sprawozdania finansowego	1	8	-	14.05.2020	OD 06.07.2018 DO 31.12.2019
3.Wzmianka o złożeniu uchwały lub postanowienia o zatwierdzeniu rocznego sprawozdania finansowego	1	9	-	*****	OD 06.07.2018 DO 31.12.2019

Rubryka 3 - Sprawozdania grupy kapitałowej

Brak wpisów

Rubryka 4 - Przedmiot działalności statutowej organizacji po ytku publicznego

Brak wpisów

Rubryka 5 - Informacja o dniu kończącym rok obrotowy

Numer i nazwa pola	Nr wpisu		Zawarto
	wprow.	wykr.	
1.Dzień kończący pierwszy rok obrotowy, za który należy złożyć sprawozdanie finansowe	1	-	31.12.2019

Dział 4

Rubryka 1 - Zaległości

Brak wpisów

Rubryka 2 - Wierzytelności

Brak wpisów

Rubryka 3 - Informacje o oddaleniu wniosku o ogłoszenie upadłości na podstawie art. 13 ustawy z 28 lutego 2003 r. Prawo upadłościowe albo o zabezpieczeniu majątku dłużnika w postępowaniu w przedmiocie ogłoszenia upadłości albo w postępowaniu restrukturyzacyjnym albo po prawomocnym umorzeniu postępowania restrukturyzacyjnego

Brak wpisów

Rubryka 4 - Umorzenie prowadzonej przeciwko podmiotowi egzekucji z uwagi na fakt, że z egzekucji nie uzyska się sumy wyższej od kosztów egzekucyjnych

Brak wpisów

Dział 5

Rubryka 1 - Kurator

Brak wpisów

Dział 6

Rubryka 1 - Likwidacja

Brak wpisów

Rubryka 2 - Informacje o rozwiązaniu lub unieważnieniu spółki

Brak wpisów

Rubryka 3 - Nie dotyczy

Brak wpisów

Rubryka 4 - Informacja o połączeniu, podziale lub przekształceniu

Brak wpisów

Rubryka 5 - Informacja o postępowaniu upadłościowym

Brak wpisów

Rubryka 6 - Informacja o postępowaniu układowym

Brak wpisów

Rubryka 7 - Informacje o postępowaniach restrukturyzacyjnych, o postępowaniu naprawczym lub o przymusowej restrukturyzacji

Brak wpisów

Rubryka 8 - Informacja o zawieszeniu działalności gospodarczej

Brak wpisów

data sporządzenia wydruku 03.12.2020

adres strony internetowej, na której są dostępne informacje z rejestru: ekrs.ms.gov.pl

9.3 Consolidated up-to-date text of the Issuer's articles of association and contents of adopted resolutions of the shareholders' meeting concerning alterations to the articles of association which have not been registered by the court yet



REPERTORIUM A NR 7898 /2020

AKT NOTARIALNY

Dnia dwudziestego pierwszego sierpnia dwa tysiące dwudziestego roku (21-08-2020), ja – emerytowana Notariusz **TERESA STAROSTA**, Zastępca **KATARZYNY BORAWSKIEJ** – Notariusza w Warszawie, prowadzącej Kancelarię Notarialną przy ulicy Nowy Świat nr 41A lok.89/91, przybyłam do budynku położonego przy ulicy Postępu nr 14 w Warszawie, w celu sporządzenia protokołu Nadzwyczajnego Zgromadzenia Wspólników spółki pod firmą: **Rainford Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie**, zwanej dalej także „Spółką” (adres Spółki: 02-676 Warszawa, ulica Postępu nr 14), REGON 380827481, NIP 5252757202, zarejestrowanej w rejestrze przedsiębiorców Krajowego Rejestru Sądowego pod numerem KRS 0000741386. -----

PROTOKÓŁ NADZWYCZAJNEGO ZGROMADZENIA WSPÓLNIKÓW

§I.

Nadzwyczajne Zgromadzenie Wspólników Spółki otworzyła Pani Marika Kopera – Pełnomocnik jedyne go Wspólnika Spółki – oświadczając, że na dzień dzisiejszy we wskazanym wyżej budynku zostało nieformalnie zwołane przez Zarząd Nadzwyczajne Zgromadzenie Wspólników Spółki z następującym porządkiem obrad: -----

- 1) otwarcie obrad Nadzwyczajnego Zgromadzenia Wspólników; -----
- 2) wybór Przewodniczącego Nadzwyczajnego Zgromadzenia Wspólników; -
- 3) stwierdzenie zdolności Nadzwyczajnego Zgromadzenia Wspólników do

- podejmowania uchwał; -----
- 4) przyjęcie porządku obrad;-----
- 5) podjęcie uchwał w sprawie zmiany Aktu Założycielskiego Spółki; -----
- 6) podjęcie uchwały w sprawie przyjęcia tekstu jednolitego Aktu Założycielskiego Spółki; -----
- 7) podjęcie uchwał w sprawie powołania Członka Zarządu Spółki; -----
- 8) zamknięcie obrad Nadzwyczajnego Zgromadzenia Wspólników. -----

Do punktu 2) porządku obrad. -----

Jako kandydat na Przewodniczącego Zgromadzenia zaproponowana została Pani Marika Kopera. -----

Pani Marika Kopera wyraziła zgodę na kandydowanie. -----

Pani Marika Kopera zaproponowała podjęcie uchwały w następującym brzmieniu: -----

Uchwała Nr 1

z dnia 21 sierpnia 2020 roku

Nadzwyczajnego Zgromadzenia Wspólników spółki pod firmą:

Rainford Spółka z ograniczoną odpowiedzialnością

z siedzibą w Warszawie

w sprawie wyboru Przewodniczącego Zgromadzenia

§1

Nadzwyczajne Zgromadzenie Wspólników spółki pod firmą: Rainford Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie wybiera na Przewodniczącego Zgromadzenia Panią Marikę Kopera. -----

§2

Uchwała wchodzi w życie z chwilą podjęcia. -----

Pani Marika Kopera stwierdziła, że uchwała w brzmieniu wyżej wskazanym

została jednogłośnie podjęta. -----

Pani Marika Kopera wybór przyjęła i podpisała listę obecności. -----

Do punktu 3) porządku obrad. -----

Przewodnicząca stwierdziła zdolność Zgromadzenia do podejmowania wiążących uchwał, jako że pomimo braku formalnego zwołania zgodnie z listą obecności na niniejszym Zgromadzeniu reprezentowany jest jedyny Wspólnik Spółki, posiadający 200 (dwieście) udziałów w kapitale zakładowym Spółki na ogólną liczbę 200 udziałów, dysponujący 200 głosami na ogólną liczbę 200 głosów, to jest Wspólnik reprezentujący 100% (sto procent) kapitału zakładowego Spółki, który nie zgłosił sprzeciwu ani co do odbycia Nadzwyczajnego Zgromadzenia Wspólników ani co do porządku jego obrad. -----

Do punktu 4) porządku obrad. -----

Przewodnicząca zaproponowała podjęcie uchwały w następującym brzmieniu: -----

Uchwała Nr 2

z dnia 21 sierpnia 2020 roku

Nadzwyczajnego Zgromadzenia Wspólników spółki pod firmą:

Rainford Spółka z ograniczoną odpowiedzialnością

z siedzibą w Warszawie

w sprawie przyjęcia porządku obrad

§1

Nadzwyczajne Zgromadzenie Wspólników spółki pod firmą: Rainford Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie przyjmuje następujący porządek obrad: -----

1) otwarcie obrad Nadzwyczajnego Zgromadzenia Wspólników; -----

2) wybór Przewodniczącego Nadzwyczajnego Zgromadzenia Wspólników; --

- 3) stwierdzenie zdolności Nadzwyczajnego Zgromadzenia Wspólników do podejmowania uchwał; -----
- 4) przyjęcie porządku obrad; -----
- 5) podjęcie uchwał w sprawie zmiany Aktu Założycielskiego Spółki; -----
- 6) podjęcie uchwały w sprawie przyjęcia tekstu jednolitego Aktu Założycielskiego Spółki; -----
- 7) podjęcie uchwał w sprawie powołania Członka Zarządu Spółki; -----
- 8) zamknięcie obrad Nadzwyczajnego Zgromadzenia Wspólników. -----

§2

Uchwała wchodzi w życie z chwilą podjęcia. -----

Przewodnicząca stwierdziła, że w głosowaniu: -----

- brało udział 200 udziałów, co stanowi 100% kapitału zakładowego Spółki, -----
- oddano 200 ważnych głosów, w tym za uchwałą oddano 200 głosów, głosów przeciw nie było, nikt nie wstrzymał się od głosowania. -----

Przewodnicząca stwierdziła, że uchwała w brzmieniu wyżej wskazanym została podjęta. -----

Do punktu 5) porządku obrad. -----

Przewodnicząca zaproponowała podjęcie uchwały w następującym brzmieniu: -----

Uchwała Nr 3

z dnia 21 sierpnia 2020 roku

Nadzwyczajnego Zgromadzenia Wspólników spółki pod firmą:

Rainford Spółka z ograniczoną odpowiedzialnością

z siedzibą w Warszawie

w sprawie zmiany Aktu Założycielskiego Spółki

§1

Nadzwyczajne Zgromadzenie Wspólników spółki pod firmą: Rainford Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie postanawia zmienić §2 Aktu Założycielskiego Spółki w ten sposób, że otrzymuje on nowe, następujące brzmienie: -----

„§2.

Firma i siedziba

1. Spółka działa pod firmą: **HB Reavis Finance PL 3 Spółka z ograniczoną odpowiedzialnością.** -----
2. Spółka może używać skrótu firmy: **HB Reavis Finance PL 3 Sp. z o.o. lub HB Reavis Finance PL 3 Spółka z o.o. oraz wyróżniającego ją znaku graficznego.** -
3. **Siedzibą Spółki jest m.st. Warszawa.**” -----

§2

Uchwała wchodzi w życie z chwilą podjęcia, z mocą obowiązującą od dnia zarejestrowania zmiany Aktu Założycielskiego Spółki w rejestrze przedsiębiorców Krajowego Rejestru Sądowego. -----

Przewodnicząca stwierdziła, że w głosowaniu: -----

- brało udział 200 udziałów, co stanowi 100% kapitału zakładowego Spółki, -----
- oddano 200 ważnych głosów, w tym za uchwałą oddano 200 głosów, głosów przeciw nie było, nikt nie wstrzymał się od głosowania. -----

Przewodnicząca stwierdziła, że uchwała w brzmieniu wyżej wskazanym została podjęta. -----

Przewodnicząca zaproponowała podjęcie uchwały w następującym brzmieniu: -----

Uchwała Nr 4

z dnia 21 sierpnia 2020 roku

Nadzwyczajnego Zgromadzenia Wspólników spółki pod firmą:

Rainford Spółka z ograniczoną odpowiedzialnością

z siedzibą w Warszawie
w sprawie zmiany Aktu Założycielskiego Spółki

§1

Nadzwyczajne Zgromadzenie Wspólników spółki pod firmą: Rainford Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie postanawia zmienić §4 ustęp 1 Aktu Założycielskiego Spółki w ten sposób, że otrzymuje on nowe, następujące brzmienie: -----

„§4.

Przedmiot działalności Spółki

1. **Przedmiotem działalności Spółki jest działalność gospodarcza w Polsce i za granicą, prowadzona na własny rachunek i w pośrednictwie, w następującym zakresie:** -----
- 1) **PKD 41 – Roboty budowlane związane ze wznoszeniem budynków,** -----
 - 2) **PKD 42 – Roboty związane z budową obiektów inżynierii lądowej i wodnej,** -----
 - 3) **PKD 43 – Roboty budowlane specjalistyczne,** -----
 - 4) **PKD 64.20.Z – Działalność holdingów finansowych,** -----
 - 5) **PKD 64.92.Z – Pozostałe formy udzielania kredytów,** -----
 - 6) **PKD 64.99.Z – Pozostała finansowa działalność usługowa, gdzie indziej niesklasyfikowana, z wyłączeniem ubezpieczeń i funduszy emerytalnych,** -----
 - 7) **PKD 66.19.Z – Pozostała działalność wspomagająca usługi finansowe, z wyłączeniem ubezpieczeń i funduszy emerytalnych,** -----
 - 8) **PKD 68.10.Z – Kupno i sprzedaż nieruchomości na własny rachunek,** -----
 - 9) **PKD 68.20.Z – Wynajem i zarządzanie nieruchomościami własnymi lub dzierżawionymi,** -----
 - 10) **PKD 68.3 – Działalność związana z obsługą rynku nieruchomości wykonywana na zlecenie,** -----
 - 11) **PKD 71 – Działalność w zakresie architektury i inżynierii; badania i analizy techniczne,** -----
 - 12) **PKD 73 – Reklama, badanie rynku i opinii publicznej,** -----

13) **PKD 82 – Działalność związana z administracyjną obsługą biura i pozostała działalność wspomagająca prowadzenie działalności gospodarczej.** -----

§2

Uchwała wchodzi w życie z chwilą podjęcia, z mocą obowiązującą od dnia zarejestrowania zmiany Aktu Założycielskiego Spółki w rejestrze przedsiębiorców Krajowego Rejestru Sądowego. -----

Przewodnicząca stwierdziła, że w głosowaniu: -----

- brało udział 200 udziałów, co stanowi 100% kapitału zakładowego Spółki, -----
- oddano 200 ważnych głosów, w tym za uchwałą oddano 200 głosów, głosów przeciw nie było, nikt nie wstrzymał się od głosowania. -----

Przewodnicząca stwierdziła, że uchwała w brzmieniu wyżej wskazanym została podjęta. -----

Do punktu 6) porządku obrad. -----

Przewodnicząca zaproponowała podjęcie uchwały w następującym brzmieniu: -----

Uchwała Nr 5

z dnia 21 sierpnia 2020 roku

**Nadzwyczajnego Zgromadzenia Wspólników spółki pod firmą:
Rainford Spółka z ograniczoną odpowiedzialnością
z siedzibą w Warszawie**

w sprawie przyjęcia tekstu jednolitego Aktu Założycielskiego Spółki

§1

Nadzwyczajne Zgromadzenie Wspólników spółki pod firmą: Rainford Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie postanawia przyjąć tekst

jednolity Aktu Założycielskiego Spółki w następującym brzmieniu: -----

„AKT ZAŁOŻYCIELSKI SPÓŁKI Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

§1.

Zawiązanie Spółki

Stawający oświadczą, że w celu prowadzenia działalności gospodarczej zawiązują spółkę z ograniczoną odpowiedzialnością, zwaną dalej „Spółką”. -----

§2.

Firma i siedziba

1. Spółka działa pod firmą: **HB Reavis Finance PL 3 Spółka z ograniczoną odpowiedzialnością**. -----
2. Spółka może używać skrótu firmy: **HB Reavis Finance PL 3 Sp. z o.o. lub HB Reavis Finance PL 3 Spółka z o.o.** oraz wyróżniającego ją znaku graficznego.
3. Siedzibą Spółki jest **m.st. Warszawa**. -----

§3.

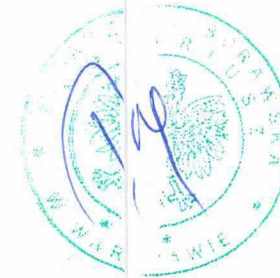
Czas trwania Spółki

Czas trwania Spółki jest nieograniczony. -----

§4.

Przedmiot działalności Spółki

1. Przedmiotem działalności Spółki jest działalność gospodarcza w Polsce i za granicą, prowadzona na własny rachunek i w pośrednictwie, w następującym zakresie: -----
 - 1) PKD 41 – Roboty budowlane związane ze wznoszeniem budynków, -----
 - 2) PKD 42 – Roboty związane z budową obiektów inżynierii lądowej i wodnej, -----
 - 3) PKD 43 – Roboty budowlane specjalistyczne, -----
 - 4) PKD 64.20.Z – Działalność holdingów finansowych, -----
 - 5) PKD 64.92.Z – Pozostałe formy udzielania kredytów, -----
 - 6) PKD 64.99.Z – Pozostała finansowa działalność usługowa, gdzie indziej niesklasyfikowana, z wyłączeniem ubezpieczeń i funduszów emerytalnych, -----
 - 7) PKD 66.19.Z – Pozostała działalność wspomagająca usługi finansowe, z



wyłączeniem ubezpieczeń i funduszów emerytalnych, -----

- 8) PKD 68.10.Z – Kupno i sprzedaż nieruchomości na własny rachunek, -----
 - 9) PKD 68.20.Z – Wynajem i zarządzanie nieruchomościami własnymi lub dzierżawionymi, -----
 - 10) PKD 68.3 – Działalność związana z obsługą rynku nieruchomości wykonywana na zlecenie, -----
 - 11) PKD 71 – Działalność w zakresie architektury i inżynierii; badania i analizy techniczne, -----
 - 12) PKD 73 – Reklama, badanie rynku i opinii publicznej, -----
 - 13) PKD 82 – Działalność związana z administracyjną obsługą biura i pozostała działalność wspomagająca prowadzenie działalności gospodarczej. -----
2. W przypadku, gdy którykolwiek z powyższych rodzajów działalności będzie wymagał zgody, koncesji, potwierdzenia lub innej formy decyzji właściwego organu administracji państwowej, Spółka będzie prowadziła taką działalność tylko po uzyskaniu takiej decyzji. -----
 3. Spółka działa na terytorium Rzeczypospolitej Polskiej oraz za granicą. -----
 4. Spółka może, w zakresie wspomnianym w punkcie 1 powyżej, otwierać i prowadzić na terytorium Rzeczypospolitej Polskiej oraz za granicą swoje filie, oddziały i przedstawicielstwa oraz inne jednostki organizacyjne. -----
 5. Spółka jest uprawniona do uczestniczenia w innych jednostkach gospodarczych oraz do tworzenia i przystępowania do wszelkich organizacji gospodarczych działających na terytorium Rzeczypospolitej Polskiej oraz za granicą. -----

§5.

Kapitał zakładowy

1. Kapitał zakładowy Spółki wynosi 5.000 zł (pięć tysięcy złotych) i dzieli się na 100 (sto) równych i niepodzielnych udziałów o wartości nominalnej po 50 zł (pięćdziesiąt złotych) każdy. -----
2. Wspólnicy mogą mieć więcej niż jeden udział. Każdy udział daje prawo do jednego głosu na Zgromadzeniu Wspólników. -----
3. Spółka prawa holenderskiego pod firmą: **HB Reavis Holding S.A.** z siedzibą w

1. Spółka może zaciągać pożyczki od jej Wspólników. -----
 2. Wspólnicy mogą zostać zobowiązani do wniesienia dopłat nie przekraczających 1000 (tysiąc) – krotności wartości nominalnej posiadanych przez nich udziałów, zgodnie z ich procentowym udziałem w kapitale zakładowym Spółki, na mocy

Kapitał zapasowy i rezerwowy
§6.
 Spółka może tworzyć kapitały rezerwowe i fundusze celowe w zakresie przewidzianym przepisami prawa. -----
Pożyczki oraz dopłaty
§7.
 Spółka może zaciągać pożyczki od jej Wspólników. -----
 1. Spółka może zaciągać pożyczki od jej Wspólników. -----
 2. Wspólnicy mogą zostać zobowiązani do wniesienia dopłat nie przekraczających 1000 (tysiąc) – krotności wartości nominalnej posiadanych przez nich udziałów, zgodnie z ich procentowym udziałem w kapitale zakładowym Spółki, na mocy

1. Spółka może zaciągać pożyczki od jej Wspólników. -----
 2. Wspólnicy mogą zostać zobowiązani do wniesienia dopłat nie przekraczających 1000 (tysiąc) – krotności wartości nominalnej posiadanych przez nich udziałów, zgodnie z ich procentowym udziałem w kapitale zakładowym Spółki, na mocy

Kapitał zapasowy i rezerwowy
§6.
 Spółka może tworzyć kapitały rezerwowe i fundusze celowe w zakresie przewidzianym przepisami prawa. -----
Pożyczki oraz dopłaty
§7.
 Spółka może zaciągać pożyczki od jej Wspólników. -----
 1. Spółka może zaciągać pożyczki od jej Wspólników. -----
 2. Wspólnicy mogą zostać zobowiązani do wniesienia dopłat nie przekraczających 1000 (tysiąc) – krotności wartości nominalnej posiadanych przez nich udziałów, zgodnie z ich procentowym udziałem w kapitale zakładowym Spółki, na mocy

Umorzenie udziałów
§9.
 1. Udziały w kapitale zakładowym Spółki mogą być umarzane z kapitału zakładowego lub z czystego zysku bez obniżenia kapitału zakładowego, za zgodą Wspólnika (umorzenie dobrowolne). -----
 2. O umorzeniu udziałów decyduje Zgromadzenie Wspólników w formie odpowiedniej uchwały. -----
Dysponowanie zyskiem
§10.
 1. O przeznaczeniu zysku wynikającego z rocznego sprawozdania finansowego

decyduje Zgromadzenie Wspólników. Zysk może zostać przeznaczony w

szczegółowości:-----

1) na kapitał zapasowy;-----

2) na inwestycje;-----

3) na dodatkowy kapitał rezerwowy utworzony w Spółce;-----

4) do podziału pomiędzy Wspólników (dywidenda);-----

5) na inne cele określone uchwałą Zgromadzenia Wspólników.-----

2. Przeznaczony uchwałą Zgromadzenia Wspólników do podziału zysk dzieli się

pomiędzy Wspólników w stosunku do liczby udziałów.-----

3. Termin wypłaty dywidendy ustala Zgromadzenie Wspólników.-----

4. Zarząd jest upoważniony do wypłaty Wspólnikom zaliczki na poczet

przewidywanej dywidendy za rok obrotowy, jeżeli Spółka posiada środki

wystarczające na wypłatę.-----

5. Spółka może wypłacić zaliczkę na poczet przewidywanej dywidendy, jeżeli jej

zatrzymanie finansowe za ostatni rok obrotowy wykazuje zysk.

Zaliczka stanowić może najwyższą połowę zysku osiągniętego od końca

poprzedniego roku obrotowego, powiększonego o kapitały rezerwowe utworzone

z zysku, którymi w celu wypłaty zaliczek może dysponować Zarząd oraz

pomniejszonego o niepokryte straty i udziały własne.-----

Organy Spółki

§11.

1. Organami Spółki są:-----

1. Zgromadzenie Wspólników,-----

2. Zarząd.-----

Zgromadzenie Wspólników

§12.

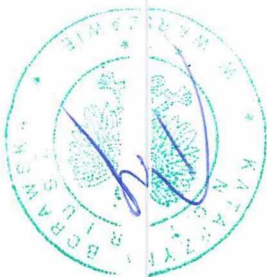
1. Zgromadzenie Wspólników jest najwyższym organem Spółki.-----

2. Uchwały Wspólników zapadają na Zgromadzeniu Wspólników.-----

3. Uchwały Wspólników mogą być podejmowane bez odbycia Zgromadzenia, w

sytuacji, gdy wszyscy Wspólnicy wyrażą zgodę na piśmie na postanowienie,

które ma być podjęte albo na pisemne głosowanie, chyba że Kodeks spółek



handlowych przewiduje inaczej.-----

4. Zgromadzenie Wspólników może być zwołane lub nadzwyczajne.-----

5. Zgromadzenia Wspólników odbywają się w siedzibie Spółki lub – za pisemną

zgoda wszystkich Wspólników – w innym miejscu na terytorium Rzeczypospolitej

Polskiej.-----

6. Zwyczajne Zgromadzenie Wspólników odbywa się raz w roku. Zwyczajne

Zgromadzenie Wspólników zwołuje Zarząd w ciągu sześciu miesięcy po

zakończeniu każdego roku obrotowego.-----

7. Nadzwyczajne Zgromadzenie Wspólników zwołuje Zarząd z własnej inicjatywy

lub na żądanie Wspólników posiadających co najmniej 10% udziałów w kapitale

zakładowym.-----

8. Zwołanie Zgromadzenia winno nastąpić listami poleconymi lub pocztą kurierską

z podaniem przyczyn zwołania i proponowanym porządkiem obrad, co najmniej

na 2 (dwa) tygodnie przed planowaną datą Zgromadzenia. Zamiaszt listu

poleconego lub przesyłki nadanej pocztą kurierską, zawiadomienie może być

wysłane Wspólnikowi pocztą elektroniczną, jeżeli uprzednio wyraził na to

pisemną zgodę, podając adres, na który zawiadomienie powinno być wysłane. --

9. Zgromadzenie Wspólników jest zdolne do podejmowania wiążących uchwał,

jeżeli wszyscy Wspólnicy zostali prawidłowo powiadomieni o terminie, miejscu i

porządku obrad Zgromadzenia.-----

10. Jeżeli cały kapitał zakładowy Spółki jest reprezentowany na Zgromadzeniu

Wspólników, Zgromadzenie uprawnione jest do podjęcia wiążących uchwał

również wówczas, gdy nie zostało formalnie zwołane, chyba że osoby obecne na

Zgromadzeniu zgłoszą sprzeciw co do jego odbycia lub co do postawienia

poszczególnych spraw na porządku obrad.-----

11. Jeżeli Kodeks spółek handlowych i postanowienia niniejszego Aktu

Założycielskiego Spółki nie przewidują warunków surwysznych uchwały

Zgromadzenia Wspólników zapadają zwykłą większością głosów oddanych.-----

12. Wspólnik może brać udział w Zgromadzeniu Wspólników osobiście lub za

pośrednictwem pełnomocnika.-----

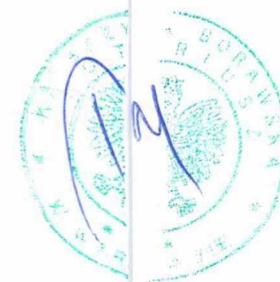
13. Uchwały Zgromadzenia Wspólników wymagają następujące sprawy:-----

- a) zmiana Aktu Założycielskiego Spółki, -----
 - b) połączenie, podział i przekształcenie Spółki, -----
 - c) rozpatrzenie i zatwierdzenie sprawozdania Zarządu z działalności Spółki, sprawozdania finansowego za ubiegły rok obrotowy oraz udzielenie absolutorium członkom organów Spółki z wykonania przez nich obowiązków w roku obrotowym, -----
 - d) podział zysku i pokrycie strat, -----
 - e) podejmowanie decyzji dotyczących roszczeń o naprawienie szkody wyrządzonej przy zawiązywaniu Spółki, sprawowaniu zarządu albo nadzoru, -----
 - f) zbycie i wydzierżawienie przedsiębiorstwa Spółki lub zorganizowanej jego części oraz ustanowienie na powyższych przedmiotach ograniczonego prawa rzeczowego, -----
 - g) podwyższenie lub obniżenie kapitału zakładowego, -----
 - h) dokonanie zwrotu dopłat, -----
 - i) zbycie lub nabycie nieruchomości przez Spółkę, jak również zbycie lub nabycie prawa użytkowania wieczystego nieruchomości; -----
 - j) powoływanie i odwoływanie członków Zarządu; -----
 - k) wynagrodzenia członków Zarządu; -----
 - l) określenie rodzajów, zasad tworzenia, likwidowania i wysokości kapitałów i funduszy Spółki, -----
 - m) zbycie bądź zastawienie udziału Spółki, -----
 - n) rozwiązanie lub likwidacja Spółki lub przeniesienie jej siedziby za granicę, --
 - o) wszystkie sprawy zastrzeżone w niniejszym Akcie Założycielskim Spółki lub przepisami prawa dla kompetencji Zgromadzenia Wspólników. -----
14. Zaciągnięcie zobowiązania do świadczenia lub rozporządzenie prawem o wartości dwukrotnie przewyższającej wysokość kapitału zakładowego nie wymaga uchwały Zgromadzenia Wspólników. -----

§13.

Zarząd

1. Zarząd prowadzi bieżące sprawy Spółki i działa zgodnie z przepisami prawa i postanowieniami Aktu Założycielskiego Spółki. -----



2. Do kompetencji Zarządu należą wszystkie sprawy, które na mocy niniejszego Aktu Założycielskiego Spółki lub przepisów Kodeksu spółek handlowych nie są zarezerwowane do wyłącznej kompetencji Zgromadzenia Wspólników. -----
3. Zarząd reprezentuje Spółkę na zewnątrz w stosunku do władz i osób trzecich, w sądzie i poza sądem. -----
4. Zarząd Spółki składa się z od 1 (jednego) do 5 (pięciu) członków. -----
5. O liczebności Zarządu decyduje każdorazowo Zgromadzenie Wspólników w uchwale powołującej Zarząd lub poszczególnych jego członków. W uchwale tej Zgromadzenie Wspólników może wskazać członka Zarządu, który będzie sprawował funkcję Prezesa Zarządu. -----
6. Zarówno w przypadku Zarządu jednoosobowego, jak i wieloosobowego do składania oświadczeń i podpisywania w imieniu Spółki uprawniony jest każdy członek Zarządu działający samodzielnie. -----
7. Członkowie Zarządu powoływani są przez Zgromadzenie Wspólników na czas nieoznaczony. Postanowień art. 202 §1 Kodeksu spółek handlowych nie stosuje się, a mandat członka Zarządu wygasa dopiero wskutek odwołania ze składu Zarządu, rezygnacji lub śmierci. -----

§14.

Rok obrotowy

1. Rok obrotowy Spółki pokrywa się z rokiem kalendarzowym, przy czym pierwszy rok obrotowy Spółki kończy się 31 (trzydziestego pierwszego) grudnia 2019 (dwa tysiące dziewiętnastego) roku. -----
2. Co roku, w terminach przewidzianych obowiązującymi przepisami, Zarząd sporządza roczne sprawozdanie finansowe, które powinno być podpisane przez wszystkich Członków Zarządu. Brak któregośkolwiek z tych podpisów powinien być umotywowany. -----

§15.

Postanowienia końcowe

W sprawach nieuregulowanych postanowieniami niniejszego Aktu Założycielskiego Spółki zastosowanie będą miały przepisy Kodeksu spółek handlowych." -----

Uchwała wchodzi w życie z chwilą podjęcia. -----

Przewodnicząca stwierdziła, że w głosowaniu: -----

- brało udział 200 udziałów, co stanowi 100% kapitału zakładowego Spółki, -----
- oddano 200 ważnych głosów, w tym za uchwałą oddano 200 głosów, głosów przeciw nie było, nikt nie wstrzymał się od głosowania. -----

Przewodnicząca stwierdziła, że uchwała w brzmieniu wyżej wskazanym została podjęta. -----

Do punktu 7) porządku obrad. -----

Przewodnicząca zaproponowała podjęcie uchwały w następującym brzmieniu: -----

Uchwała Nr 6

z dnia 21 sierpnia 2020 roku

Nadzwyczajnego Zgromadzenia Wspólników spółki pod firmą:

Rainford Spółka z ograniczoną odpowiedzialnością

z siedzibą w Warszawie

w sprawie powołania członka Zarządu Spółki

§1

*Nadzwyczajne Zgromadzenie Wspólników spółki pod firmą: Rainford Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie powołuje Pana **Petera ANDRAŠINA** (PESEL 81050318815) do Zarządu Spółki i powierza mu funkcję Członka Zarządu.* -----

§2

Uchwała wchodzi w życie z chwilą podjęcia. -----

Przewodnicząca stwierdziła, że w głosowaniu: -----

- brało udział 200 udziałów, co stanowi 100% kapitału zakładowego

Spółki, -----

- oddano 200 ważnych głosów, w tym za uchwałą oddano 200 głosów, głosów przeciw nie było, nikt nie wstrzymał się od głosowania. -----

Przewodnicząca stwierdziła, że uchwała w brzmieniu wyżej wskazanym została podjęta. -----

Do punktu 8) porządku obrad. -----

Wobec wyczerpania porządku obrad i braku innych kwestii do rozstrzygnięcia przez Nadzwyczajne Zgromadzenie Wspólników – Przewodnicząca zamknęła niniejsze Zgromadzenie. -----

§II.

Tożsamość Przewodniczącej – Pani **Mariki Kopery**, córki Mirosława i Jolanty, według oświadczenia zamieszkałej w Warszawie, przy ulicy Jana Nowaka Jeziorańskiego nr 49 m.32, kod 03-982 – Zastępcą Notariusza ustaliła na podstawie okazanego polskiego dowodu osobistego CCY 290670 z ważnością do dnia 27 lipca 2026 roku. -----

Pani Marika Kopera zapewniła, że po jej stronie nie zachodzą jakiekolwiek okoliczności przewidziane w art.50 w związku z art.46 ustawy z dnia 6 sierpnia 2010 roku o dowodach osobistych (tekst jednolity: Dz.U. z 2020r., poz.332 ze zm.).

§III.

Do protokołu załącza się listę obecności oraz informację odpowiadającą odpisowi aktualnemu z rejestru przedsiębiorców Spółki. -----

§IV.

Koszty aktu obciążają Spółkę. -----

§V.

Oplaty: -----

- 1) taksa notarialna – na podstawie rozporządzenia Ministra Sprawiedliwości z dnia 28 czerwca 2004 roku w sprawie maksymalnych stawek taksy notarialnej (Dz.U. Nr 148, poz.1564 ze zm.) – z §9 ust.1 pkt.1) oraz z §17 ----- 750zł,
- 2) podatek od towarów i usług (VAT) od taksy notarialnej – na podstawie

art.41 ust.1 w związku z art.146a ustawy z dnia 11 marca 2004 roku o podatku od towarów i usług (Dz.U. Nr 54, poz.535 ze zm.) – 23% z 750zł, tj. ----- 172,50zł.

W sumie: 922,50zł (dziewięćset dwadzieścia dwa złote i pięćdziesiąt groszy).-----

Powyższe opłaty nie obejmują kosztów wypisów tego aktu, które to koszty wraz z podstawą prawną ich pobrania zostaną podane na każdym z wypisów. -----

**AKT TEN ZOSTAŁ ODCZYTANY PRZYJĘTY I PODPISANY
PRZEZ PRZEWODNICZĄCĄ ZGROMADZENIA
I ZASTĘPCY NOTARIUSZA**

Na oryginale właściwe podpisy przewodniczącej zgromadzenia i zastępcy notariusza

**KANCELARIA NOTARIALNA
KATARZYNA BORAWSKA, KRZYSZTOF BORAWSKI – NOTARIUSZE
Spółka partnerska**

Repertorium A nr 7901/2020

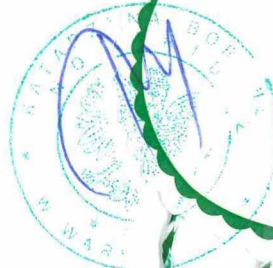
Wypis ten wydano: **Spółce**

Pobrano taksy notarialnej na podstawie §12 rozporządzenia Ministra Sprawiedliwości z dnia 28 czerwca 2004 roku w sprawie maksymalnych stawek taksy notarialnej (Dz.U. Nr 148, poz.1564 ze zm.) 108zł oraz 23% podatku VAT w kwocie 24,84zł na podstawie art.41 ust.1 w związku z art.146a ustawy z dnia 11 marca 2004 roku o podatku od towarów i usług (Dz.U. Nr 54, poz.535 ze zm.), łącznie 132,84zł.

Warszawa, dnia 21 sierpnia 2020 roku.



Teresa Starosta
EMERYTOWANY NOTARIUSZ
ZASTĘPCA NOTARIUSZA



9.4 Full text of resolutions which constitute the basis of the issue of debt financial instruments referred to in the Information Document

**UCHWAŁA ZARZĄDU NR 1
HB REAVIS FINANCE PL 3 SP. Z O.O.
Z SIEDZIBĄ W WARSZAWIE
Z DNIA 13 LISTOPADA 2020 ROKU
W SPRAWIE PROGRAMU EMISJI OBLIGACJI**

Zarząd spółki HB Reavis Finance PL 3 sp. z o.o. z siedzibą w Warszawie (dalej zwanej „**Spółką**”) wyraża zgodę na ustanowienie programu emisji obligacji do kwoty 400.000.000 PLN na okres do 31 grudnia 2023 r. (dalej zwany „**Programem**”), zgodnie z którym:

§ 1.

1. Spółka będzie prowadzić emisję zdematerializowanych obligacji na okaziciela, które będą zarejestrowane w depozycie prowadzonym przez Krajowy Depozyt Papierów Wartościowych S.A. („**Obligacje**”).
2. Obligacje będą zabezpieczone poręczeniem HB Reavis Holding S.A., zastawem rejestrowym na zbiorze rzeczy i praw należących do Spółki oraz cesją praw Spółki z pożyczek pomiędzy spółkami z grupy kapitałowej Spółki.
3. Wartość nominalna jednej Obligacji wyniesie 1.000 PLN (słownie: jeden tysiąc złotych) lub wielokrotność tej kwoty.
4. Okres zapadalności Obligacji nie będzie krótszy niż 30 miesięcy oraz nie przekroczy 42 miesięcy.
5. Obligacje będą emitowane w seriach oznaczonych kolejnymi literami.
6. Emisje Obligacji będą przeprowadzane na podstawie Ustawy z dnia 15 stycznia 2015 r. o obligacjach. Obligacje będą oferowane w sposób, który nie wymaga sporządzenia prospektu zgodnie z Rozporządzeniem Parlamentu Europejskiego i Rady (UE) 2017/1129 z dnia 14 czerwca 2017 r. w sprawie prospektu, który ma być publikowany w związku z ofertą publiczną papierów wartościowych lub dopuszczeniem ich do obrotu na rynku regulowanym oraz uchylenia dyrektywy 2003/71/WE.
7. Obligacje zostaną wprowadzone do alternatywnego systemu obrotu Catalyst organizowanego przez Giełdę Papierów Wartościowych w Warszawie S.A.

**RESOLUTION NO. 1
OF THE MANAGEMENT BOARD OF
HB REAVIS FINANCE PL 3 SP. Z O.O.
WITH ITS SEAT IN WARSAW
DATED 13 NOVEMBER 2020
ON BOND ISSUANCE PROGRAMME**

The Management Board of HB Reavis Finance PL 3 sp. z o.o. with its seat in Warsaw (hereinafter the "**Company**") consents to the establishment of a bond issuance programme up to the amount of PLN 400,000,000 for the period to 31 December 2023. (hereinafter the "**Programme**"), under which:

§ 1.

1. The Company will issue dematerialized bearer bonds, which will be registered in the depository maintained by Krajowy Depozyt Papierów Wartościowych S.A. (eng. *National Depository for Securities*) (the "**Bonds**").
2. The Bonds will be secured by a suretyship provided by HB Reavis Holding S.A., a registered pledge over the set of properties and rights belonging to the Company and an assignment of the Company's claims under the intra-group loans.
3. The principle amount of each Bond amounts to PLN 1,000 (one thousand zlotys) or a multiple of this amount.
4. The maturity of the Bonds will not be shorter than 30 months and will not exceed 42 months.
5. The Bonds will be issued in series designated with subsequent letters.
6. The issuance of the Bonds shall be performed on the basis of the Act of 15 January 2015 on Bonds. The Bonds shall be offered in a manner that does not require drawing up a prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
7. The Bonds will be introduced to the Catalyst alternative trading system organized by Giełda Papierów Wartościowych w Warszawie S.A. (eng. *Warsaw Stock Exchange*).

§ 2.

Zarząd Spółki wyraża zgodę na ustanowienie zastawu rejestrowego na zbiorze rzeczy i praw należących do Spółki oraz podjęcie innych czynności zmierzających do ustanowienia zabezpieczenia Obligacji opisanego §1 ust. 2 niniejszej uchwały.

§ 3.

Zarząd Spółki wyraża zgodę na podpisanie wszelkich niezbędnych umów (w tym umowy programowej), zawiadomień, pełnomocnictw oraz innych dokumentów, których podpisanie jest wymagane na podstawie lub w związku z emisją Obligacji i ich zabezpieczeniem.

§ 4.

Szczegółowe warunki emisji Obligacji oraz przydziału Obligacji poszczególnych serii będą określone przez Zarząd Spółki w uchwałach Zarządu Spółki dotyczących emisji danej serii Obligacji.

§ 5.

Uchwała wchodzi w życie z chwilą jej podjęcia.

§ 6.

Niniejsza uchwała została sporządzona w polskiej i angielskiej wersji językowej. W przypadku wątpliwości interpretacyjnych rozstrzyga wersja polska.

§ 2.

The Company's Management Board grants its consent to establish a registered pledge over the Company's set of properties and rights, as well as take other actions to establish collateral for the Bonds described in §1 sec. 2 of this resolution.

§ 3.

The Company's Management Board grants its consent to the execution of all necessary contracts (including the programme agreement), notices, powers of attorney and any other documents which are required under or in connection with issuance of the Bonds and securing them.

§ 4.

Detailed terms and conditions of the Bonds' issuance and allotment of the Bonds of each series will be determined by the Management Board of the Company in the resolutions of the Management Board concerning the issuance of the relevant series of the Bonds.

§ 5.

This resolution enters into force on the date of its adoption.

§ 6.

This resolution has been executed in Polish and English language version. In case of any discrepancies, the Polish language version shall prevail.

PODPISY / SIGNATURES

Peter Pecnik – Prezes Zarządu/ President of the Management Board

Peter Andrasina – Członek Zarządu/ Member of the Management Board

**UCHWAŁA ZARZĄDU 1
HB REAVIS FINANCE PL 3 SP. Z O.O.
Z SIEDZIBĄ W WARSZAWIE
Z DNIA 19 LISTOPADA 2020 ROKU
W SPRAWIE EMISJI OBLIGACJI SERII A W
RAMACH PROGRAMU EMISJI OBLIGACJI**

§ 1.

Zarząd spółki HB Reavis Finance PL 3 sp. z o.o. z siedzibą w Warszawie (dalej zwanej „**Spółką**”) działając w oparciu o Uchwałę Zarządu nr 1 Spółki z dnia 13 listopada 2020 r. w sprawie programu emisji obligacji, niniejszym postanawia wyemitować do 85.000 (słownie: osiemdziesiąt pięć tysięcy) zabezpieczonych obligacji na okaziciela serii A w ramach programu emisji obligacji (dalej zwanych „**Obligacjami**”), na następujących warunkach:

1. Obligacje zostaną wyemitowane na podstawie przepisów prawa polskiego, tj. w szczególności przepisów ustawy z dnia 15 stycznia 2015 r. o obligacjach. Obligacje będą oferowane w sposób, który nie wymaga sporządzenia prospektu zgodnie z Rozporządzeniem Parlamentu Europejskiego i Rady (UE) 2017/1129 z dnia 14 czerwca 2017 r. w sprawie prospektu, który ma być publikowany w związku z ofertą publiczną papierów wartościowych lub dopuszczeniem ich do obrotu na rynku regulowanym oraz uchylenia dyrektywy 2003/71/WE.
2. Spółka wyemituje do 85.000 (słownie: osiemdziesiąt pięć tysięcy) Obligacji.
3. Obligacje będą emitowane, jako Obligacje na okaziciela, niemające formy dokumentu (zdematerializowane) i zostaną zarejestrowane w systemie rejestracji zdematerializowanych papierów wartościowych prowadzonym przez Krajowy Depozyt Papierów Wartościowych S.A. Wyraża się zgodę na podjęcie przez Spółkę wszelkich czynności wymaganych do rejestracji Obligacji w systemie rejestracji zdematerializowanych papierów wartościowych prowadzonym przez Krajowy Depozyt Papierów Wartościowych S.A.
4. Wartość nominalna jednej Obligacji wyniesie 1.000 PLN (słownie: jeden tysiąc złotych).

**RESOLUTION NO. 1
OF THE MANAGEMENT BOARD OF
HB REAVIS FINANCE PL 3 SP. Z O.O.
WITH ITS SEAT IN WARSAW
DATED 19 NOVEMBER 2020
ON ISSUANCE OF BONDS SERIES A UNDER
A BOND ISSUANCE PROGRAMME**

§ 1.

The Management Board of HB Reavis Finance PL 3 sp. z o.o. with its seat in Warsaw (hereinafter the "**Company**") acting pursuant to the Resolution No. 1 of the Management Board of the Company dated 13 November 2020 on the bond issuance programme, hereby decides to issue up to 85,000 (in words: eighty-five thousand) secured, bearer bonds series A under the bond issue programme (hereinafter the "**Bonds**") on the following terms and conditions:

1. The Bonds will be issued under provisions of Polish law, i.e. in particular provisions of the Act on Bonds dated 15 January 2015. The Bonds shall be offered in a manner that does not require drawing up a prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
2. The Company will issue up to 85,000 (in words: eighty-five thousand) Bonds.
3. The Bonds will be issued as bearer bonds, with no document form (dematerialised bonds) and will be registered in the system for the registration of dematerialised securities maintained by Krajowy Depozyt Papierów Wartościowych S.A. The Company is hereby authorised to take all actions required to register the Bonds in the system for the registration of dematerialised securities maintained by Krajowy Depozyt Papierów Wartościowych S.A.
4. The nominal value of one Bond will be PLN 1,000 (in words: one thousand zlotys).

- | | |
|--|---|
| <p>5. Obligacje będą zabezpieczone poręczeniem HB Reavis Holding S.A., zastawem rejestrowym na zbiorze rzeczy i praw należących do Spółki oraz cesją praw Spółki z pożyczek pomiędzy spółkami z grupy kapitałowej Spółki.</p> | <p>5. The Bonds will be secured by a suretyship provided by HB Reavis Holding S.A., a registered pledge over the set of properties and rights belonging to the Company and an assignment of the Company's claims under the intra-group loans.</p> |
| <p>6. Pozostałe parametry Obligacji zostaną określone w warunkach emisji Obligacji, które zostaną podpisane przez osobę lub osoby upoważnione do działania za Spółkę. Dodatkowa uchwała Zarządu Spółki w tym zakresie nie będzie wymagana.</p> | <p>6. The remaining parameters of the Bonds will be specified in the terms and conditions of the Bonds which will be signed by a person or persons authorised to act on behalf of the Company. Additional resolution of the Management Board of the Company in this respect will not be required.</p> |
| <p>7. Obligacje zostaną wprowadzone do alternatywnego systemu obrotu Catalyst organizowanego przez Giełdę Papierów Wartościowych w Warszawie S.A. Wyraża się zgodę na podjęcie przez Spółkę wszelkich czynności wymaganych do wprowadzenia Obligacji do alternatywnego systemu obrotu Catalyst organizowanego przez Giełdę Papierów Wartościowych w Warszawie S.A.</p> | <p>7. The Bonds will be introduced to the Catalyst alternative trading system organized by Giełda Papierów Wartościowych w Warszawie S.A. (eng. <i>Warsaw Stock Exchange</i>). The Company is hereby authorised to take all actions required to introduce the Bonds to the Catalyst alternative trading system organized by Giełda Papierów Wartościowych w Warszawie S.A. (eng. <i>Warsaw Stock Exchange</i>).</p> |

§ 2.

Zarząd Spółki postanawia zatwierdzić warunki emisji Obligacji stanowiące Załącznik 1 do niniejszej uchwały.

§ 2.

The Company's Management Board resolves to approve the terms and conditions of the Bonds set out in Schedule 1 to this resolution.

§ 3.

Uchwała wchodzi w życie z chwilą jej podjęcia.

§ 3.

This resolution enters into force on the date of its adoption.

§ 4.

Niniejsza uchwała została sporządzona w polskiej i angielskiej wersji językowej. W przypadku wątpliwości interpretacyjnych rozstrzyga wersja polska.

§ 4.

This resolution has been executed in Polish and English language version. In case of any discrepancies, the Polish language version shall prevail.

PODPISY / SIGNATURES

Peter Pecnik – Prezes Zarządu/ President of the Management Board

Peter Andrasina – Członek Zarządu/ Member of the Management Board

ZAŁĄCZNIK 1 / SCHEDULE 1

WARUNKI EMISJI OBLIGACJI / TERMS AND CONDITIONS OF THE BONDS

9.5 Document defining the terms and conditions of the Bonds

*The assessment of the target group for the Bonds (as defined below) was made independently by each of the Organisers (as defined below) within the scope of directive 2014/65/UE (the **MiFID II Directive**) and determined that: (i) the target group for the Bonds includes exclusively professional clients in the meaning of Article 3(39b) of the Act on Trading in Financial Instruments (as defined below), including eligible counterparties in the meaning of Article 3(39d) of the Act on Trading in Financial Instruments; and (ii) all distribution channels for the Bonds to professional clients, including eligible counterparties are suitable. Each person who will subsequently offer, sell or recommend the Bonds (distributor) needs to take into consideration the assessment of the target group made by each of the Organisers, provided that a distributor which is subject to the requirements of the MiFID II Directive is responsible for its own assessment of the target group for the bonds and determining relevant distribution channels.*

TERMS AND CONDITIONS OF BONDS

This document (the **Terms and Conditions**), which also includes the issue supplement (as defined below) and other schedules, sets out the terms and conditions of the bonds (the **Bonds**), issued by HB Reavis Finance PL 3 sp. z o.o. with its registered office in Warsaw at ul. Postępu 14, 02-676 Warsaw, entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under No. 0000741386, REGON: 380827481, NIP (Tax Identification Number): 525-275-72-02, with the share capital of PLN 10,000 (the **Issuer**), having the website <http://www.hbreavis.com/hbrfinancepl3> (the **Issuer's Website**), under the Programme (as defined below).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Terms and Conditions:

Security Administrator means the entity specified in the Issue Supplement

Pledge Administrator means the entity specified in the Issue Supplement.

Documentation Agent means the entity specified in the Issue Supplement.

Calculation Agent means the entity specified in the Issue Supplement.

Amortisation has the meaning assigned thereto in Clause 11.1 of the Terms and Conditions.

ATS means an alternative trading system for debt securities operated by GPW.

Base Rate means WIBOR or interest rate set in accordance with Clause 6.1(b)(iii) - 6.1(b)(xi).

No WIBOR Permit means that the WIBOR administrator has not obtained a permit or registration authorising it to determine WIBOR or such permit or registration of WIBOR was revoked or suspended.

Deposit means the dematerialised securities registration system operated by KDPW.

Permitted Owner means Mr. Ivan Chrenko, a citizen of the Slovak Republic, and/or any other Related Person.

Issue Date means the date on which the Bonds are first registered in the Bonds Accounts, provided that it is the intention of the Issuer that the Issue Date occurs on the date referred to as the Issue Date in the Issue Supplement and that all the Bonds are registered in the relevant Bonds Accounts on the same date (if the Bonds are not registered in the Bonds Accounts on the same date, the Issue Date shall be the first date on which the Bonds were registered in the Bonds Accounts).

Interest Payment Date means the date specified in the Issue Supplement.

Business Day means each day except for Saturday, Sunday or a public holiday, on which KDPW and the entities operating the securities accounts and the omnibus accounts are open for the business making it possible to transfer the Bonds and make payments due under the Bonds.

Record Date means, unless an earlier date is required by the applicable KDPW regulations, the fifth Business Day before the date on which the payments under the Bonds are to be made, except:

- (a) when the Bondholder submits a request to the Issuer for an earlier or immediate redemption of the Bonds and then the Record Date means the day on which the Bondholder submits the request for an earlier or immediate redemption of the Bonds;
- (b) when the Issuer's liquidation is commenced and then the Record Date means the day on which the Issuer's liquidation is commenced;

- (c) when the Issuer merges with another entity, demerges or changes its legal form, if the entity that has assumed the Issuer's rights under the Bonds is not entitled to issue the Bonds and then the Record Date means the day on which the Issuer merges with another entity, demerges or changes its legal form; and
- (d) the second Business Day after the date on which the funds for redemption of the Bonds are transferred to KDPW if the Bonds are redeemed after the Maturity Date.

Interest Rate Determination Date means, unless an earlier date is required by the ATS regulations, the third Business Day before the beginning of the Interest Period for which the interest rate is to be determined.

Maturity Date means the day specified in the Issue Supplement.

Fund HB Reavis Real Estate Investment Fund, a corporate partnership limited by shares (*société en commandite par actions*) established as investment company with fixed capital (*société d'investissement à capital fixe*) and registered as an undertaking for collective investment under Part II of the Luxembourg 17 December 2010 Law on Undertakings for Collective Investment, as amended, established in Luxembourg, or other alternative investment fund under full management or co-management of the company HB Reavis Investment Management S. à r.l., a limited liability company established under Luxembourg law (registration No. B 161176) or other management entity from the Group, which has to be included in the consolidated annual statement of the Suretyship Provider in accordance with IFRS.

GPW means Giełda Papierów Wartościowych w Warszawie S.A. with its registered office in Warsaw.

Group means the Suretyship Provider and its Subsidiaries.

Material Subsidiary means a member of the Group, other than the Issuer and the Suretyship Provider, who issued debt securities.

Equity means the item "total equity" in the consolidated financial statements of the Suretyship Provider.

KDPW means Krajowy Depozyt Papierów Wartościowych S.A. with its registered office in Warsaw.

Commercial Companies Code means the Act dated 15 September 2000 – Commercial Companies Code.

Adjustment means the value or action which is applied to limit the economic consequences applicable to the Bonds in result of replacing WIBOR with the Alternative Ratio.

Amortisation Amount shall have the meaning assigned thereto in Clause 11.2 of the Terms and Conditions.

Maximum Value of the Programme means PLN 400,000,000.

Margin means the margin specified in the Issue Supplement.

Retail Bonds means the bonds or any other debt securities issued by a Group member, denominated in PLN and offered in an offering conducted in the territory of Poland addressed to individual, retail investors, conducted by a financial institution other than the Organisers.

Bondholder means a holder of a Bond.

Announcement of Termination of Publication means the issuance by the Designating Entity of an official statement that publication of WIBOR has been or will be permanently terminated and on the date of such statement no successor has been designated who would continue to calculate and publish WIBOR.

Protected Period means the period commencing on the Issue Date and lasting 9 (nine) months.

Interest Period means the period from (and excluding) the day specified in the Issue Supplement when interest starts accruing to (but including) the first Interest Payment Date, and each consecutive period from (and excluding) an Interest Payment Date to (but including) the next consecutive Interest Payment Date, provided that the last interest period may vary in duration due to an early or immediate redemption of the Bonds.

Organisers mean mBank S.A. and Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce.

Related Person means (i) any wife, family member (including direct descendants (including adoption) or ancestors), or relative of Mr. Ivan Chrenko, any trust, foundation or partnership for the benefit of one or more such physical persons and/or Mr. Ivan Chrenko or his estate, executor, manager committee, legal representative or ultimate beneficiary of any of these persons; or (ii) any trust, foundation, company, partnership or other Person, for which Mr. Ivan Chrenko or its Related Persons represent ultimate beneficiary owners, shareholders partners or owners, or Persons exercising their control..

Person means any natural person, company, business, partnership, common business, association, organization, state or public authority or other subject, regardless it has legal identity.

Related Party means an entity which is a related party to the Group within the meaning of the International Accounting Standards IAS 24 (Related Party Disclosures).

Designating Entity means the Polish Financial Supervision Authority, the National Bank of Poland, the WIBOR administrator or an industry organisation which was designated by the Polish Financial Supervision Authority which prepares a proposal to replace WIBOR.

Subsidiary means an entity for which the Suretyship Provider is a Holding Company.

Instructions to Enforce means instructions to enforce the Suretyship, the Assignment or the Registered Pledge submitted by a Bondholder substantially in the form attached as **Schedule 5** to the Terms and Conditions.

Suretyship means the suretyship securing the satisfaction of the liabilities of the Issuer under all the bonds (including the Bonds) issued under the Programme, granted by the Suretyship Provider under the Suretyship Agreement.

Suretyship Provider means HB Reavis Holding S.A. a joint stock company (*société anonyme*), organised under the laws of the Grand Duchy of Luxembourg, with its registered seat at rue Glesener 21, entered in the commercial register (Registre de Commerce et des Sociétés) under No. B156287.

Reserved Provisions mean the reserved provisions within the meaning of Art. 49 section 1 of the Act on Bonds.

Premium means the premium on the early redemption of Bonds at the Issuer's initiative, in the amount specified in the Issue Supplement.

Programme means the program of issuance of bonds whereunder the Issuer may issue bonds (including the Bonds) up to the total nominal value of PLN 400,000,000, established pursuant to the programme agreement of 13 November 2020, concluded between the Organisers, the Suretyship Provider and the Issuer.

Assignment means the security assignment of the Issuer's claims under the intra-group loans, securing the performance of the obligations of the Issuer under all the bonds (including the Bonds) issued under the Programme established on the basis of the Assignment Agreement.

Event of Default means any event specified in Clause 12.3 (*Events of Default*).

Bonds Account means the Securities Account or the Omnibus Account.

Securities Account means a securities account in the meaning of Article 4 section 1 of the Act on Trading in Financial Instruments.

Omnibus Account means an omnibus account in the meaning of Article 8a of the Act on trading in Financial Instruments in which the rights to Bonds are registered.

ATS Regulations means regulations applicable to ATS.

Consolidated Assets means a sum of total consolidated assets as reported in the consolidated financial statements of the Suretyship Provider.

Consolidated Financial Indebtedness means the sum of the total consolidated Financial Indebtedness as reported in the consolidated financial statements of the Suretyship Provider.

Adjusted Principal Amount of the Bonds has the meaning assigned to this term in the article 50 point 1 of the Act on Bonds.

Adjusted Consolidated Assets means Consolidated Assets reduced by the amount of loans granted by the entities belonging to the Group to the Related Parties and the value of the receivables (which are repayable longer than within 90 days) of the entities belonging to the Group towards the Related Parties.

Holding Company means a company which:

- (a) controls, indirectly or directly, a majority of the votes at the general meeting or the general assembly, also as pledgee or usufructuary, or in the management board of another subsidiary, also under agreements with other parties; or
- (b) is entitled to appoint or dismiss a majority of the members of the management board of another company or another subsidiary, also under agreements with other parties; or
- (c) is entitled to appoint or dismiss a majority of the members of the supervisory board of another company or another subsidiary, also under agreements with other parties; or
- (d) members of its management board or members of its supervisory board constitute more than half of the members of the management board of another company or another subsidiary; or
- (e) controls, indirectly or directly, a majority of the votes in the dependent partnership or at the general meeting of another subsidiary, also under agreements with other parties, or
- (f) exerts a decisive influence on the operations of the dependent company or another subsidiary, in particular based on the agreements with other parties.

Issue Supplement means the integral part of these Terms and Conditions attached as **Schedule 1** to the Terms and Conditions and determining the detailed parameters of the issuance of the Bonds, creating a single document therewith.

Detailed Rules means the detailed rules of operations of KDPW.

Suretyship Agreement means the suretyship agreement concluded on 19 November 2020 between the Suretyship Provider and the Security Administrator.

Assignment Agreement means the security assignment agreement concluded on 19 November 2020 between the Issuer and the Security Administrator.

Registered Pledge Agreement means the registered pledge agreement concluded on 19 November 2020 between the Issuer and the Pledge Administrator.

Act on Bonds means the Act dated 15 January 2015 on Bonds.

Act on Trading in Financial Instruments means the act of 29 July 2005 on trading in financial instruments.

Act on Registered Pledge means the act of 6 December 1996 on registered pledge and register of pledges.

WIBOR means Warsaw Interbank Offered Rate determined on the Interest Rate Determination Date by GPW Benchmark S.A. (or another entity which will take over the administration of such rate) for deposits in PLN, for the term specified in the Issue Supplement, as expressed in percent per annum, or another interest rate that will replace the above rate.

Alternative Ratio means a reference ratio determined in accordance with Clause 6.1(b)(v) – 6.1(b)(xii) which replaces WIBOR in the circumstances described in the Terms and Conditions.

Indebtedness Ratio means the ratio of Consolidated Financial Indebtedness to Adjusted Consolidated Assets, calculated on the basis of the Suretyship Provider's consolidated financial statements, as at 30 June and 31 December.

Net Indebtedness Ratio means the ratio of Consolidated Financial Indebtedness reduced by the aggregate amount of cash and cash equivalents to Adjusted Consolidated Assets, calculated on the basis of the Suretyship Provider's consolidated financial statements, as at 30 June and 31 December.

Equity to Assets Ratio means the ratio of Equity to Adjusted Consolidated Assets, calculated on the basis of the consolidated financial statements of the Suretyship Provider as at 30 June and 31 December.

Security Interest means any mortgage, charge, lien, registered pledge, financial pledge, security assignment, security transfer of title, or any other collateral.

Financial Indebtedness means any indebtedness for or in respect of (without double counting):

- (a) moneys borrowed (*środki wypłacone w ramach pożyczki lub kredytu*);
- (b) any acceptance under any acceptance credit facility (kredyt akceptacyjny) (including any dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds (obligacja), notes (weksel), debentures (inny papier wartościowy), loan stock (skrypt dłużny) or any similar instrument;
- (d) any redeemable preference share (akcje/udziały uprzywilejowane z możliwością umorzenia);
- (e) any lease, hire purchase contract or other agreement which would, in accordance with the generally accepted accounting principles, be treated as a finance or capital lease;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis (bez regresu do zbywcy));
- (g) any derivative transaction (transakcja pochodna) entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value will be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) the acquisition cost of any asset or service to the extent payable after its acquisition or possession by the party liable where the deferred payment:
 - (i) is arranged primarily as a method of raising finance or of financing the acquisition or the construction of that asset or service; or
 - (ii) is due to be made more than twelve months after the date of acquisition or supply;
- (j) any other transaction having the commercial effect of a borrowing where the payment is deferred for a period exceeding at least 365 days; or
- (k) any indebtedness of a Related Party that would fall under points (a) – (j) above, where an entity from the Group provides guarantee or surety for such indebtedness;

excluding in each case:

- (a) any deposits received from tenants for the purpose of security rental payments made by the tenants to the members of the Group;
- (b) any customary warranties provided by the general contractor to the owner of the building;
- (c) any loans, borrowings, leases, guarantees, indemnities or similar assurance between or in favour of the companies within the Group; or
- (d) any contributions from third parties to the Fund that are for the purposes of consolidated financial statements classified as debt.

Registered Pledge means the registered pledge over the Issuer's assets securing the performance of the Issuer's liabilities owed on account of all the bonds (including the Bonds) issued under the Programme based on the Registered Pledge Agreement.

Compliance Certificate means a certificate substantially in the form set out in **Schedule 7** (*Form of the Compliance Certificate*) containing the information on the level and detailed calculation of the Indebtedness Ratio, the Net Indebtedness Ratio and the Equity to Assets Ratio as at, respectively 30 June and 31 December of given year.

Bondholders Meeting means the body representing the Bondholders, held in accordance with the terms set out in the Terms and Conditions and the Act on Bonds.

Change of Control means a situation in which: (i) the Suretyship Provider ceases to hold (directly or indirectly) shares representing at least 50% plus 1 votes at the meeting of the shareholders of the Issuer or the meeting of the shareholders or the general meeting of Material Subsidiaries, (ii) Permitted Owner ceases to hold (directly or indirectly) shares representing at least 50% plus 1 of the votes at the general meeting of the Suretyship Provider; or (iii) any other person or persons

acting in concert (other than Permitted Owner) directly or indirectly acquire shares representing more than 50% plus 1 votes at the general meeting of the Suretyship Provider.

Floating Interest Rate means the interest rate that is the sum of the Base Rate and Margin.

1.2 Interpretation

In these Terms and Conditions:

- (a) the definition of the Bonds refers to the bonds of the series specified in the Issue Supplement;
- (b) all the schedules to the Terms and Conditions constitute a single document therewith and have been separated exclusively for each of reference;
- (c) any reference to a clause, paragraph or schedule is a reference to a clause or paragraph of or a schedule to these Terms and Conditions;
- (d) any references to:
 - (i) these Terms and Conditions or any other document includes references to these Terms and Conditions or any other document as amended; and
 - (ii) a provision of law or an act includes references to that law or act as amended or replaced; and
- (e) headings and subheadings of certain clauses are used only for the ease of reference and do not affect the interpretation of these Terms and Conditions.

2. DESCRIPTION OF THE PERFORMANCE

The Issuer undertakes to pay to the Bondholder a performance in cash in the amount and on the dates set out in these Terms and Conditions, including the Issue Supplement.

3. DESCRIPTION OF THE BONDS

- 3.1 The Bonds are bearer bonds. The Bonds are dematerialised and are subject to registration in the Deposit, provided that the Bonds will be registered in the Deposit after the satisfaction of the conditions provided in and Article 5 section 1 point 3 of the Act on Trading in Financial Instruments, in accordance with paragraph 5 of the Detailed Rules and other relevant regulations that will replace them.
- 3.2 The Bonds are issued pursuant to Article 33 section 1 of the Act on Bonds without the obligation to issue the prospectus or the information memorandum.
- 3.3 The declaration on accepting the proposal to purchase the Bonds may be made in electronic form.
- 3.4 The Bonds constitute unsubordinated and secured (on the terms set out in the Terms and Conditions) liabilities of the Issuer, they are equal and without priority of payment against each other and (subject to exceptions arising from the mandatory provisions of law) rank at least *pari passu* with all the remaining current or future unsubordinated and unsecured liabilities of the Issuer.

4. SECURITY INTERESTS

- 4.1 The claims of holders of bonds issued under the Programme, including the Bondholders' claims under the Bonds are secured with the Assignment and the Suretyship, created prior to the date of the Terms and Conditions.
- 4.2 The claims of holders of bonds issued under the Programme, including the Bondholders' claims under the Bonds will be secured by the Registered Pledge. The Registered Pledge should be registered in the register of pledges within 60 days from the Issue Date. The Registered Pledge Agreement was concluded between the Issuer and the Pledge Administrator prior to the Issue Date.
- 4.3 The description of methods of enforcing the Registered Pledge, the Assignment and the Suretyship is provided in **Schedule 2**.
- 4.4 The maximum amount secured by:
 - (a) the Registered Pledge is 150 per cent. of the Maximum Value of the Programme; and
 - (b) the Suretyship amounts to 150 per cent. of the Maximum Programme Value.

- 4.5 A Bondholder requests the Pledge Administrator or the Security Administrator, respectively, to enforce the Registered Pledge, the Suretyship or the Assignment by delivering to the Pledge Administrator or the Security Administrator, accordingly, of the Instructions to Enforce and in accordance with the Pledge Agreement, the Suretyship Agreement or the Assignment Agreement (as the case may be).
- 4.6 The valuation of assets encumbered with the Registered Pledge is provided in **Schedule 3**.
- 4.7 The valuation of assets encumbered with the Registered Pledge was prepared by Value Advisors sp. z o.o. with its seat in Warsaw (the **Valuer**). The Issuer appointed the Valuer to prepare the valuation of assets encumbered with the Registered Pledge because the Valuer has the experience and qualifications ensuring reliability of valuation and maintains impartiality and independence. In the Issuer's opinion, the Valuer's experience warrants that the valuation prepared by the Valuer will be a reliable source of information about the assets encumbered with the Registered Pledge for the Bondholders.

5. BONDHOLDERS' MEETING

- 5.1 The Bondholders may make decisions at the Bondholders Meeting. The Bondholders Meeting may adopt a resolution on amending all the provisions of the Terms and Conditions or approving the entry by the Pledge Administrator or the Security Administrator into an agreement amending the Suretyship Agreement, Assignment Agreement, Registered Pledge Agreement. Moreover, the Bondholders Meeting may also resolve on other matters concerning the enforcement of the security interests securing the Programme.
- 5.2 The Bondholders Meetings are convened by the Issuer.
- 5.3 A Bondholder or Bondholders holding the Bonds representing at least 1/20 of the Adjusted Principal Amount of the Bonds (**Authorised Bondholders**) may demand that the Bondholders Meeting be convened. The request must be in writing or in electronic form in accordance with the form attached in **Schedule 4** to the Terms and Conditions.
- 5.4 The Organisers have the right to participate in each Bondholders Meeting.
- 5.5 If a request of conveyance of the Bondholders Meeting is sent pursuant to Clause 5.3 above, the Issuer will publish, on the Issuer's Website, within two Business Days from the date of the receipt by the Issuer of the request of conveyance of the Bondholders Meeting the statement in which it indicates the number and total principal amount of the Bonds owned by the members of the Group (**Issuer's Statement**). The Issuer publishes the announcement on convening the Bondholders Meeting on the Issuer's Website within five Business Days from its receipt of the request submitted by the Eligible Bondholders.
- 5.6 The principles of convening and holding the Bondholders Meeting are set out in the Act on Bonds. The Bondholders Meeting may be held in Warsaw. The Bondholders may participate in the Bondholders Meeting through electronic means.
- 5.7 The votes are cast in writing and in secret ballot.
- 5.8 The Bondholders Meeting shall adopt its resolutions with the following majority:
- (a) the resolution on amending the provisions which are not the Reserved Provisions of the Terms and Conditions shall require the consent of 75 per cent. of the Bondholders participating in the Bondholders Meeting provided that at least 50 per cent. of the Bondholders take part in the Bondholders Meeting;
 - (b) the resolution on amending the provisions which are the Reserved Provisions of the Terms and Conditions shall be taken by 75 per cent. of the Bondholders participating in the Bondholders Meeting provided that at least 50 per cent. of the Bondholders take part in the Bondholders Meeting (or in the case of Bonds listed on ATS the resolution should be taken by 100 per cent. of the Bondholders taking part in the Bondholders Meeting);
 - (c) notwithstanding the majority specified in (a) and (b) the following issues shall require the consent of 50 per cent plus one vote of the Bondholders participating in the Bondholders Meeting provided that at least 50 per cent of the Bondholders take part in the Bondholders Meeting:

- (i) Clause 12.4 (*Actions not constituting an Event of Default*); and
 - (ii) Clause 12.5 (*Consequences of an Event of Default*).
- 5.9 The book of minutes of the Bondholders Meeting is available to the Bondholders on Business Days at the Issuer's registered office.
- 5.10 Resolutions of the Bondholders Meeting are binding on all the Bondholders, including those who did not participate in the Bondholders Meeting, those who did not take part in the vote at the Bondholders Meeting, those who abstained, those who voted against and those who acquired the Bonds after the date of the resolution of the Bondholders Meeting.

6. INTEREST

The method of interest accrual or the indication that the Bonds bear no interest is contained in the Issue Supplement.

6.1 Floating interest rate

- (a) Interest accrual

Interest on each Bond bearing floating interest shall accrue for the given Interest Period and will be payable on each Interest Payment Date.
- (b) Determination of the Floating Interest Rate:
 - (i) The interest rate for the given Interest Period will be equal to the aggregate of the Base Rate and the Margin.
 - (ii) On each Interest Rate Determination Date the Calculation Agent will determine the WIBOR rate.
 - (iii) If it is impossible to determine the WIBOR rate, including specifically in connection with the Announcement of Termination of Publication or if No WIBOR Permit has been issued, the Base Rate will be determined as the Alternative Ratio adjusted by the Adjustment (if applicable), in the manner described below.
 - (iv) If the unavailability of WIBOR is related with the Announcement of Termination of Publication or if No WIBOR Permit has been issued, the Alternative Ratio will permanently replace WIBOR. Otherwise WIBOR will once again be used to determine the Base Rate as of the Interest Rate Determination Date, on which WIBOR becomes once again available.
 - (v) The Alternative Ratio will be determined in accordance with one of the following methods:
 - (I) the Alternative Ratio is the ratio recommended instead of WIBOR by the Polish Financial Supervision Authority;
 - (II) the Alternative Ratio is the ratio that was recommended instead of WIBOR, by other authority authorised in accordance with the Regulation of the Parliament of the European Parliament and of the Council (EU) 2016/1011 of 8 June 2016 on the indices used as reference indices in instruments financial and financial agreements or to measure the fund's performance and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
 - (III) the Alternative Ratio is the ratio recommended instead of WIBOR by the industry-specific organisation designated by the Polish Financial Supervision Authority and which is responsible for preparing proposals of WIBOR replacement; or
 - (vi) The Issuer applies the methods referred to in (v), in the sequence from (v)(I) above to (III). The next method is applied if the previous method brings no results until the Interest Rate Determination Date, inclusive (if the relevant Designating Entity does not designate the Alternative Ratio).
 - (vii) Following the determination of the Alternative Ratio the Adjustment is established in accordance with the following rules:

- (I) the Adjustment is either a value or action that results in the adjustment of the value of the Alternative Ratio. The value of the Adjustment may be positive, negative or may equal zero and it may also be specified as a formula or calculation method;
 - (II) once determined the Adjustment is applied throughout the time of application of the Alternative Ratio;
 - (III) if, in the given method of determination of the Alternative Ratio, as referred to in (v)(I) through (III) above:
 - a. the Designating Entity did determine the Adjustment – such Adjustment shall be used;
 - b. the Designating Entity declared that no Adjustment is to be used – no Adjustment shall be used;
 - (IV) if, in the given method of determination of the Alternative Ratio, as referred to in (v)(I) through (v)(III) above, the Designating Entity made no reference to the Adjustment;
 - a. the Adjustment is added to the value of the Alternative Ratio;
 - b. the Adjustment is equal to the historical median of the differences between WIBOR and the Alternative Ratio;
 - c. the median of differences is established: (A) for the period of 24 months prior to the date on which publication of WIBOR was terminated (when the Announcement of Termination of Publication has occurred) or the first date on which the Alternative Ratio has been applied (if WIBOR was not published, but no Announcement of Termination of Publication was made) or the date on which No WIBOR Permit was issued; (B) taking into consideration each day in the reviewed period in which both WIBOR and the Alternative Ratio were published.
- (viii) The procedure of selection of the Alternative Ratio and determination of the Adjustment in connection with the Announcement of Termination of Publication or No WIBOR Permit is conducted only once (the same Alternative Ratio and Adjustment are used instead of IBOR also on the next Interest Rate Determination Dates).
- (ix) The Alternative Ratio and the Adjustment are designated at the instructions of the Calculation Agent or another professional entity, if such entity was designated by a Resolution of the Bondholders Meeting with the consent of the Issuer. The Issuer shall publish, on the Issuer's Website, the information about the abovementioned entity, including the particulars of such entity, and the selected Ratio as well as (after it is prepared) the method of calculation of the Adjustment or an opinion of that entity that no Adjustment is required.
- (x) If the Alternative Ratio is published in arrears and thus is unavailable for an Interest Period on the Interest Rate Determination Date, the Interest Rate Determination Date shall be postponed accordingly until the time of publication of the Alternative Ratio for the given Interest Period, subject to market standard.
- (xi) In the event that, in accordance with (iv), the Alternative Ratio permanently replaces WIBOR, the provisions of (iii) – (xi) relating to WIBOR shall apply accordingly to such Alternative Ratio subject to the Adjustment.
- (xii) If the Base Rate is less than zero, the Base Rate shall be deemed zero for the purpose of determining the Floating Interest Rate.
- (c) Calculation of interest

The amount of interest on one Bond shall be calculated following the determination of the Floating Interest Rate by multiplying the principal amount of one Bond by the Floating Interest Rate, multiplying the product by the number of days in the given Interest Period,

dividing the result by 365 and rounding the resultant figure to the nearest grosz (half a grosz or more being rounded upwards).

(d) Notification of the Floating Interest Rate and the amount of interest

The Bondholder shall be notified of the Floating Interest Rate and the amount of interest in accordance with Clause 16.1 (*Notices to the Bondholders*). Furthermore, as regards the Bonds listed on the ATS, the amount of interest shall be placed on the ATS's website.

6.2 Fixed interest rate

(a) Interest accrual

Interest on each Bond bearing fixed interest shall accrue for the given Interest Period and will be payable on each Interest Payment Date.

(b) Calculation of interest

The amount of interest on one Bond shall be calculated by multiplying the principal amount of a Bond by the fixed interest rate indicated in the Issue Supplement, multiplying the product by the number of days in the given Interest Period, dividing the result by 365 and rounding the resultant figure to the nearest grosz (half a grosz or more being rounded upwards).

(c) Notification of the amount of interest

The Bondholder shall be notified of the amount of interest in accordance with Clause 16.1 (*Notices to the Bondholders*). Furthermore, as regards the Bonds listed on the ATS, the amount of interest shall be placed on the ATS's website.

6.3 Interest rate step-up – Net Debt Ratio

If the Net Indebtedness Ratio exceeds 0.45, the interest rate for the Interest Periods commencing after the date on which the Net Indebtedness Ratio was exceeded will be increased by 75 basis points. The interest rate will be restored to its initial level for the Interest Periods commencing after the date on which the Net Indebtedness Ratio fell to 0.45 or less.

6.4 Interest rate step-up – issuance of Retail

(a) If Retail Bonds that have a rate of return greater than the Bonds (based on the principles of calculation specified in **Schedule 6** (*Terms of increase of interest in case of issuance of the Retail Bonds*)) are issued during the Protected Period, the interest rate of the Bonds will be increased up to the level that is required to ensure that the rate of return on the Retail Bonds and the interest rate of the Bonds are equal, starting from the next Interest Period commencing after the Interest Period during which the Retail Bonds were issued.

(b) The interest rate referred to in item (a) above will be increased in accordance with the principles specified in **Schedule 6** (*Terms of increase of interest in case of issuance of the Retail Bonds*)

(c) The Issuer is required to publish, on the Issuer's Website, the calculation of the increase of the interest rate accruing on the Bonds, within five Business Days from the date of issuance of the Retail Bonds during the Protected Period.

7. PAYMENTS

7.1 All amounts payable under the Bonds will be paid via the entities keeping the Bonds Accounts to the Bondholder's appropriate account.

7.2 Payments under the Bonds will only be made to the Bondholders holding the Bonds as at the end of the Record Date.

7.3 Payment mechanics:

(a) the amounts payable from the bond redemption can be credited towards the purchase price for the Bonds of a new issuance;

(b) if the date on which any amount payable under the Bonds is to be paid is not a Business Day, such amount will be paid to the Bondholder on the next following Business Day and the Bondholder shall not be entitled to claim any interest for such period of time; and

- (c) the amounts due under the Bonds shall be paid without setting off any amounts due to the Issuer with any amounts due from the Bondholders.

8. TAXES

- 8.1 All amounts payable in respect of the Bonds will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the relevant tax authorities, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by mandatory provisions of law. The Issuer will not reimburse the Bondholders for any taxes paid or make any additional payments if any taxes, duties, assessments or governmental charges must be withheld or deducted from any payment under the Bonds.
- 8.2 If any taxes must be withheld or deducted and the Bondholder fails to provide the entity operating the securities account or the omnibus account, not later than on the Record Date, with all information and documents, including, without limitation, the current tax residence certificate, as required to apply a reduced or zero tax rate, such tax will be collected in full.

9. REDEMPTION

The Issuer, subject to the terms of section 10 (*Early Redemption of the Bonds at the Issuer's Initiative*) will redeem all the Bonds on the Maturity Date at their principal amount.

10. EARLY REDEMPTION OF THE BONDS AT THE ISSUER'S INITIATIVE

- 10.1 If the Issue Supplement provides so, the Issuer may redeem all the Bonds before the Maturity Date. The Issuer will notify the Bondholders of the early redemption of the Bonds at least 30 days ahead of the early redemption date. The early redemption of the Bonds may take place on the Interest Payment Dates indicated in the Issue Supplement.
- 10.2 On the day of bond redemption under Clause 10.1 above, the Issuer will pay to Bondholders the aggregate of:
 - (a) the principal amount of all the Bonds reduced by the effected Amortisation;
 - (b) in the case of the interest-bearing Bonds, the interest accrued from (excluding) the first day of the Interest Period until (including) the early redemption date; and
 - (c) the Premium.

11. AMORTISATION

- 11.1 Unless the Issue Supplement so provides, the Issuer is required to make an early repayment of a part of the Bonds' principal amount on the terms as provided below (the "**Amortisation**").
- 11.2 The Amortisation will be effected at the end of the Interest Periods referred to in the Issue Supplement as the Amortisation Date and will result in the repayment of the amount constituting a relevant part of the of each Bond in the amount specified in the Issue Supplement by the relevant Amortisation Date (the "**Amortisation Amount**").
- 11.3 After each Amortisation the nominal value of the Bonds will be the difference between the nominal value of each Bond prior to the Amortisation at the end of the relevant Interest Period and the Amortisation Amount.
- 11.4 The Amortisation will be effected by payment to the Bondholders of amounts equal to the Amortisation Amount in accordance with the KDPW regulations.

12. EARLY REDEMPTION OF THE BONDS AT THE BONDHOLDERS' INITIATIVE

- 12.1 Statutory rights
 - (a) If the Issuer defaults on its payment obligations under the Bonds in full or in part, the Bondholder may demand the immediate redemption of the Bonds held. The Bondholder may also demand the redemption of the Bonds when the Issuer is not responsible for a default longer than three days.
 - (b) On the opening of the Issuer's liquidation, the Bonds become immediately redeemable.

- (c) If the Registered Pledge has not been registered in the register of pledges within 60 days after the Issue Date at the latest, the Bonds shall be subject to, at the Bondholder's request, immediate redemption.
- (d) In the case of the Issuer's merger with another entity, or de-merger, or transformation of its legal status, the Bonds shall be immediately redeemed if the entity that assumed the Issuer's obligations under the Bonds is not authorised to issue them in accordance with the Act on Bonds.

12.2 Change of Control

- (a) In case of a Change of Control, each of the Bondholders will be authorised, within 3 months from the date of occurrence of the Change of Control, to request the Issuer to make an early redemption of the Bonds in connection with the Change of Control ("**Early Redemption – Change of Control**").
- (b) The request for Early Redemption – Change of Control shall be submitted to the Issuer in writing to the address referred to in section 16.2 (*Notices to the Issuer*) with a deposit certificate for the Bonds covered by the request for Early Redemption – Change of Control with a validity not shorter than 10 Business Days from the end of the three month period from the date of occurrence of the Change of Control.
- (c) The Issuer will be required to make an Early Redemption – Change of Control if, within 3 months from the date of occurrence of the Change of Control, it obtains the request of Early Redemption – Change of Control from the Bondholders holding at least 25% of the total nominal value of all the Bonds outstanding on the date falling 3 months after the date of occurrence of the Change of Control.
- (d) The Issuer will be required to redeem the Bonds covered by a request referred to above not later than on the 10th Business Day after the end of the three month period from the date of occurrence of the Change of Control. The Issuer will redeem the Bonds covered by a request referred to above by, paying the nominal value of each Bond with any due outstanding Interest accrued until the date on which the Early Redemption – Change of Control is to occur, in accordance with the relevant regulations of the KDPW.

12.3 Events of Default

Notwithstanding the right to request the immediate redemption of the Bonds in the events set out in Clause 12.1 (Statutory rights), each Bondholder may, subject to Clause 12.4 (Actions not constituting an Event of Default) and 12.5 (Consequences of an Event of Default), demand the early redemption of the Bonds if any of the following events has occurred:

- (a) payments due under the Bonds of other series issued under the Programme are not made for the period exceeding three days;
- (b) any Financial Indebtedness of the Suretyship Provider or the Material Subsidiary, in the total amount exceeding the equivalent of EUR 25,000,000:
 - (i) is not paid when due, including the relevant grace period; or
 - (ii) is finally and validly declared due and payable before the original maturity date of such Financial Indebtedness as a result of a demand to accelerate such Financial Indebtedness by reason of an event of default (howsoever described);
- (c) any Financial Indebtedness of the Issuer, in the total amount exceeding the equivalent of EUR 500,000:
 - (i) is not paid when due, including the relevant grace period; or
 - (ii) is finally and validly declared due and payable before the original maturity date of such Financial Indebtedness as a result of a demand to accelerate such Financial Indebtedness by reason of an event of default (howsoever described) and remains outstanding;
- (d) any Financial Indebtedness of a member of the Group not referred to in point (b) or (c), in the total amount exceeding, jointly or separately, 10 per cent. of the latest reported Suretyship Provider's Consolidated Assets:

- (i) is not paid when due, including the relevant grace period; or
- (ii) is declared due and payable before the original maturity date of such Financial Indebtedness as a result of a demand to accelerate such Financial Indebtedness by reason of an event of default (howsoever described);
- (e) the relevant court issued a valid decision on liquidation, winding-up or dissolution of the Issuer or the Suretyship Provider or the applicable corporate body of the Issuer or the Suretyship Provider adopted (pursuant to the relevant laws applicable to the Suretyship Provider) a valid resolution on liquidation, winding-up or dissolution of the Issuer or the Suretyship Provider or other process analogous to the above events shall occur with respect to the Suretyship Provider pursuant to the relevant laws applicable to the Suretyship Provider;
- (f) a decision to transfer the seat of the Issuer abroad is made by the shareholders of the Issuer unless it results with immediate opening of the Issuer's liquidation;
- (g) the Group ceases to conduct all or a material part of its business, being the development, lease and sale of commercial properties;
- (h) a member of the Group (including the Suretyship Provider or the Issuer) establishes any Security Interest (other than these established or to be established under the Programme) securing the claims of any holders of the debt securities being the object of an offering conducted in the territory of Poland or denominated in PLN, unless such Group member simultaneously establishes an equivalent Security Interest in favour of the Bondholders (the term "equivalent" means that either the encumbrances shall be created on the same assets or alternatively, on the assets accepted by the Bondholders, and, that considering the terms and conditions of such security, under no circumstances the establishment of such Security Interest shall result in placing the holders of the Bonds issued under the Programme in a worse position compared to that existing prior to the date of the establishment of such Security Interest);
- (i) any information included in the Issuer's financial statements or the Suretyship Provider's financial statements, published under Clause 13 (*Information Covenants*), which could have had a material influence on an investor's decision to purchase the Bonds, proves to be misleading, incomplete or in correct, in whole or in part, with reference to the facts existing as at the date the relevant financial statements were prepared;
- (j) in relation to any assets of the Suretyship Provider or a Material Subsidiary, pursuant to a final writ of execution issued against the Suretyship Provider or Material Subsidiary, a seizure or judicial security was made, or based on this title, enforcement of claims in excess of EUR 25,000,000 (in total until the Redemption Date) was initiated and such seizure, judicial security or enforcement was not repealed, stopped (including as a result of an appeal) or redeemed within 45 days of its establishment or commencement, unless the Suretyship Provider or Material Subsidiary fulfilled its duty;
- (k) in relation to any assets of the Issuer, pursuant to a final writ of execution issued against the Issuer, a seizure or judicial security was made, or based on this title, enforcement of claims in excess of EUR 500,000 (in total until the Redemption Date) was initiated and such seizure, judicial security or enforcement was not repealed, stopped (including as a result of an appeal) or redeemed within 45 days of its establishment or commencement, unless the Issuer fulfilled its duty;
- (l) in relation to any assets of a member of the Group not referred to in point (j) or (k), pursuant to a final writ of execution issued against that entity, a seizure or judicial security was made, or based on this title, enforcement of claims in excess of 10 per cent. of the Suretyship Provider's Consolidated Assets, was initiated and such seizure, judicial security or enforcement was not repealed, stopped (including as a result of an appeal) or redeemed within 45 days of its establishment or commencement, unless the relevant member of the Group fulfilled its duty;
- (m) the Indebtedness Ratio exceeds 0.55;
- (n) the Equity to Assets Ratio decreases below 0.35;

- (o) the Registered Pledge, Assignment or the Suretyship ceases to be valid, legal or enforceable, and is not replaced with a valid, legal and enforceable Registered Pledge, Assignment or Suretyship within 30 business days;
- (p) the Issuer will increase the amount of the Programme without the consent of the Bondholders Meeting or if the amount of the Programme is increased with the consent of the Bondholders Meeting, the Issuer will not increase the maximum secured amount in relation to the Registered Pledge and the Suretyship up to 150% of the maximum amount of the Programme, within 60 days from the date of the increase of the amount of the Programme;
- (q) the Issuer grants any loan from the proceeds of the issue of the Bonds: (i) to an entity which is not a member of the Group; or (ii) which will be governed by any law other than Polish law; or (iii) which will not become the subject of the Assignment within the time resulting from the Assignment Agreement;
- (r) the aggregate amount of receivables of a member of the Group under granted loans, other than loans granted in the ordinary course of business regarding leasing or acquiring property, subscribed bonds, issued promissory notes, other than promissory notes issued for the purpose of a bank financing, or other agreements for granting debt financing to any entity not being:
 - (i) a member of the Group; or
 - (ii) a Related Party,
 exceeds 1 per cent. of the Suretyship Provider's Consolidated Assets;
- (s) the aggregate amount of guarantees and sureties provided by a member of the Group for obligations and liabilities of an entity which is not a member of the Group, excluding guarantees and sureties for liabilities of Related Parties included in the Financial Indebtedness, exceeds 1 per cent. of the Suretyship Provider's Consolidated Assets;
- (t) the Issuer grants any guarantee or surety;
- (u) any member of the Group sells, transfers or otherwise disposes of a real property or shares in a member of the Group to an entity which is not a member of the Group unless:
 - (i) such transaction is executed on arm's length basis; or
 - (ii) if such transaction is not executed on arm's length basis, the aggregate value of such transactions in one calendar year does not exceed EUR 20,000,000;
- (v) the Issuer fails to comply with a final judgment or administrative decision, which cannot be amended or appealed from, ordering the Issuer to make a payment of at least EUR 1,000,000 (in total until the Redemption Date);
- (w) the Issuer enters into a merger, division or transformation within the meaning of the Commercial Companies Code without a prior consent of the Bondholders Meeting;
- (x) the Issuer does not comply with any of its information covenants set out in Clause 13 (*Information Covenants*) and such non-compliance is not remedied within 15 days from the date on which the covenants were breached;
- (y) if the Issue Supplement indicates that the Bonds are to be listed on the ATS:
 - (i) the Bonds are not listed on the ATS within 30 days from the Issue Date; or
 - (ii) the Bonds are withdrawn or excluded from trading on the ATS for reasons other than being redeemed by the Issuer;
- (z) the Issuer or the Suretyship Provider:
 - (i) admits in writing its inability to repay its debts as they fall due;
 - (ii) by reason of financial difficulties which does not permit to fulfil its obligations in the total amount exceeding 1% (one per cent.) of the Suretyship Provider's Consolidated Assets, commences negotiations with all or any calls of its creditors with a view to rescheduling any of its Financial Indebtedness;

- (iii) concludes with the arrangement supervisor an agreement for the supervision over the arrangement approval proceedings;
- (aa) the Suretyship Provider is deemed, under relevant provisions of law, unable to repay its debts as they fall due, insolvent or a person other than the Suretyship Provider file a petition to consider the Suretyship Provider unable to repay its debts as they fall due or insolvent unless such petition is frivolous or vexatious or is discharged or dismissed in 90 days of the date when the Suretyship Provider became aware of such petition; or such a petition is filed by the Suretyship Provider;
- (bb) the Issuer does not convene the Bondholders Meeting to be held no later than 28 days after receiving the Bondholder's request, in spite of the Bondholder's duly submitted request, or deliberately makes it impossible to convene or hold the Bondholders Meeting or does not publish the minutes of the Bondholders Meeting within seven days from the day on which the Bondholders Meeting was closed;
- (cc) after the Issue Date the Issuer will issue, without the prior consent of the Bondholders Meeting, bonds (or other debt instruments) which will be issued otherwise than on the terms and within the scope of the Programme; or
- (dd) a Group member (other than the Issuer) issues: (i) bonds other than Retail Bonds; or (ii) the Retail Bonds the redemption date of which (however defined) occurs earlier than 6 months after the date of redemption of the bonds issued under the Programme, before the issue date of such Retail Bonds, the redemption date of which is the latest, with the proviso that no Event of Default under this section will occur if the bonds are subject to an offering conducted exclusively outside the territory of Poland and are not denominated in PLN.

12.4 Actions not constituting an Event of Default

Before taking any action which would constitute an Event of Default, the Issuer may convene a Bondholders Meeting in order to adopt a resolution consenting to the taking of such action. When the Bondholders Meeting adopts such a resolution, the taking of such action by the Issuer shall not constitute an Event of Default.

12.5 Consequences of an Event of Default

- (a) If an Event of Default referred to in Clause 12.3(a), 12.3(e), 12.3(f), 12.3(o), 12.3(y)(ii), 12.3(z), 12.3(bb), 12.3(cc) or 12.3(dd) has occurred, in order for the Bondholders to be able to demand the early redemption of the Bonds the Bondholders Meeting does not need first to adopt a resolution authorising the Bondholders to demand the early redemption of the Bonds.
- (b) If an Event of Default other than indicated in Clause (a) has occurred and is continuing, in order for the Bondholders to be able to demand the early redemption of the Bonds the Bondholders Meeting must first adopt a resolution authorising the Bondholders to demand the early redemption of the Bonds.
- (c) If the given event constituting an Event of Default was eliminated or ceased to continue before the date of submission of the demand of an early redemption of the Bonds as a result of occurrence of such event, then occurrence of such event will not be deemed as an Event of Default constituting the basis for the demand of an early redemption of the Bonds.

12.6 The period regarding immediate redemption demand

- (a) If a Bondholder's demand of an early redemption of the Bonds is not conditional upon adoption by the Bondholders Meeting of a resolution allowing the Bondholders to demand an early redemption of the Bonds, a demand of an early redemption of the Bonds may, in such case, be submitted by a Bondholder with no more than 60 days of the later of: (i) the date of occurrence of the given Event of Default, or (ii) the date on which the Bondholders were informed by the Issuer on the occurrence of such Event of Default - unless the given event the occurrence of which constituted an Event of Default was eliminated or ceased to continue before the date of submission of the demand of an early redemption of the Bonds as a result of the occurrence of such event.

- (b) If a Bondholder's demand of an early redemption of the Bonds is conditioned upon prior adoption by the Bondholders Meeting of a resolution allowing the Bondholders to demand an early redemption, and a demand of an early redemption of the Bonds may, in such case, be submitted by a Bondholder with no more than 30 days of the later of: (i) the date of adoption by the Bondholders Meeting of a resolution allowing the Bondholders to demand an early redemption, or (ii) the date on which the Bondholders were informed by the Issuer on the adoption by the Bondholders Meeting of a resolution allowing the Bondholders to demand an early redemption, following the occurrence of such Event of Default – unless the given event the occurrence of which constituted an Event of Default was eliminated or ceased to continue before the date of submission of the demand of an early redemption of the Bonds as a result of the occurrence of such event. Additionally, the given event constituting an Event of Default may be discussed on only one Bondholders Meeting.

12.7 Early or immediate redemption demand

- (a) The Bondholder demanding the early or immediate redemption of the Bonds should serve the redemption demand on the Issuer personally, by registered mail or courier. In the redemption demand the Bondholder should indicate the grounds for its redemption demand and attach a certificate of deposit. If a payment to the Bondholder is subject to the withholding tax and the Bondholder wants to apply the reduced or zero rate of the withholding tax, the Bondholder should attach his tax residence certificate to his redemption demand. As a result of serving the redemption demand the Bonds held by the relevant Bondholder shall become due and payable.
- (b) If interest-bearing Bonds are redeemed early or immediately, the Issuer will pay to the Bondholder the amount being the total of:
 - (i) the principal amount of the Bonds reduced by the effected Amortisation; and
 - (ii) the amount of interest accrued between the beginning of the Interest Period (excluding) and the early redemption date (including).

13. INFORMATION COVENANTS

13.1 The Issuer will disclose to the Bondholders (by publishing them on the Issuer's Website and the website: <https://hbreavis.com/en/investor-relations>):

- (a) its semi-annual financial statements within 90 days from the end of the relevant half of its financial year;
- (b) its annual audited financial statements (that will include calculation of Indebtedness Ratio, Net Indebtedness Ratio and Equity to Assets Ratio as at 31 December of given year) within 180 days from the end of its financial year;
- (c) the Suretyship Provider's consolidated semi-annual financial statements within 90 days from the end of the relevant half of the Suretyship Provider's financial year;
- (d) the Suretyship Provider's audited consolidated annual financial statements within 180 days from the end of the Suretyship Provider's financial year;
- (e) the Compliance Certificate within ten days from the day on which each of the Suretyship Provider's relevant semi-annual and annual financial statements referred to in paragraphs (c) and (d) above are published;
- (f) within 60 days from the end of each calendar quarter, a general update of the business activities of the Group covering the following areas: acquisitions, leasing activity, financing, completions and construction developments, divestments and other material events, in any case within limitations of contractual and statutory non-disclosure undertakings.

13.2 The Issuer shall be obliged to fulfil the information obligations imposed by the provisions of law applicable to the market on which the Bonds are listed.

13.3 Until the Redemption Date, the Issuer will deliver to the Bondholders the information about the occurrence of an Event of Default, provided that such information will be transmitted using the EBI or other relevant information system based on the ATS Regulations.

The information shall be provided within 3 Business Days of the date of becoming aware of the existence of the Event of Default (without duplication of the communication, namely if information about the occurrence of an Event of Default has already been published by the Issuer by way of relevant current report, it does not need to be published again on the basis of this Clause). Additionally, the Issuer will provide the information mentioned above by publishing it on the Issuer's Website.

- 13.4 The Issuer is obliged to have the Issuer's annual financial statements for a given year audited by the auditor being a member of the same capital group, as the auditor which audited the Suretyship Provider's annual financial statements for the same year.

14. ROLE OF THE ENTITIES INVOLVED IN THE OFFERING

- 14.1 In the matters related to the Bonds, the Organisers, the Calculation Agent and the Documentation Agent and Pledge Administrator (for the purpose of this Clause 14 (*Role of the Entities Involved in the Offering*) jointly referred to as the "**Involved Entities**") have been designated by the Issuer and shall not be liable towards the Bondholder for any amounts payable by the Issuer in respect of the Bonds or for any obligations of the Issuer towards the Bondholders or the effectiveness of enforcing the Bondholder's claims towards the Issuer. The Involved Entities: (i) do not act as a representative bank within the meaning of Art. 79.1 of the Act on Bonds and are not required to represent the Bondholder in relations with the Issuer; and (ii) do not act as an issue agent in the meaning of the Act on Trading in Financial Instruments.
- 14.2 The Involved Entities are not required to verify or evaluate the Issuer's risk or the risk of investing in the Bonds.
- 14.3 Each of the Involved Entities, in the course of its business, will co-operate with the Issuer as regards various services and be in possession of information which may be significant in the context of the Issuer's financial standing and its ability to perform its obligations under the Bonds, but it shall not be entitled to disclose such information to the Bondholder unless the Issuer specifically designates the documents and information to be disclosed to the Bondholder in connection with the Bonds and acting as the Involved Entity. The Involved Entity's performance of specific actions and holding specific function in connection with the Bonds shall not prevent the Involved Entity and its subsidiaries or affiliates from providing the Issuer with other services or advice or co-operating with the Issuer to any other extent or in any other form.
- 14.4 The Pledge Administrator and the Security Administrator shall not be liable for any actions or omissions of the Pledge Administrator or the Security Administrator based on or connected with the Pledge Agreement, the Assignment Agreement or the Suretyship Agreement, unless the damage incurred by the Bondholders in result of the actions of the Pledge Administrator or the Security Administrator was caused by gross negligence or wilful misconduct on the part of the Pledge Administrator or the Security Administrator, and specifically, the Pledge Administrator and the Security Administrator are not liable for acting in accordance with the Terms and Conditions and the Pledge Agreement, the Assignment Agreement or the Suretyship Agreement or for the commencement of enforcement proceedings in accordance with their terms, and, furthermore, the Pledge Administrator and the Security Administrator are not required to take any actions or to commence any proceedings to maintain or to exercise the rights related with the Registered Pledge, the Assignment and the Suretyship.

15. CHANGE OF THE PLEDGE ADMINISTRATOR

Pursuant to art 7 section 2 of the Act on Bonds the amendments to the Terms and Conditions regarding the change of the Pledge Administrator, Security Administrator shall require the resolution of the Bondholders Meeting and the consent of the Issuer.

16. NOTICES

- 16.1 Notices to the Bondholders

All the notices will be published on the Issuer's Website or any other website which replaces such website.

- 16.2 Notices to the Issuer

The Bondholders shall give all their notices to the Issuer personally, by registered mail or courier, to the Issuer's address disclosed in the register of entrepreneurs of the National Court Register.

16.3 Notices to the Suretyship Provider

The Bondholders shall give all their notices to the Suretyship Provider personally, by registered mail or courier, to the following Suretyship Provider 's address: ul. Postępu 14, 02-676 Warsaw, Poland.

16.4 Change in the addresses of the Issuer or the Suretyship Provider

If, after the date of these Terms and Conditions, there will be any change in the addresses of the Issuer or the Suretyship Provider referred to as in this point 15 of the Terms and Conditions, the Issuer or the Suretyship Provider is obliged to inform each Organiser about such change within 10 Business Days from its occurrence.

17. DOCUMENTATION AGENT

17.1 The Issuer shall provide the Documentation Agent the printed documents, information and communication published on the Issuer's Website or any website which replaces such website in performance of the Act on Bonds ("**Stored Materials**").

17.2 The Stored Materials provided by the Issuer in the form of print-outs will be kept at the seat of the Documentation Agent until the limitation period for the claims resulting from the Bonds has elapsed. The Documentation Agent will issue copies of the Stored Materials to each Bondholder upon presentation of the certificate of deposit (for the Bonds entered in the Deposit) by such Bondholder. An applicable fee may be charged for the official copies issued, which will not be covered by the Issuer.

18. LANGUAGE

These Terms and Conditions have been executed in English and in Polish language versions. For the purposes of interpretation of the Terms and Conditions, the Polish version shall prevail.

19. GOVERNING LAW

19.1 The Bonds are issued under and governed by Polish law.

19.2 In the event of any discrepancies between the Terms and Conditions and the rules of the KDPW governing the payment of the amounts due under the Bonds then prevailing the relevant regulations of the KDPW shall prevail.

SCHEDULE 1 ISSUE SUPPLEMENT

General

- | | | |
|-----|---|--|
| 1. | The place and date of the Terms and Conditions | Warsaw, 19 November 2020 |
| 2. | Legal grounds of the issue | (i) Article 33(1) of the Act on Bonds;
(ii) Resolution of the Issuer's Management Board No. 1 of 13 November 2020 on bond issuance programme; and
(iii) Resolution of the Issuer's Management Board No. 1 of 19 November 2020 on issuance of bonds series A; |
| 3. | Series | A |
| 4. | Maximum number of the Bonds proposed for purchase | up to 85,000 |
| 5. | Principal amount of one Bond | PLN 1,000 |
| 6. | Maximum aggregate principal amount of the Bonds proposed for purchase | up to PLN 85,000,000 |
| 7. | Issue threshold | Not applicable |
| 8. | Issue Date | 8 December 2020 |
| 9. | Maturity Date | 8 December 2023 |
| 10. | Registration of rights under the Bonds | On the Issue Date, the Bonds will be registered in the Deposit. |
| 11. | Listing of the Bonds | The Bonds will be admitted to trading on the ATS on the Issue Date, and the Bonds will be listed on the ATS within 30 days from the Issue Date. |
| 12. | Purpose of the issue in the meaning of Article 32 of the Act on Bonds | Has not been specified |

Interest

- | | | |
|-----|---|--|
| 13. | Provisions on the Bonds with Floating Interest Rate | Applicable |
| (a) | Date on which the interest starts accruing | Issue Date |
| (b) | Interest Payment Dates | 1 interest period – 8 June 2021
2 interest period – 8 December 2021
3 interest period – 8 June 2022
4 interest period – 8 December 2022
5 interest period – 8 June 2023
6 interest period – 8 December 2023 |
| (c) | Term of deposit for determining the Base Rate | 6 month – WIBOR 6M |
| (d) | Margin | 5.00% (say: five percent) per annum |

14.	Early redemption of the Bonds by the Issuer	Not applicable
-----	---	----------------

15.	Amortisation	Not applicable
-----	--------------	----------------

Entities involved in the Bonds issue

16.	Calculation Agent	Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce
-----	-------------------	--

17.	Pledge Administrator	mBank S.A.
-----	----------------------	------------

18.	Security Administrator	Spaczyński, Szczepaniak i Wspólnicy sp.k.
-----	------------------------	---

19.	Documentation Agent	Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce
-----	---------------------	--

SCHEDULE 2

DESCRIPTION OF METHODS OF ENFORCING THE REGISTERED PLEDGE AND THE SURETYSHIP

1. REGISTERED PLEDGE

The receivables under the bonds issued under the Programme, including the receivables of Bondholders under the Bonds will be secured by a Registered Pledge from the date of registration thereof in the register of pledges.

If the Bondholders claims under the Bonds become due and payable and the Issuer fails to satisfy these claims in accordance with the Terms and Conditions, a Bondholder may request the Pledge Administrator to commence enforcing the Registered Pledge in accordance with the Registered Pledge Agreement by way of: (i) court enforcement proceedings; (ii) seizing the ownership title pursuant to Article 22 of the Act on Registered Pledge; or (iii) sale by public auction in accordance with Article 24 of the Act on Registered Pledge. The choice of the method of enforcing the Registered Pledge will be made in the manner specified to the Pledge Administrator by a relevant part of Bondholders in accordance with the following procedure after the Pledge Administrator has been duly indemnified and held harmless with respect to the claims.

Overview of the procedure of selection of the enforcement method:

A Bondholder who intends to enforce a Registered Pledge needs to submit to the Pledge Administrator duly filled in and signed Instructions to Enforce presenting, inter alia, the enforcement procedure (from among those available under the Registered Pledge Agreement)

If one or more Bondholders deliver to the Pledge Administrator the Instructions to Enforce, the Pledge Administrator will advise the Issuer and the other Bondholders thereof by posting it on its website and will request the Bondholders to submit the Instructions to Enforce and of the possibility of voting on the enforcement procedure. To that end a Bondholder needs to submit the Instructions to Enforce within 14 days from the publication of relevant information on the website of the Pledge Administrator (the **"Deadline to Submit the Instructions"**).

Instructions to Enforce will be considered as effectively delivered if they are delivered to the Pledge Administrator in writing or in electronic form signed with a qualified electronic signature.

If a given procedure of enforcement of Registered Pledge has been designated in the Instructions to Enforce submitted by the Bondholders holding over 50% of the total nominal value of the Bonds, it shall be deemed that the choice of such procedure is binding to the Pledge Administrator, unless it would constitute a breach of law. If there are no binding Instructions to Enforce, the Pledge Administrator has the right, but not an obligation, to take action that, in its sole discretion, is in the Bondholders' best interest.

Bondholders who submit Instructions to Enforce after the Deadline to Submit the Instructions consent for the enforcement by the Pledge Administrator in the manner specified in the Instructions to Enforce binding the Pledge Administrator or, in case of no binding Instructions to Enforce, in the manner selected by the Pledge Administrator.

The detailed enforcement procedure will be determined by the Agreement on the appointment of the Pledge Administrator.

The Issuer is not entitled to issue any orders or instructions to the Pledge Administrator within the scope of performance by the Pledge Administrator of his/her/its duties.

In case of enforcement by way of seizure in accordance with Article 22 of the Act on Registered Pledge, the value of the object of the Registered Pledge for the purposes of the seizure will be determined in accordance with the rules specified in the Registered Pledge Agreement, by applying one of the procedures specified in the Registered Pledge Agreement as selected by the Pledge Administrator, i.e., specifically: (i) valuation of the object of the Registered Pledge for the purposes of the seizure, by a reputable valuer; (ii) seizure of the value of the object of the Registered Pledge as stated in the valuation attached to the Terms and Conditions; or (iii) takeover of the object of the Registered Pledge at the

value of PLN 1 (one) with the obligation to include on account of the satisfaction of the secured receivables of all the amounts received in result of subsequent enforcement of the object of the pledge after the takeover date.

2. ASSIGNMENT

Receivables under the bonds issued under the Programme, including the Bondholders' claims under the Bonds are secured by the Assignment. If the claims of Bondholders under the Bonds become due and payable and the Issuer does not satisfy such claims in accordance with the Terms and Conditions, the Bondholder may demand that the Security Administrator accede to the enforcement of satisfaction from the Assignment by way of court enforcement proceedings.

3. SURETY

Receivables under the bonds issued under the Programme, including the Bondholders' claims under the Bonds are secured with the Suretyship. Enforcement of claims against the Suretyship Provider under the Suretyship will be conducted by court enforcement proceedings in accordance with the laws applicable to the location of the assets subject to such enforcement.

SCHEDULE 3
ENCUMBERED WITH THE REGISTERED PLEDGE(S)
VALUATION OF ASSETS HELD BY
HB REAVIS FINANCE PL 3 SP. Z O.O.
AS AT 30 SEPTEMBER 2020

SCHEDULE 4
FORM OF REQUEST TO CONVENE THE BONDHOLDERS MEETING
REQUEST TO CONVENE THE BONDHOLDERS MEETING

[PLACE], [DATE]

From: [●]
To: HB REAVIS FINANCE PL 3 SP. Z O.O.
Copy to: MBANK S.A.
HAITONG BANK, S.A. SPÓŁKA AKCYJNA BRANCH IN POLAND
Re.: Series A bonds issued by HB Reavis Finance PL 3 sp. z o.o. (the **Issuer**) on the basis of the terms and conditions dated [●] (the **Terms and Conditions**), under bond issue programme up to PLN 400,000,000.

Dear Sirs,

In connection with clause [●] of the Terms and Conditions, we hereby submit the request to convene the Bondholders Meeting within 14 days from the receipt of this letter.

Pursuant to Art. 50 sec. 3 of the Act on Bonds, we explain that [state the justification of the request to convene the *Bondholders Meeting*]

This Request to Convene the Bondholders Meeting is submitted in accordance with clause [●] of the Terms and Conditions.

All capitalised terms which are not otherwise defined in this letter have the meaning ascribed to them in the Terms and Conditions.

Yours faithfully,

Attachment: [depository certificate confirming holding of the Bonds]

SCHEDULE 5
FORM OF THE ENFORCEMENT INSTRUCTION
ENFORCEMENT INSTRUCTION

[PLACE], [DATE]

From: [●] (the **Bondholder**)
Do: [MBANK S.A. (the **Pledge Administrator**) / [●] (**Security Administrator**)]
Re.: Series A bonds issued by HB Reavis Finance PL 3 sp. z o.o. (the **Issuer**) on the basis of the terms and conditions dated [●] (the **Terms and Conditions**), under bond issue programme up to PLN 400,000,000.

Dear Sirs,

Pursuant to Clause [●] of the Terms and Conditions, we submit the enforcement instruction.

We represent that in respect of the Bonds in our possession, an event of non-payment of a due and payable amount has occurred and is continuing.

[Therefore, we ask you to take actions in order to enforce the Registered Pledge [by way of court enforcement proceedings/ pursuant to Article 22 of the Act on Registered Pledge/ pursuant to Article 24 of the Act on Registered Pledge]. /

[Thus, we request that you take action to enforce the Suretyship by way of court enforcement proceedings / the Assignment in accordance with the Assignment Agreement]

At the same time, we acknowledge the contents of point 14.4 of the Terms and Conditions.

For and on behalf of the Bondholder

Attachment:

1. [documents confirming holding of the Bonds]
2. [Resolution of the Bondholders' Meeting, if applicable].

SCHEDULE 6
TERMS OF INCREASE OF INTEREST IN CASE OF ISSUANCE OF RETAIL BONDS

1. CALCULATION OF THE RATE OF RETURN ON THE RETAIL BONDS

- 1.1 If the Retail Bonds are issued during the Protected Period, their rate of return, expressed as a percentage value, will be calculated one time as at the last day of the first interest period occurring after the issue date of the given series of the Retail Bonds based on the following formula ("**Retail Bonds Rate of Return**"):

$$\text{Retail Bonds Rate of Return} = (((\text{Coupon} + (\text{Nominal Value} - \text{Issue Price}) / (\text{Tenor}))) / \text{Issue Price}) * 100\%$$

where:

Coupon = the amount of interest accruing on a single Retail Bond, paid on annual basis based on the interest accruing on the Retail Bonds (comprising the sum of the base interest rate and the margin or the fixed interest rate) for the first interest period, provided that, if the formula of determination of the Retail Bonds margin does not provide for a fixed margin value in all interest periods, the highest [margin] obtainable based on the formula shall be applied, and not the margin value if the first interest period of the Retail Bonds.

Nominal Value = Nominal Value of one Retail Bond

Issue Price = the price at which the bondholder acquired one Retail Bond (in case of bonds issued without a discount the Issue Price will be equal to the Nominal Value);

Tenor = the number of years between the date of issuance of the Retail Bonds and the date of the full and complete redemption thereof.

2. INCREASE OF INTEREST ACCRUING ON THE BONDS

- 2.1 If the Retail Bonds Rate of Return is higher than the interest rate for the Bonds (calculated in accordance with section 6 (*Interest*) of the terms and Conditions) at the end of the last Interest Period completed prior to the date of issue of the Retail Bonds (or the first Interest Period if the Retail Bonds were issued during the first Interest Period), then the [Margin/Interest Rate] of the Bonds will be increased by the number of base points that constitute the difference between the Retail Bonds Rate of Return expressed in base points and the [Margin/Interest Rate] of the Bonds expressed in base points.
- 2.2 For the avoidance of doubt, the increase of the [Margin/Interest Rate] as referred to in item 2.1 will be done once only and will be applicable from the first Interest Period commencing after the Issuer's presentation of the calculations in accordance with section 6.4(c) of the Terms and Conditions.

**SCHEDULE 7
FORM OF COMPLIANCE CERTIFICATE**

[PLACE], [DATE]

**HB REAVIS FINANCE PL 3 SP. Z O.O.
BOND ISSUE PROGRAMME UP TO PLN 400,000,000**

Re.: Series A bonds (the “Bonds”)

We are referring to the terms and conditions of the Bonds issued by HH Reavis Finance PL 3 sp. z o.o. (the “**Terms and Conditions**”). This document is the Compliance Certificate. All capitalised terms used in this Compliance Certificate have the meaning as defined in the Terms and Conditions unless provided otherwise.

We hereby confirm that as at [30/6][31/12][*YEAR*], the amounts of the Indebtedness Ratio, the Net Indebtedness Ratio and the Equity to Assets Ratio are as follows:

1. Indebtedness Ratio: [●]
2. Net Indebtedness Ratio: [●]
3. Equity to Assets Ratio: [●]

[information on detailed calculation of the Indebtedness Ratio, Net Indebtedness Ratio and Equity to Assets Ratio, including amounts considered in order to arrive at the level indicated above]

We hereby confirm that:

- a) no Event of Default has occurred and is not continuing; and
- b) no Change of Control has occurred.

For and on behalf of the Issuer:

[authorised signatory]

Ocena grupy docelowej klientów dla Obligacji (jak zdefiniowano poniżej), dokonana niezależnie przez każdego z Organizatorów (jak zdefiniowano poniżej) w ramach dyrektywy 2014/65/UE (**Dyrektywa MiFID II**) określiła, że: (i) grupą docelową dla Obligacji są wyłącznie klienci profesjonalni w rozumieniu art. 3 pkt 39b) Ustawy o Obrocie Instrumentami Finansowymi (jak zdefiniowano poniżej) w tym uprawnieni kontrahenci w rozumieniu art. 3 pkt 39d) Ustawy o Obrocie Instrumentami Finansowymi; oraz (ii) wszystkie kanały dystrybucji Obligacji do klientów profesjonalnych, w tym uprawnionych kontrahentów, są odpowiednie. Każda osoba, która następnie oferuje, sprzedaje lub rekomenduje Obligację (dystrybutor) powinna uwzględnić dokonaną przez każdego z Organizatorów ocenę grupy docelowej, przy czym dystrybutor, który podlega Dyrektywie MiFID II jest odpowiedzialny za dokonanie własnej oceny grupy docelowej dla obligacji i wyznaczenie odpowiednich kanałów dystrybucji.

WARUNKI EMISJI OBLIGACJI

Niniejszy dokument („**Warunki Emisji**”), obejmujący także Suplement Emisyjny (jak zdefiniowano poniżej) oraz inne załączniki, określa warunki emisji obligacji („**Obligacje**”) emitowanych przez HB Reavis Finance PL 3 sp. z o.o. z siedzibą w Warszawie przy ulicy Postępu 14, 02-676 Warszawa, wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m. st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS: 0000741386, numer 380827481, numer NIP: 525-275-72-02, z kapitałem zakładowym w wysokości 10.000 PLN („**Emitent**”), posiadającą stronę internetową <http://www.hbreavis.com/hbrfinancepl3> („**Strona Internetowa Emitenta**”), w ramach Programu (jak zdefiniowano poniżej).

1. DEFINICJE I WYKŁADNIA

1.1 Definicje

W niniejszych Warunkach Emisji:

Administrator Zabezpieczeń oznacza podmiot wskazany w Suplemencie Emisyjnym.

Administrator Zastawu oznacza podmiot wskazany w Suplemencie Emisyjnym.

Agent Dokumentacyjny oznacza podmiot wskazany w Suplemencie Emisyjnym.

Agent Kalkulacyjny oznacza podmiot wskazany w Suplemencie Emisyjnym.

Amortyzacja ma znaczenie nadane w pkt 11.1 Warunków Emisji.

ASO oznacza alternatywny system obrotu dłużnymi papierami wartościowymi prowadzony przez GPW.

Bazowa Stopa Procentowa oznacza stopę WIBOR lub stopę procentową ustaloną zgodnie z pkt 6.1(b)(iii) - 6.1(b)(xi).

Brak Zezwolenia WIBOR oznacza, że administrator WIBOR nie otrzymał lub zostało mu cofnięte lub zawieszone zezwolenie lub rejestracja dla opracowywania WIBOR.

Depozyt oznacza system rejestracji zdematerializowanych papierów wartościowych prowadzony przez KDPW.

Dozwolony Właściciel oznacza Pana Ivana Chrenko, obywatela Republiki Słowackiej i/lub Osobę Bliską.

Dzień Emisji oznacza dzień, w którym Obligacje zostaną zapisane po raz pierwszy na Rachunkach Obligacji, przy czym intencją Emitenta jest, by Dzień Emisji przypadł na dzień opisany jako Dzień Emisji w Suplemencie Emisyjnym, jak również by wszystkie Obligacje zostały zapisane na odpowiednich Rachunkach Obligacji tego samego dnia (w przypadku, w którym Obligacje nie zostałyby zapisane na Rachunkach Obligacji tego samego dnia, za Dzień Emisji zostanie uznany pierwszy dzień, w którym doszło do zapisu Obligacji na Rachunkach Obligacji).

Dzień Płatności Odsetek oznacza dzień wskazany w Suplemencie Emisyjnym.

Dzień Roboczy oznacza każdy dzień z wyjątkiem sobót, niedziel i innych dni ustawowo wolnych od pracy, w którym KDPW oraz podmioty prowadzące rachunki papierów wartościowych i rachunki zbiorcze prowadzą działalność umożliwiającą przenoszenie Obligacji i dokonywanie płatności należnych z tytułu Obligacji.

Dzień Ustalenia Praw oznacza, o ile Regulacje KDPW nie wymagają wcześniejszego terminu, piąty Dzień Roboczy przed datą, w której mają zostać dokonane płatności z tytułu Obligacji, z wyłączeniem następujących przypadków:

- (a) złożenia przez Obligatariusza żądania natychmiastowego lub wcześniejszego wykupu Obligacji, kiedy za Dzień Ustalenia Praw uznaje się dzień złożenia żądania natychmiastowego lub wcześniejszego wykupu;
- (b) otwarcia likwidacji Emitenta, kiedy za Dzień Ustalenia Praw uznaje się dzień otwarcia likwidacji Emitenta;
- (c) połączenia Emitenta z innym podmiotem, jego podziału lub przekształcenia formy prawnej, jeżeli podmiot, który wstąpił w obowiązki Emitenta z tytułu Obligacji, nie posiada uprawnień do ich emitowania, kiedy za Dzień Ustalenia Praw uznaje się odpowiednio dzień połączenia, podziału lub przekształcenia formy prawnej Emitenta; oraz
- (d) drugi Dzień Roboczy po dniu, w którym kwota świadczenia została przekazana KDPW, jeśli wykup Obligacji następuje po Dniu Wykupu.

Dzień Ustalenia Stopy Procentowej oznacza, o ile z regulacji ASO nie wynika wcześniejszy termin, trzeci Dzień Roboczy przed początkiem Okresu Odsetkowego, dla którego ma zostać ustalona stopa procentowa.

Dzień Wykupu oznacza dzień wskazany w Suplemencie Emisyjnym.

Fundusz oznacza HB Reavis Real Estate Investment Fund, spółkę komandytowo-akcyjną (fr. *société en commandite par actions*), utworzoną jako fundusz inwestycyjny o stałym kapitale (fr. *société d'investissement à capital fixe*) i zarejestrowaną jako instytucja zbiorowego inwestowania według Części II Ustawy o Instytucjach Zbiorowego Inwestowania z dnia 17 grudnia 2010, z późniejszymi zmianami, utworzoną zgodnie z prawem Wielkiego Księstwa Luksemburga, lub inny podobny fundusz inwestycyjny, zarządzany lub współzarządzany przez HB Reavis Investment Management S. à r.l., spółkę z ograniczoną odpowiedzialnością utworzoną zgodnie z prawem Wielkiego Księstwa Luksemburga (wpisaną do rejestru pod numerem B 161176), lub inny podmiot zarządzający w ramach Grupy który musi zostać ujęty w skonsolidowanym sprawozdaniu rocznym Poręczyciela zgodnie z IFRS.

GPW oznacza Giełdę Papierów Wartościowych w Warszawie S.A. z siedzibą w Warszawie.

Grupa oznacza Poręczyciela i jego Podmioty Zależne.

Istotny Podmiot Zależny oznacza członka Grupy, innego niż Emitent i Poręczyciel, który wyemitował dłużne papiery wartościowe.

Kapitały Własne oznacza pozycję „całkowite kapitały własne” (*total equity*) wykazaną w skonsolidowanym sprawozdaniu finansowym Poręczyciela.

KDPW oznacza Krajowy Depozyt Papierów Wartościowych S.A. z siedzibą w Warszawie.

Kodeks Spółek Handlowych oznacza ustawę z dnia 15 września 2000 r. – Kodeks spółek handlowych.

Korekta oznacza wartość lub działanie, które jest stosowane aby ograniczyć ekonomiczne skutki w odniesieniu do Obligacji wynikające z zastąpienia WIBOR Wskaźnikiem Alternatywnym.

Kwota Amortyzacji ma znaczenie nadane w pkt 11.2 Warunków Emisji.

Maksymalna Wartość Programu oznacza kwotę 400.000.000 PLN.

Marża oznacza marżę wskazaną w Suplemencie Emisyjnym.

Obligacje Retail oznacza obligacje lub inne dłużne papiery wartościowe emitowane przez członka Grupy, denominowane w PLN i będące przedmiotem oferty przeprowadzanej na terytorium Rzeczypospolitej Polskiej skierowanej do inwestorów indywidualnych (inwestorów detalicznych) przeprowadzanej przez instytucję finansową inną niż Organizatorzy.

Obligatariusz oznacza posiadacza Obligacji.

Ogłoszenie Końca Publikacji oznacza wydanie przez Podmiot Wyznaczający oficjalnego oświadczenia, że WIBOR przestał lub przestanie być publikowany na stałe, a w dacie tego oświadczenia nie został wyznaczony następca, który będzie nadal obliczał lub publikował WIBOR.

Okres Chroniony oznacza okres rozpoczynający się w Dniu Emisji i trwający 9 (dziewięć) miesięcy.

Okres Odsetkowy oznacza okres od dnia wskazanego w Suplemencie Emisyjnym, w którym zaczynają być naliczane odsetki (wyłączając ten dzień) do pierwszego Dnia Płatności Odsetek (wliczając ten dzień) i każdy następny okres od Dnia Płatności Odsetek (wyłączając ten dzień) do następnego Dnia Płatności Odsetek (wliczając ten dzień), z zastrzeżeniem, że ostatni okres odsetkowy może mieć inną długość ze względu na wcześniejszy lub natychmiastowy wykup Obligacji.

Organizatorzy oznaczają mBank S.A. oraz Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce.

Osoba Bliska oznacza (i) żonę, członka rodziny (wliczając bezpośrednich zstępnych (włącznie z adoptowanymi) oraz wstępnych), lub krewnego Pana Ivana Chrenko, jakiegokolwiek podmiot powierniczy, fundację lub spółkę działającą na rzecz jednej lub więcej takich osób fizycznych i/lub Pana Ivana Chrenko lub jego majątku, wykonawcę, komitet zarządzający, przedstawiciela prawnego lub beneficjenta rzeczywistego którejkolwiek z tych osób; (ii) lub jakiegokolwiek podmiot powierniczy, fundację, spółkę, spółkę partnerską lub inną Osobę względem których Pan Ivan Chrenko lub jego Osoby Bliskie stanowią beneficjentów rzeczywistych, udziałowców lub właścicieli, lub Osoby które za nich kontrolują dany podmiot..

Osoba oznacza każdą osobę fizyczną, spółkę, przedsiębiorstwo, spółkę partnerską, podmiot gospodarczy, stowarzyszenie, organizację, podmiot państwowy lub publiczny oraz inny podmiot, niezależnie od tego czy posiada on tożsamość prawną.

Podmiot Powiązany oznacza podmiot, będący podmiotem powiązanym Grupy w rozumieniu Międzynarodowych Standardów Rachunkowości MSR 24 (*Ujawnianie informacji na temat podmiotów powiązanych*).

Podmiot Wyznaczający oznacza Komisję Nadzoru Finansowego, Narodowy Bank Polski, administratora WIBOR lub organizację branżową, którą wskazała Komisja Nadzoru Finansowego i która zajmuje się przygotowaniem propozycji zastąpienia WIBOR.

Podmiot Zależny oznacza podmiot, dla którego Poręczyciel jest Spółką Dominującą.

Polecenie Dochodzenia Zaspokojenia oznacza polecenie dochodzenia zaspokojenia z Poręczenia, Przelewu lub Zastawu Rejestrowego złożone przez Obligatariusza zasadniczo według wzoru stanowiącego **Załącznik 5** do Warunków Emisji.

Poręczenie oznacza poręczenie zabezpieczające wykonanie zobowiązań Emitenta z tytułu wszystkich obligacji (w tym Obligacji) emitowanych w ramach Programu udzielone przez Poręczyciela na podstawie Umowy Poręczenia.

Poręczyciel oznacza spółkę HB Reavis Holding SA, spółkę akcyjną (*société anonyme*), utworzoną zgodnie z przepisami prawa Wielkiego Księstwa Luksemburga, z siedzibą przy rue Glesener 21, wpisaną do rejestru handlowego (Registre de Commerce et des Sociétés) pod numerem B156287.

Postanowienia Kwalifikowane Warunków Emisji oznaczają postanowienia kwalifikowane warunków emisji w rozumieniu art. 49 ust. 1 Ustawy o Obligacjach.

Premia oznacza premię z tytułu wcześniejszego wykupu Obligacji z inicjatywy Emitenta, w wysokości wskazanej w Suplemencie Emisyjnym.

Program oznacza program emisji obligacji, na podstawie którego Emitent może wyemitować obligacje (w tym Obligacje) do łącznej wartości nominalnej 400.000.000 PLN, ustanowiony na podstawie umowy programu z dnia 13.11.2020 roku, zawartej pomiędzy Organizatorami, Poręczycielem oraz Emitentem.

Przelew oznacza przelew na zabezpieczenie, obejmujący wierzytelności Emitenta z tytułu pożyczek wewnątrzgrupowych, zabezpieczający wykonanie zobowiązań Emitenta z tytułu wszystkich obligacji (w tym Obligacji) emitowanych w ramach Programu, ustanowiony na podstawie Umowy Przelewu.

Przypadek Naruszenia oznacza zdarzenie określone w pkt 12.3 (*Przypadki Naruszenia*).

Rachunek Obligacji oznacza Rachunek Papierów Wartościowych lub Rachunek Zbiorczy.

Rachunek Papierów Wartościowych oznacza rachunek papierów wartościowych w rozumieniu art. 4 ust. 1 Ustawy o Obrocie Instrumentami Finansowymi.

Rachunek Zbiorczy oznacza rachunek zbiorczy w rozumieniu art. 8a Ustawy o Obrocie Instrumentami Finansowymi, na którym zostały zapisane prawa z Obligacji.

Regulamin ASO oznacza regulamin dotyczący ASO.

Skonsolidowane Aktywa oznacza sumę skonsolidowanych aktywów wykazanych w skonsolidowanym sprawozdaniu finansowym Poręczyciela.

Skonsolidowane Zadłużenie Finansowe oznacza sumę skonsolidowanego Zadłużenia Finansowego wykazanego w skonsolidowanym sprawozdaniu finansowym Poręczyciela.

Skorygowana Wartość Nominalna Obligacji posiada znaczenie nadane temu pojęciu w art. 50 pkt 1 Ustawy o Obligacjach.

Skorygowane Skonsolidowane Aktywa oznaczają Skonsolidowane Aktywa pomniejszone o kwotę pożyczek udzielonych przez podmioty wchodzące w skład Grupy na rzecz Podmiotów Powiązanych i wartość wierzytelności (podlegających spłacie w okresie dłuższym niż 90 dni) podmiotów wchodzących w skład Grupy w stosunku do Podmiotów Powiązanych.

Spółka Dominująca oznacza spółkę, która:

- (a) dysponuje, pośrednio lub bezpośrednio, większością głosów na walnym zgromadzeniu lub zgromadzeniu wspólników, w tym jako zastawnik lub użytkownik akcji lub udziałów, lub w zarządzie innego podmiotu zależnego, w tym na podstawie umów z innymi podmiotami; lub
- (b) jest uprawniona do powoływania lub odwoływania większości członków zarządu innej spółki lub innego podmiotu zależnego, w tym na podstawie umów z innymi podmiotami; lub
- (c) jest uprawniona do powoływania lub odwoływania większości członków rady nadzorczej innej spółki lub innego podmiotu zależnego, w tym na podstawie umów z innymi podmiotami; lub
- (d) członkowie jej zarządu lub rady nadzorczej stanowią więcej niż połowę członków zarządu innej spółki lub innego podmiotu zależnego; lub
- (e) dysponuje, bezpośrednio lub pośrednio, większością głosów w zależnej spółce cywilnej lub na zgromadzeniu innego podmiotu zależnego, w tym na podstawie umów z innymi podmiotami, lub
- (f) wywiera decydujący wpływ na działalność spółki lub innego podmiotu zależnego, w szczególności na podstawie umów z innymi podmiotami.

Suplement Emisyjny oznacza integralną część niniejszych Warunków Emisji, stanowiącą **Załącznik 1** do Warunków Emisji, określającą szczegółowe parametry emisji Obligacji, tworzącą wraz z nimi jednolity dokument.

Szczegółowe Zasady oznacza szczegółowe zasady działania KDPW.

Umowa Poręczenia oznacza umowę poręczenia zawartą w dniu 19 listopada 2020 r. pomiędzy Poręczycielem oraz Administratorem Zabezpieczeń.

Umowa Przelewu oznacza umowę przelewu na zabezpieczenie zawartą w dniu 19 listopada 2020 r. pomiędzy Emitentem oraz Administratorem Zabezpieczeń.

Umowa Zastawu Rejestrowego oznacza umowę zastawu rejestrowego zawartą w dniu 19 listopada 2020 r. pomiędzy Emitentem oraz Administratorem Zastawu.

Ustawa o Obligacjach oznacza ustawę z dnia 15 stycznia 2015 r. o obligacjach.

Ustawa o Obrocie Instrumentami Finansowymi oznacza ustawę z dnia 29 lipca 2005 r. o obrocie instrumentami finansowymi.

Ustawa o Zastawie Rejestrowym oznacza ustawę z dnia 6 grudnia 1996 r. o zastawie rejestrowym i rejestrze zastawów.

WIBOR oznacza *Warsaw Interbank Offered Rate* (stopę oprocentowania pożyczek na warszawskim rynku międzybankowym) określoną na Dzień Ustalenia Stopy Procentowej przez GPW Benchmark S.A. (lub inny podmiot, który przejmie administrowanie tym indeksem) dla depozytów w PLN, dla okresu wskazanego w Suplemencie Emisyjnym, wyrażoną w procentach w skali roku, lub inną stopę procentową, która zastąpi powyższą stopę.

Wskaźnik Alternatywny oznacza wskaźnik referencyjny ustalony zgodnie z pkt 6.1(b)(v) - 6.1(b)(xi) który zastępuje WIBOR w sytuacjach opisanych w Warunkach Emisji.

Wskaźnik Zadłużenia oznacza stosunek Skonsolidowanego Zadłużenia Finansowego do Skorygowanych Skonsolidowanych Aktywów, obliczony na podstawie skonsolidowanego sprawozdania finansowego Poręczyciela, na 30 czerwca i 31 grudnia.

Wskaźnik Zadłużenia Netto oznacza stosunek Skonsolidowanego Zadłużenia Finansowego obniżonego o łączną kwotę środków pieniężnych i ekwiwalentów pieniężnych do Skorygowanych Skonsolidowanych Aktywów, obliczony na podstawie skonsolidowanego sprawozdania finansowego Poręczyciela, na 30 czerwca i 31 grudnia.

Wskaźnik Pokrycia Kapitału Majątkiem oznacza stosunek Kapitałów Własnych do Skorygowanych Skonsolidowanych Aktywów, obliczony na podstawie skonsolidowanego sprawozdania finansowego Poręczyciela, na 30 czerwca i 31 grudnia.

Zabezpieczenie oznacza każdą hipotekę, zabezpieczenie, obciążenie, prawo zastawu, zastaw rejestrowy, zastaw finansowy, cesję lub przewłaszczenie na zabezpieczenie oraz każdą inną formę zabezpieczenia zobowiązań.

Zadłużenie Finansowe oznacza zadłużenie z tytułu (bez podwójnego liczenia):

- (a) środków wypłaconych w ramach pożyczki lub kredytu;
- (b) akceptacji w ramach kredytu akceptacyjnego (lub jego odpowiednika w formie zdematerializowanej);
- (c) umowy nabycia lub emisji obligacji, weksli, innych papierów wartościowych, skryptów dłużnych lub innych podobnych instrumentów;
- (d) akcji/udziałów uprzywilejowanych z możliwością umorzenia;
- (e) umowy najmu, dzierżawy, sprzedaży ratalnej lub innej umowy, która zgodnie z ogólnie przyjętymi zasadami rachunkowości byłaby traktowana jako umowa leasingu finansowego lub kapitałowego;
- (f) wierzytelności sprzedawanych lub dyskontowanych (z wyłączeniem wierzytelności zbywanych bez regresu do zbywcy);
- (g) wszelkich transakcji pochodnych zawartych w związku z zabezpieczeniem przed wahaniami stóp procentowych lub cen lub uzyskiwaniem dochodu z takich wahań stóp procentowych lub cen (i, przy obliczaniu wartości transakcji pochodnej, pod uwagę brana będzie tylko ich wartość rynkowa);
- (h) zobowiązań z tytułu wszelkich roszczeń zwrotnych lub regresowych w związku z gwarancją, zobowiązaniem odszkodowawczym, gwarancją zabezpieczającą wykonanie umowy, akredytywą zabezpieczającą lub dokumentową lub dowolnym innym instrumentem wystawionym przez bank lub instytucję finansową;
- (i) kosztów nabycia dowolnego składnika majątku lub usługi, o ile są one płatne po terminie ich nabycia lub objęcia w posiadanie przez stronę zobowiązaną, a płatność odroczonea:
 - (i) stanowi głównie sposób pozyskania środków finansowych lub finansowania nabycia lub budowy takiego składnika majątkowego lub realizacji takiej usługi; lub
 - (ii) ma zostać zapłacona ponad 12 miesięcy po dacie nabycia lub dostawy;
- (j) wszelkich innych transakcji mających, z gospodarczego punktu widzenia, skutek pożyczki lub kredytu, w wypadku których okres odroczenia płatności przekracza co najmniej 365 dni; lub
- (k) wszelkiego zadłużenia Podmiotu Powiązanego, które należałoby do kategorii wskazanych w pkt (a) – pkt (j) powyżej w przypadku, gdy podmiot wchodzący w skład Grupy udziela gwarancji lub poręczenia takiego zadłużenia;

w każdym przypadku wyłączając:

- (a) wszelkie kaucje otrzymane od najemców jako zabezpieczenie płatności czynszów najmu przez najemców na rzecz członków Grupy;
- (b) wszelkie zwyczajowe gwarancje udzielone właścicielowi budynku przez generalnego wykonawcę;

- (c) wszelkie pożyczki, kredyty, umowy dzierżawy, gwarancje, zobowiązania odszkodowawcze bądź inne podobne zapewnienia udzielone wzajemnie przez spółki Grupy lub na rzecz tych spółek; lub
- (d) wszelkie wpłacone do Funduszu przez osoby trzecie kwoty, które na potrzeby skonsolidowanego sprawozdania finansowego ujmowane są jako zadłużenie.

Zastaw Rejestrowy oznacza zastaw rejestrowy na składnikach majątkowych Emitenta, zabezpieczający wykonanie zobowiązań Emitenta z tytułu wszystkich obligacji (w tym Obligacji) emitowanych w ramach Programu, ustanowiony na podstawie Umowy Zastawu Rejestrowego.

Zgromadzenie Obligatariuszy oznacza organ reprezentujący Obligatariuszy, odbywające się na zasadach określonych w Warunkach Emisji i Ustawie o Obligacjach.

Zmiana Kontroli oznacza sytuację, w której: (i) Poręczyciel przestanie posiadać (pośrednio lub bezpośrednio) udziały reprezentujące co najmniej 50% plus 1 głosów na zgromadzeniu wspólników Emitenta lub zgromadzeniu wspólników lub walnym zgromadzeniu Istotnych Podmiotów Zależnych; (ii) Dozwolony Właściciel przestanie posiadać (pośrednio lub bezpośrednio) akcje reprezentujące co najmniej 50% plus 1 głosów na walnym zgromadzeniu Poręczyciela; lub (iii) jakakolwiek inna osoba lub osoby działające w porozumieniu (inne niż Dozwolony Właściciel) pośrednio lub bezpośrednio nabędą akcje reprezentujące co najmniej 50% plus 1 głosów na walnym zgromadzeniu Poręczyciela.

Zmienna Stopa Procentowa oznacza stopę procentową stanowiącą sumę Bazowej Stopy Procentowej oraz Marży.

1.2 Zasady wykładni

W niniejszych Warunkach Emisji:

- (a) definicja Obligacji odnosi się do obligacji serii wskazanej w Suplemencie Emisyjnym;
- (b) wszystkie załączniki do Warunków Emisji stanowią wraz z nimi jednolity dokument i zostały wyodrębnione wyłącznie z przyczyn redakcyjnych;
- (c) odniesienia do ustępu, paragrafu lub załącznika stanowią odniesienia do ustępu, paragrafu lub załącznika niniejszych Warunków Emisji;
- (d) odniesienia do:
 - (i) niniejszych Warunków Emisji lub jakiegokolwiek innego dokumentu, obejmują odniesienia do niniejszych Warunków Emisji lub jakiegokolwiek innego dokumentu ze zmianami; oraz
 - (ii) przepisu prawa, ustawy lub rozporządzenia obejmują odniesienia do tego przepisu prawa, ustawy lub rozporządzenia ze zmianami lub innego przepisu, który zastąpi dany przepis, ustawę lub rozporządzenie; oraz
- (e) tytuły oraz podtytuły użyte na początku niektórych ustępów zostały podane wyłącznie dla wygody odniesienia i nie mają wpływu na interpretację niniejszych Warunków Emisji.

2. OPIS ŚWIADCZENIA

Emitent zobowiązuje się spełnić na rzecz Obligatariusza świadczenie pieniężne w wysokości i w terminach określonych w niniejszych Warunkach Emisji, w tym w Suplemencie Emisyjnym.

3. OPIS OBLIGACJI

- 3.1 Obligacje są obligacjami na okaziciela. Obligacje są zdematerializowane i podlegają zarejestrowaniu w Depozycie, przy czym rejestracja Obligacji w Depozycie nastąpi po spełnieniu warunków przewidzianych w art. 5 ust. 1 pkt 3 Ustawy o Obrocie Instrumentami Finansowymi, w trybie par. 5 Szczegółowych Zasad lub innych właściwych regulacji, które je zastąpią.
- 3.2 Obligacje emitowane są na podstawie art. 33 pkt 1 Ustawy o Obligacjach bez obowiązku udostępnienia prospektu albo memorandum informacyjnego.
- 3.3 Oświadczenie o przyjęciu propozycji nabycia Obligacji może zostać złożone w postaci elektronicznej.
- 3.4 Obligacje stanowią niepodporządkowane i zabezpieczone (na warunkach określonych w Warunkach Emisji) zobowiązania Emitenta, będą mieć równorzędny status, bez żadnego uprzywilejowania względem siebie nawzajem w zakresie płatności (z zastrzeżeniem wyjątków na podstawie

bezwzględnie obowiązujących przepisów prawa), oraz mają przynajmniej równorzędny status (*pari passu*) z wszelkimi pozostałymi bieżącymi lub przyszłymi niepodporządkowanymi oraz niezabezpieczonymi zobowiązaniami Emitenta.

4. ZABEZPIECZENIE

- 4.1 Roszczenia obligatariuszy obligacji emitowanych w ramach Programu, w tym wierzytelności Obligatariuszy z tytułu Obligacji są zabezpieczone Przelewem i Poręczeniem, ustanowionymi przed datą Warunków Emisji.
- 4.2 Roszczenia obligatariuszy obligacji emitowanych w ramach Programu, w tym wierzytelności Obligatariuszy z tytułu Obligacji będą zabezpieczone Zastawem Rejestrowym. Zastaw Rejestrowy powinien zostać wpisany do rejestru zastawów w terminie 60 dni od Dnia Emisji. Umowa Zastawu Rejestrowego została zawarta pomiędzy Emitentem a Administratorem Zastawu przed Dniem Emisji.
- 4.3 Opis sposobów dochodzenia zaspokojenia z przedmiotu Zastawu Rejestrowego, Przelewu i Poręczenia został wskazany w **Załączniku 2**.
- 4.4 Maksymalna kwota zabezpieczona:
 - (a) Zastawem Rejestrowym wynosi 150 procent Maksymalnej Wartości Programu; oraz
 - (b) Poręczeniem wynosi 150 procent Maksymalnej Wartości Programu.
- 4.5 Obligatariusz zwróci się odpowiednio do Administratora Zastawu lub Administratora Zabezpieczeń z żądaniem dochodzenia zaspokojenia z przedmiotu Zastawu Rejestrowego, Poręczenia lub Przelewu poprzez doręczenie odpowiednio Administratorowi Zastawu lub Administratorowi Zabezpieczeń Polecenia Dochodzenia Zaspokojenia i zgodnie z Umową Zastawniczą, Umową Poręczenia lub Umową Przelewu (w zależności od przypadku).
- 4.6 Wycena składników majątkowych obciążonych Zastawem Rejestrowym została przedstawiona w **Załączniku 3**.
- 4.7 Wycena składników majątkowych obciążonych Zastawem Rejestrowym została sporządzona przez Value Advisors sp. z o.o. z siedzibą w Warszawie (**Rzecznawca**). Emitent powołał Rzecznawcę w celu sporządzenia wyceny składników majątkowych obciążonych Zastawem Rejestrowym, ponieważ Rzecznawca posiada doświadczenie i kwalifikacje zapewniające rzetelność wyceny oraz zachowuje bezstronność i niezależność. Według Emitenta, doświadczenie Rzecznawcy daje rękojmię, że sporządzona przez niego wycena będzie wiarogodnym źródłem informacji dla Obligatariuszy o składnikach majątkowych obciążonych Zastawem Rejestrowym.

5. ZGROMADZENIE OBLIGATARIUSZY

- 5.1 Obligatariusze mogą podejmować decyzje na Zgromadzeniu Obligatariuszy. Zgromadzenie Obligatariuszy może podejmować uchwały w przedmiocie zmiany wszystkich postanowień Warunków Emisji lub wyrażenia zgody na zawarcie przez Administratora Zastawu lub Administratora Zabezpieczeń umów zmieniających Umowę Poręczenia, Umowę Przelewu lub Umowę Zastawu Rejestrowego lub umów z Administratorem Zastawu lub Administratorem Zabezpieczeń oraz w zakresie podwyższenia kwoty Programu. Ponadto, Zgromadzenie Obligatariuszy może również podejmować uchwały w innych sprawach związanych z dochodzeniem zaspokojenia z zabezpieczeń Programu.
- 5.2 Zgromadzenia Obligatariuszy są zwoływane przez Emitenta.
- 5.3 Obligatariusz lub Obligatariusze posiadający Obligacje stanowiące przynajmniej 1/20 Skorygowanej Wartości Nominalnej Obligacji (**Upoważnieni Obligatariusze**) mogą zażądać zwołania Zgromadzenia Obligatariuszy. Wniosek zostanie sporządzony na piśmie lub w postaci elektronicznej zgodnie ze wzorem stanowiącym **Załącznik 4** do Warunków Emisji.
- 5.4 Organizatorzy są uprawnieni do udziału w każdym Zgromadzeniu Obligatariuszy.
- 5.5 Jeśli żądanie zwołania Zgromadzenia Obligatariuszy zostanie przesłane zgodnie z pkt 5.3 powyżej, Emitent opublikuje na Stronie Internetowej Emitenta, w ciągu dwóch Dni Roboczych od daty otrzymania przez Emitenta żądania zwołania Zgromadzenia Obligatariuszy, oświadczenie, w którym wskaże liczbę i łączną kwotę nominalną Obligacji posiadanych przez członków Grupy (**Oświadczenie Emitenta**). Emitent opublikuje ogłoszenie o zwołaniu Zgromadzenia Obligatariuszy na Stronie Internetowej Emitenta w ciągu pięciu Dni Roboczych od otrzymania żądania złożonego przez Upoważnionych Obligatariuszy.

- 5.6 Zasady zwoływania i odbywania Zgromadzenia Obligatariuszy zostały wskazane w Ustawie o Obligacjach. Zgromadzenie Obligatariuszy może odbyć się w Warszawie. Udział w Zgromadzeniu Obligatariuszy może odbywać się przy wykorzystaniu środków komunikacji elektronicznej.
- 5.7 Głosy są oddawane na piśmie w głosowaniu tajnym.
- 5.8 Zgromadzenie Obligatariuszy podejmuje swoje uchwały następującą większością:
- (a) uchwała w przedmiocie zmiany postanowień, które nie są Postanowieniami Kwalifikowanymi Warunków Emisji będzie wymagać zgody 75% Obligatariuszy uczestniczących w Zgromadzeniu Obligatariuszy pod warunkiem, że przynajmniej 50% Obligatariuszy bierze udział w Zgromadzeniu Obligatariuszy;
 - (b) uchwała w przedmiocie zmiany postanowień, będących Postanowieniami Kwalifikowanymi Warunków Emisji będzie podejmowana przez 75% Obligatariuszy uczestniczących w Zgromadzeniu Obligatariuszy pod warunkiem, że przynajmniej 50% Obligatariuszy bierze udział w Zgromadzeniu Obligatariuszy (lub w przypadku Obligacji, które zostaną wprowadzone do obrotu w ASO uchwała zostanie podjęta przez 100% Obligatariuszy, biorących udział w Zgromadzeniu Obligatariuszy);
 - (c) pomimo większości, o której mowa w pkt (a) i pkt (b), następujące kwestie będą wymagać zgody 50% plus jeden głos Obligatariuszy biorących udział w Zgromadzeniu Obligatariuszy pod warunkiem, że przynajmniej 50% Obligatariuszy bierze udział w Zgromadzeniu Obligatariuszy:
 - (i) pkt 12.4 (*Działania niestanowiące Przypadku Naruszenia*); oraz
 - (ii) pkt 12.5 (*Skutki wystąpienia Przypadku Naruszenia*).
- 5.9 Księga protokołów ze Zgromadzenia Obligatariuszy będzie dostępna do wglądu Obligatariuszy w Dni Robocze w siedzibie Emitenta.
- 5.10 Uchwały Zgromadzenia Obligatariuszy są wiążące wobec wszystkich Obligatariuszy, włączając w to tych, którzy nie uczestniczyli w Zgromadzeniu Obligatariuszy, nie uczestniczyli w głosowaniu na Zgromadzeniu Obligatariuszy, którzy wstrzymali się od głosu, którzy głosowali przeciwko oraz którzy nabyli Obligacje po dacie podjęcia uchwały Zgromadzenia Obligatariuszy.

6. OPROCENTOWANIE

Sposób naliczania odsetek, lub wskazanie, że Obligacje nie są oprocentowane, znajduje się w Suplemencie Emisyjnym.

6.1 Zmienna stopa procentowa

(a) Naliczanie odsetek

Odsetki od każdej Obligacji oprocentowanej zmienną stopą procentową będą naliczane za dany Okres Odsetkowy i będą płatne w każdym Dniu Płatności Odsetek.

(b) Ustalenie Zmiennej Stopy Procentowej:

- (i) Stopa procentowa dla danego Okresu Odsetkowego będzie równa sumie Bazowej Stopy Procentowej i Marży.
- (ii) W każdym Dniu Ustalenia Stopy Procentowej Agent Kalkulacyjny ustali stopę WIBOR.
- (iii) W przypadku, gdy stopa WIBOR nie może być ustalona, w tym, w szczególności, w związku z Ogłoszeniem Końca Publikacji lub gdy nastąpi Brak Zezwolenia WIBOR Bazowa Stopa Procentowa zostanie ustalona jako Wskaźnik Alternatywny skorygowany o Korektę (jeśli będzie miała zastosowanie), w sposób opisany poniżej.
- (iv) Jeśli brak dostępności WIBOR będzie związany z Ogłoszeniem Końca Publikacji lub gdy nastąpi Brak Zezwolenia WIBOR, Wskaźnik Alternatywny trwale zastępuje WIBOR. W innym przypadku WIBOR jest ponownie stosowany dla ustalenia Bazowej Stopy Procentowej od Dnia Ustalenia Stopy Procentowej, w którym WIBOR będzie ponownie dostępny.
- (v) Wskaźnik Alternatywny zostanie ustalony na podstawie jednej z następujących metod:
 - (I) Wskaźnikiem Alternatywnym jest wskaźnik, który rekomendowała do stosowania zamiast WIBOR Komisja Nadzoru Finansowego;

- (II) Wskaźnikiem Alternatywnym jest wskaźnik, który rekomendował do stosowania zamiast WIBOR inny podmiot właściwy zgodnie z Rozporządzeniem Parlamentu Europejskiego i Rady (UE) 2016/1011 z dnia 8 czerwca 2016 r. w sprawie indeksów stosowanych jako wskaźniki referencyjne w instrumentach finansowych i umowach finansowych lub do pomiaru wyników funduszu inwestycyjnego i zmieniające dyrektywy 2008/48/WE i 2014/17/UE oraz rozporządzenie (UE) nr 596/2014;
- (III) Wskaźnikiem Alternatywnym jest wskaźnik, który rekomendowała do stosowania zamiast WIBOR organizacja branżowa, którą wskazała Komisja Nadzoru Finansowego i która zajmuje się przygotowaniem propozycji zastąpienia WIBOR; albo
- (vi) Emitent stosuje metody, o których mowa w punkcie (v), w kolejności od punktu (v)(I) do punktu (v)(III). Kolejna metoda jest stosowana, gdy poprzednia metoda nie da rezultatu do Dnia Ustalenia Stopy Procentowej włącznie z tym dniem (w przypadku, gdy określony Podmiot Wyznaczający nie wskaże Wskaźnika Alternatywnego).
- (vii) Po ustaleniu Wskaźnika Alternatywnego Korekta zostaje ustalona zgodnie z następującymi zasadami:
 - (I) Korekta ma charakter wartości lub działania, które koryguje wartość Wskaźnika Alternatywnego. Wartość Korekty może być wartością dodatnią, ujemną, zerową, jak również być określona wzorem lub metodą obliczenia;
 - (II) raz ustalona Korekta jest stosowana przez cały czas stosowania Wskaźnika Alternatywnego;
 - (III) jeżeli w danej metodzie ustalenia Wskaźnika Alternatywnego, o których mowa w punktach od (v)(I) do (v)(III) powyżej:
 - a. Podmiot Wyznaczający wskazał Korektę – stosuje się taką Korektę;
 - b. Podmiot Wyznaczający wskazał, aby nie stosować Korekty – nie stosuje się Korekty;
 - (IV) jeżeli w danej metodzie ustalenia Wskaźnika Alternatywnego, o których mowa w punktach od (v)(I) do (v)(III) powyżej Podmiot Wyznaczający nie odniósł się do Korekty:
 - a. Korekta jest dodawana do wartości Wskaźnika Alternatywnego;
 - b. Korekta jest równa historycznej medianie różnic pomiędzy WIBOR oraz Wskaźnikiem Alternatywnym;
 - c. mediana różnic jest ustalana: (A) za okres 24 miesięcy przed dniem, w którym WIBOR przestał być publikowany (gdy nastąpiło Ogłoszenie Końca Publikacji) albo pierwszym dniem, w którym Wskaźnik Alternatywny jest stosowany (gdy WIBOR nie został opublikowany ale nie nastąpiło Ogłoszenie Końca Publikacji) albo dniem w którym wystąpił Brak Zezwolenia WIBOR; (B) biorąc pod uwagę, każdy dzień z badanego okresu, w którym był publikowany zarówno WIBOR jak i Wskaźnik Alternatywny.
- (viii) Procedura wyboru Wskaźnika Alternatywnego oraz ustalenia Korekty w związku z Ogłoszeniem Końca Publikacji lub Brakiem Zezwolenia WIBOR jest przeprowadzana tylko raz (ten sam Wskaźnik Alternatywny oraz Korekta są stosowane zamiast WIBOR także w kolejnych Dniach Ustalenia Stopy Procentowej).
- (ix) Wskaźnik Alternatywny oraz Korekta są wyznaczone na zlecenie Agenta Kalkulacyjnego albo inny profesjonalny podmiot, jeżeli taki podmiot został wyznaczony Uchwałą Zgromadzenia Obligatariuszy za zgodą Emitenta. Emitent opublikuje na Stronie Internetowej Emitenta informację o podmiocie, o którym mowa powyżej, ze wskazaniem danych tego podmiotu, a także wybrany Wskaźnik Alternatywny oraz (po jej sporządzeniu) metodę obliczania Korekty lub opinię tego podmiotu, że Korekta nie jest wymagana.
- (x) Jeśli Wskaźnik Alternatywny jest publikowany z dołu, przez co nie jest on dostępny dla Okresu Odsetkowego w Dniu Ustalenia Stopy Procentowej, Dzień Ustalenia Stopy Procentowej ulega odpowiedniemu przesunięciu do czasu publikacji Wskaźnika

Alternatywnego dla danego Okresu Odsetkowego, z uwzględnieniem standardu rynkowego.

- (xi) W przypadku, gdy zgodnie z punktem (iv) Wskaźnik Alternatywny trwale zastąpi WIBOR, postanowienia punktów (iii) – (xi) odnoszące się do WIBOR stosuje się odpowiednio do tego Wskaźnika Alternatywnego z uwzględnieniem Korekty.
- (xii) Jeśli Bazowa Stopa Procentowa będzie niższa niż zero, będzie się uważać, że Bazowa Stopa Procentowa wynosi zero dla celów ustalenia zmiennej stopy procentowej.

(c) Ustalenie kwoty odsetek

Kwota odsetek od jednej Obligacji zostanie ustalona po ustaleniu Zmiennej Stopy Procentowej poprzez pomnożenie wartości nominalnej jednej Obligacji przez Zmienną Stopę Procentową, pomnożenie uzyskanego wyniku przez liczbę dni w danym Okresie Odsetkowym, podzielenie wyniku przez 365 i zaokrąglenie uzyskanego wyniku do pełnego grosza (pół grosza lub więcej będzie zaokrąglane w górę).

(d) Ogłoszenie Zmiennej Stopy Procentowej i kwoty odsetek

Obligatariusz zostanie zawiadomiony o Zmiennej Stopie Procentowej i kwocie odsetek zgodnie z postanowieniami pkt. 16.1 (*Zawiadomienia do Obligatariuszy*). Ponadto, w zakresie Obligacji wprowadzonych do obrotu w ASO, kwota odsetek zostanie podana na stronie internetowej ASO.

6.2 Stała stopa procentowa

(a) Naliczanie odsetek

Odsetki od każdej Obligacji oprocentowanej stałą stopą procentową będą naliczane za dany Okres Odsetkowy i będą płatne w każdym Dniu Płatności Odsetek.

(b) Ustalanie kwoty odsetek

Kwota odsetek od jednej Obligacji zostanie ustalona poprzez pomnożenie wartości nominalnej jednej Obligacji przez stałą stopę procentową wskazaną w Suplemencie Emisyjnym, pomnożenie uzyskanego wyniku przez liczbę dni w danym Okresie Odsetkowym, podzielenie wyniku przez 365 i zaokrąglenie uzyskanego wyniku do pełnego grosza (pół grosza lub więcej będzie zaokrąglane w górę).

(c) Ogłoszenie kwoty odsetek

Obligatariusz zostanie zawiadomiony o kwocie odsetek zgodnie z postanowieniami pkt 16.1 (*Zawiadomienia do Obligatariuszy*). Ponadto, w zakresie Obligacji wprowadzonych do obrotu w ASO, kwota odsetek zostanie podana na stronie internetowej ASO.

6.3 Wzrost oprocentowania - Wskaźnik Zadłużenia Netto

Jeśli Wskaźnik Zadłużenia Netto będzie przekraczać 0,45, stopa procentowa dla Okresów Odsetkowych rozpoczynających się po dniu, w którym Wskaźnik Zadłużenia Netto został przekroczony zostanie podwyższona o 75 punktów bazowych. Stopa procentowa zostanie przywrócona do swojego pierwotnego poziomu dla Okresów Odsetkowych rozpoczynających się po dniu, w którym Wskaźnik Zadłużenia Netto spadnie do 0,45 lub niżej.

6.4 Wzrost oprocentowania – emisja Obligacji Retail

- (a) Jeżeli w Okresie Chronionym zostaną wyemitowane Obligacje Retail, które mają wyższą stopę zwrotu niż Obligacje (według zasad obliczania określonych w **Załączniku 6** (*Zasady wzrostu oprocentowania w przypadku emisji Obligacji Retail*)), wówczas stopa procentowania Obligacji zostanie podwyższona do poziomu, który jest wymagany by stopa zwrotu z Obligacji Retail oraz stopa procentowa Obligacji były równe, począwszy od kolejnego Okresu Odsetkowego rozpoczynającego się po Okresie Odsetkowym, w którym nastąpiła emisja Obligacji Retail.
- (b) Podwyższenie stopy procentowej, o którym mowa w pkt (a) powyżej nastąpi według zasad określonych w **Załączniku 6** (*Zasady wzrostu oprocentowania w przypadku emisji Obligacji Retail*).
- (c) Emitent jest zobowiązany do opublikowania na Stronie Internetowej Emitenta wyliczenia podwyższenia stopy procentowej Obligacji w terminie pięciu Dni Roboczych od dnia emisji Obligacji Retail w Okresie Chronionym.

7. PŁATNOŚCI

- 7.1 Wszelkie płatności z tytułu Obligacji będą dokonywane na odpowiedni rachunek Obligatariusza za pośrednictwem podmiotów prowadzących Rachunki Obligacji.
- 7.2 Płatności świadczeń z tytułu Obligacji będą dokonywane jedynie na rzecz Obligatariuszy posiadających Obligacje na koniec Dnia Ustalenia Praw.
- 7.3 Zasady dokonywania płatności:
- (a) kwoty płatne z tytułu wykupu Obligacji mogą być przeznaczone na poczet ceny nabycia Obligacji nowej emisji;
 - (b) jeśli dzień płatności z tytułu Obligacji przypada na dzień niebędący Dniem Roboczym, płatność na rzecz Obligatariusza nastąpi w pierwszym Dniu Roboczym przypadającym po tym dniu i w takim przypadku Obligatariuszowi nie będą przysługiwały żadne odsetki za taki okres; oraz
 - (c) płatności świadczeń z tytułu Obligacji będą dokonywane bez potrącania jakichkolwiek wierzytelności Emitenta z wierzytelnościami Obligatariuszy.

8. PODATKI

- 8.1 Wszelkie płatności z tytułu Obligacji zostaną dokonane bez potrąceń lub odliczeń z tytułu lub na poczet obecnych lub przyszłych podatków lub jakiegokolwiek rodzaju należności publicznoprawnych wymierzonych lub nałożonych przez odpowiednie władze podatkowe, chyba że potrącenia lub odliczenia takich podatków lub należności publicznoprawnych wymagane są na podstawie bezwzględnie obowiązujących przepisów prawa. Emitent nie będzie zwracać Obligatariuszom żadnych zapłaconych podatków lub nie będzie dokonywać żadnych dodatkowych płatności, jeśli z jakiegokolwiek płatnością z tytułu Obligacji związany będzie obowiązek pobrania i zapłaty jakiegokolwiek podatku lub innej należności publicznoprawnej,
- 8.2 Jeżeli istnieje obowiązek potrącenia lub odliczenia jakiegokolwiek podatku a Obligatariusz nie przekaże podmiotowi prowadzącemu rachunek papierów wartościowych lub rachunek zbiorczy, nie później niż w Dniu Ustalenia Praw, informacji i dokumentów, w tym aktualnego certyfikatu rezydencji podatkowej, niezbędnych do zastosowania obniżonej lub zerowej stawki opodatkowania, podatek zostanie pobrany w pełnej wysokości.

9. WYKUP

Emitent, z zastrzeżeniem postanowień pkt. 10 (*Wcześniejszy Wykup Obligacji z Inicjatywy Emitenta*) wykupi wszystkie Obligacje w Dniu Wykupu po ich wartości nominalnej.

10. WCZEŚNIEJSZY WYKUP OBLIGACJI Z INICJATYWY EMITENTA

- 10.1 Jeśli Suplement Emisyjny tak stanowi, Emitent może dokonać wykupu wszystkich Obligacji przed Dniem Wykupu. Emitent zawiadomi Obligatariuszy o wcześniejszym wykupie Obligacji przynajmniej 30 dni przed wcześniejszym dniem wykupu. Wcześniejszy wykup Obligacji może nastąpić w Dniach Płatności Odsetek wskazanych w Suplemencie Emisyjnym.
- 10.2 W dniu wykupu Obligacji na podstawie postanowień pkt 10.1 powyżej, Emitent zapłaci Obligatariuszom łączną kwotę:
- (a) wartości nominalnej wszystkich Obligacji obniżonej o dokonaną Amortyzację;
 - (b) w przypadku Obligacji oprocentowanych, odsetek naliczonych od pierwszego dnia Okresu Odsetkowego (wyłączając ten dzień) do dnia wcześniejszego wykupu (wliczając ten dzień); oraz
 - (c) Premii.

11. AMORTYZACJA

- 11.1 O ile Suplement Emisyjny to przewiduje, Emitent jest zobowiązany do przedterminowej spłaty części wartości nominalnej Obligacji na zasadach określonych poniżej („**Amortyzacja**”).
- 11.2 Amortyzacja będzie następować na koniec Okresów Odsetkowych wskazanych w Suplemencie Emisyjnym jako Dzień Amortyzacji i będzie skutkować spłatą kwoty stanowiącej odpowiednią część wartości nominalnej każdej Obligacji w wysokości wskazanej w Suplemencie Emisyjnym przy odpowiednim Dniu Amortyzacji („**Kwota Amortyzacji**”).

- 11.3 Po każdorazowym dokonaniu Amortyzacji wartość nominalna Obligacji będzie stanowiła różnicę pomiędzy wartością nominalną każdej Obligacji przed dokonaniem Amortyzacji na koniec danego Okresu Odsetkowego oraz Kwoty Amortyzacji.
- 11.4 Amortyzacja nastąpi poprzez zapłatę Obligatariuszom kwot równych Kwocie Amortyzacji zgodnie z regulacjami KDPW.

12. WCZEŚNIEJSZY WYKUP OBLIGACJI Z INICJATYWY OBLIGATARIUSZY

12.1 Prawa ustawowe

- (a) Jeżeli Emitent jest w zwłoce ze spełnieniem w terminie, w całości lub w części, świadczeń pieniężnych wynikających z Obligacji, Obligatariusz może zażądać natychmiastowego wykupu posiadanych Obligacji. Obligatariusz może żądać wykupu Obligacji również w przypadku niezawinionego przez Emitenta opóźnienia dłuższego niż trzy dni.
- (b) W dniu otwarcia likwidacji Emitenta Obligacje stają się natychmiast wymagalne.
- (c) Jeżeli Zastaw Rejestrowy nie został wpisany do rejestru zastawów najpóźniej 60 dni po Dniu Emisji, Obligacje podlegają, na żądanie Obligatariusza, natychmiastowemu wykupowi.
- (d) W przypadku połączenia Emitenta z innym podmiotem, jego podziału lub przekształcenia formy prawnej, Obligacje podlegają natychmiastowemu wykupowi, jeżeli podmiot, który wstąpił w obowiązki Emitenta z tytułu Obligacji, zgodnie z Ustawą o Obligacjach nie posiada uprawnień do ich emitowania.

12.2 Zmiana Kontroli

- (a) W przypadku wystąpienia Zmiany Kontroli, każdy z Obligatariuszy będzie uprawniony, w terminie 3 miesięcy od dnia wystąpienia Zmiany Kontroli, do wystąpienia do Emitenta z żądaniem wcześniejszego wykupu Obligacji w związku ze Zmianą Kontroli (**„Wcześniejszy Wykup – Zmiana Kontroli”**).
- (b) Żądanie Wcześniejszego Wykupu – Zmiana Kontroli składa się do Emitenta na piśmie na adres wskazany w pkt. 16.2 (*Zawiadomienia do Emitenta*) załączając do niego świadectwo depozytowe Obligacji objętych żądaniem Wcześniejszego Wykupu – Zmiana Kontroli z ważnością nie krótszą niż 10 Dni Roboczych od upływu terminu 3 miesięcy od dnia wystąpienia Zmiany Kontroli.
- (c) Emitent będzie zobowiązany dokonać Wcześniejszego Wykupu – Zmiana Kontroli wówczas, jeśli w terminie 3 miesięcy od dnia wystąpienia Zmiany kontroli otrzyma żądania Wcześniejszego Wykupu – Zmiana Kontroli od Obligatariuszy posiadających co najmniej 25% łącznej wartości nominalnej wszystkich Obligacji pozostających do spłaty w dniu przypadającym 3 miesiące po dniu wystąpienia Zmiany Kontroli.
- (d) Emitent będzie zobowiązany do dokonania wykupu Obligacji objętych takim żądaniem najpóźniej 10 Dnia Roboczego od upływu terminu 3 miesięcy od dnia wystąpienia Zmiany Kontroli. Emitent wykupi Obligacje objęte takim żądaniem poprzez zapłatę przez Emitenta za każdą Obligację objętą wykupem wartości nominalnej jednej Obligacji wraz z należnymi, a niewypłaconymi Odsetkami do dnia, w którym ma nastąpić Wcześniejszy Wykup – Zmiana Kontroli, zgodnie z odpowiednimi regulacjami KDPW.

12.3 Przypadki Naruszenia

Pomimo prawa do zażądania natychmiastowego wykupu Obligacji w przypadkach wskazanych w pkt 12.1 (*Prawa ustawowe*), każdy Obligatariusz może, z zastrzeżeniem postanowień pkt 12.4 (*Działania niestanowiące Przypadku Naruszenia*) oraz 12.5 (*Skutek wystąpienia Przypadku Naruszenia*), zażądać wcześniejszego wykupu Obligacji w przypadku wystąpienia któregośkolwiek z poniższych zdarzeń:

- (a) niedokonania płatności z tytułu Obligacji innych emisji wyemitowanych w ramach Programu przez okres dłuższy niż trzy dni;
- (b) jakiegokolwiek Zadłużenie Finansowe Poręczyciela lub Istotnego Podmiotu Zależnego w łącznej wysokości przekraczającej równowartość kwoty 25.000.000 EUR:
 - (i) nie zostanie spłacone w terminie wymagalności, z uwzględnieniem odpowiedniego okresu na usunięcie takiego naruszenia; lub

- (ii) zostanie postawione w stan wymagalności przed pierwotnym terminem spłaty takiego Zadłużenia Finansowego z powodu zażądania wcześniejszej spłaty takiego Zadłużenia Finansowego, w związku z wystąpieniem przypadku naruszenia (dowolnie opisanego);
- (c) jakiegokolwiek Zadłużenie Finansowe Emitenta w łącznej wysokości przekraczającej równowartość kwoty 500.000 EUR:
 - (i) nie zostanie spłacone w terminie wymagalności, z uwzględnieniem odpowiedniego okresu na usunięcie takiego naruszenia; lub
 - (ii) zostanie postawione w stan wymagalności przed pierwotnym terminem spłaty takiego Zadłużenia Finansowego z powodu zażądania wcześniejszej spłaty takiego Zadłużenia Finansowego, w związku z wystąpieniem przypadku naruszenia (dowolnie opisanego) i nie zostanie spłacone;
- (d) jakiegokolwiek Zadłużenie Finansowe członka Grupy, nie wymienionego w pkt (b) lub pkt (c), w łącznej wysokości przekraczającej, łącznie lub osobno, 10% ostatnio przedstawionych Skonsolidowanych Aktywów Poręczyciela:
 - (i) nie zostanie spłacone w terminie wymagalności, z uwzględnieniem odpowiedniego okresu na usunięcie takiego naruszenia; lub
 - (ii) zostanie postawione w stan wymagalności przed pierwotnym terminem spłaty takiego Zadłużenia Finansowego z powodu zażądania wcześniejszej spłaty takiego Zadłużenia Finansowego, w związku z wystąpieniem przypadku naruszenia (dowolnie opisanego);
- (e) właściwy sąd wyda prawomocne postanowienie o likwidacji lub rozwiązaniu Emitenta lub Poręczyciela lub odpowiedni organ Emitenta lub Poręczyciela podejmie (na podstawie odpowiednich przepisów prawa obowiązujących w stosunku do Poręczyciela) ważną uchwałę w przedmiocie likwidacji lub rozwiązania Emitenta lub Poręczyciela lub będzie mieć miejsce inne postępowanie analogiczne do powyższych zdarzeń w odniesieniu do Poręczyciela na podstawie odpowiednich przepisów prawa mających zastosowanie w stosunku do Poręczyciela;
- (f) akcjonariusze Emitenta podejmą decyzję o przeniesieniu siedziby Emitenta za granicę, chyba że prowadzi to do niezwłocznego otwarcia likwidacji Emitenta;
- (g) Grupa zaprzestanie prowadzenia swojej działalności podstawowej w całości lub w istotnej części, obejmującej budowę, wynajem i sprzedaż nieruchomości komercyjnych;
- (h) członek Grupy (w tym Poręczyciel lub Emitent) ustanowi Zabezpieczenie (inne niż ustanowione lub które ma zostać ustanowione w ramach Programu) zabezpieczające roszczenia posiadaczy dłużnych papierów wartościowych będących przedmiotem oferty przeprowadzanej na terytorium Polski lub denominowanych w złotych, chyba że taki członek Grupy równocześnie ustanowi równoważne Zabezpieczenie na rzecz Obligatariuszy (termin „równoważne” oznacza, że albo obciążenie zostanie ustanowione na tych samych składnikach majątkowych albo, alternatywnie, na składnikach majątkowych zaakceptowanych przez Obligatariuszy, oraz że zważywszy na warunki takiego zabezpieczenia, w żadnych okolicznościach ustanowienie takiego Zabezpieczenia nie spowoduje pogorszenia się sytuacji posiadaczy Obligacji wyemitowanych w ramach Programu w porównaniu do ich sytuacji sprzed daty ustanowienia takiego Zabezpieczenia),
- (i) jakiegokolwiek informacje przedstawione w sprawozdaniach finansowych Emitenta lub Poręczyciela, udostępnione na podstawie postanowień pkt. 13 (*Obowiązki informacyjne*), które mogłyby mieć istotny wpływ na decyzję inwestora o nabyciu Obligacji, okażą się wprowadzające w błąd, niekompletne lub nieprawidłowe, w całości lub w części, w odniesieniu do faktów występujących na datę sporządzenia danego sprawozdania finansowego;
- (j) w odniesieniu do jakichkolwiek składników majątkowych Poręczyciela lub Istotnego Podmiotu Zależnego, na podstawie ostatecznego tytułu egzekucyjnego wydanego w stosunku do Poręczyciela lub Istotnego Podmiotu Zależnego, nastąpi zajęcie lub zabezpieczenie sądowe, lub na podstawie takiego tytułu, zostanie wszczęta egzekucja roszczeń przekraczających wysokość 25.000.000 EUR (łącznie do Dnia Wykupu) i takie zajęcie, zabezpieczenie sądowe lub egzekucja nie zostanie uchylona, wstrzymana (w tym w wyniku zaskarżenia) lub umorzona w terminie 45 dni od dokonania lub rozpoczęcia, chyba że Poręczyciel lub Istotny Podmiot Zależny wykonał swoje zobowiązanie;

- (k) w odniesieniu do jakichkolwiek składników majątkowych Emitenta, na podstawie ostatecznego tytułu egzekucyjnego wydanego w stosunku do Emitenta, nastąpi zajęcie lub zabezpieczenie sądowe, lub na podstawie takiego tytułu, zostanie wszczęta egzekucja roszczeń przekraczających wysokość 500.000 EUR (łącznie do Dnia Wykupu) i takie zajęcie, zabezpieczenie sądowe lub egzekucja nie zostanie uchylona, wstrzymana (w tym w wyniku zaskarżenia) lub umorzona w terminie 45 dni od dokonania lub rozpoczęcia, chyba że Emitent wykonał swoje zobowiązanie;
- (l) w odniesieniu do jakichkolwiek składników majątkowych członka Grupy, nie wspomnianych w pkt (j) lub pkt (k) powyżej, na podstawie ostatecznego tytułu egzekucyjnego wydanego w stosunku do takiego podmiotu, nastąpi zajęcie lub zabezpieczenie sądowe, lub na podstawie takiego tytułu, zostanie wszczęta egzekucja roszczeń przekraczających wysokość 10% Skonsolidowanych Aktywów Poręczyciela, i takie zajęcie, zabezpieczenie sądowe lub egzekucja nie zostanie uchylona, wstrzymana (w tym w wyniku zaskarżenia) lub umorzona w terminie 45 dni od dokonania lub rozpoczęcia, chyba że dany członek Grupy wykonał swoje zobowiązanie;
- (m) Wskaźnik Zadłużenia będzie przekraczać 0,55.
- (n) Wskaźnika Pokrycia Kapitału Majątkiem spadnie poniżej 0,35.
- (o) Zastaw Rejestrowy, Przelew lub Poręczenie przestanie być ważne, zgodne z prawem lub wykonalne i nie zostanie zastąpione ważnym, zgodnym z prawem i wykonalnym Zastawem Rejestrowym, Przelewem lub Poręčeniem w ciągu 30 Dni Roboczych;
- (p) Emitent podwyższy kwotę Programu bez zgody Zgromadzenia Obligatariuszy lub w przypadku podwyższenia kwoty Programu za zgodą Zgromadzenia Obligatariuszy, Emitent nie spowoduje podwyższenia maksymalnej sumy zabezpieczenia w odniesieniu do Zastawu Rejestrowego oraz Poręczenia do kwoty stanowiącej 150% maksymalnej kwoty Programu, w terminie 60 dni od daty podwyższenia kwoty Programu;
- (q) Emitent udzieli pożyczek z wpływów z emisji Obligacji: (i) na rzecz podmiotu nie wchodzącego w skład Grupy lub (ii) które będą rządzone prawem innym niż prawo polskie lub (iii) które nie staną się przedmiotem Przelewu w terminie wynikającym z Umowy Przelewu;
- (r) łączna wysokość wierzytelności członka Grupy z tytułu udzielonych pożyczek, innych niż pożyczki udzielone w ramach zwykłego toku działalności w odniesieniu do dzierżawy, najmu lub nabycia nieruchomości bądź majątku, objętych obligacji, weksli własnych wyemitowanych dla celów finansowania bankowego lub innych umów udzielenia finansowania dłużnego na rzecz podmiotu nie będącego:
 - (i) członkiem Grupy; lub
 - (ii) Podmiotem Powiązanym,przekracza 1% Skonsolidowanych Aktywów Poręczyciela;
- (s) łączna kwota gwarancji i poręczeń udzielonych przez członka Grupy w odniesieniu do zobowiązań podmiotu, nie będącego członkiem Grupy, z wyłączeniem gwarancji i poręczeń dotyczących zobowiązań Podmiotów Powiązanych uwzględnionych w Zadłużeniu Finansowym, przekracza 1% Skonsolidowanych Aktywów Poręczyciela;
- (t) Emitent udzieli jakiegokolwiek gwarancji lub poręczenia;
- (u) Członek Grupy sprzeda, przekaże lub rozporządzi w inny sposób nieruchomościami lub udziałami lub akcjami członka Grupy na rzecz podmiotu nie będącego członkiem Grupy, chyba że:
 - (i) dana transakcja realizowana jest na zasadach rynkowych jak pomiędzy niepowiązanymi podmiotami; lub
 - (ii) jeśli taka transakcja nie jest realizowana na zasadach rynkowych jak pomiędzy niepowiązanymi podmiotami, łączna wartość takich transakcji w jednym roku kalendarzowym nie przekracza kwoty 20.000.000 EUR;
- (v) Emitent nie wykona prawomocnego wyroku lub decyzji administracyjnej, która nie może zostać zmieniona lub być przedmiotem odwołania, nakazującej Emitentowi płatność kwoty wynoszącej przynajmniej 1.000.000 EUR (łącznie do Dnia Wykupu);

- (w) Emitent dokona połączenia, podziału lub przekształcenia w rozumieniu Kodeksu spółek handlowych, bez uprzedniej zgody Zgromadzenia Obligatariuszy;
- (x) Emitent nie będzie wykonywać żadnych z obowiązków informacyjnych określonych w pkt. 13 (*Obowiązki Informacyjne*) i taka sytuacja nie zostanie naprawiona w terminie 15 dni od dnia, w którym nastąpiło naruszenie obowiązków;
- (y) Jeśli Suplement Emisyjny wskazuje, że Obligacje mają być przedmiotem obrotu w ASO:
 - (i) Obligacje nie będą notowane w ASO w terminie 30 dni od Dnia Emisji; lub
 - (ii) Obligacje zostaną wycofane lub wykluczone z obrotu w ASO z przyczyn innych niż wykup przez Emitenta;
- (z) Emitent lub Poręczyciel:
 - (i) uzna na piśmie swoją niezdolność do spłaty zadłużenia w terminie wymagalności;
 - (ii) z powodu trudności finansowych nie pozwalających na wykonywanie jego zobowiązań w łącznej wysokości przekraczającej 1% (słownie: jeden procent) Skonsolidowanych Aktywów Poręczyciela rozpocznie negocjacje z ogółem lub określoną grupą swoich wierzycieli w celu zmiany zasad spłaty jakiegokolwiek swojego Zadłużenia Finansowego; lub
 - (iii) zawrze z nadzorcą układu porozumienie w sprawie nadzoru nad postępowaniem zatwierdzającym układ;
- (aa) Poręczyciel zostanie uznany, na podstawie obowiązujących przepisów prawa, za niezdolnego do spłaty swojego zadłużenia w terminie wymagalności, lub zostanie uznany za upadłego lub osoba inna niż Poręczyciel złoży wniosek o uznanie Poręczyciela za niezdolnego do zapłaty swojego zadłużenia w terminie wymagalności lub uznanie go za upadłego, chyba że taki wniosek nie jest właściwie uzasadniony lub zostaje złożony w złej wierze lub zostanie oddalony w terminie 90 dni od daty powzięcia przez Poręczyciela wiadomości o takim wniosku; lub taki wniosek zostanie złożony przez Poręczyciela;
- (bb) Emitent nie zwoła Zgromadzenia Obligatariuszy, które ma się odbyć nie później niż w ciągu 28 dni od otrzymania żądania ze strony Obligatariusza, pomimo należycie złożonego wniosku Obligatariusza, lub umyślnie uniemożliwi zwołanie lub przeprowadzenie Zgromadzenia Obligatariuszy lub nie opublikuje protokołu ze Zgromadzenia Obligatariuszy w terminie siedmiu dni od dnia zakończenia Zgromadzenia Obligatariuszy.
- (cc) po Dniu Emisji Emitent wyemituje, bez uprzedniej zgody Zgromadzenia Obligatariuszy, obligacje (lub inne instrumenty dłużne), których emisja nie będzie dokonywana zgodnie z warunkami i w ramach Programu; lub
- (dd) członek Grupy (inny niż Emitent) wyemituje: (i) obligacje niebędące Obligacjami Retail lub (ii) Obligacje Retail, których dzień wykupu (jakkolwiek zdefiniowany) przypada wcześniej niż 6 miesięcy po dniu wykupu obligacji wyemitowanych w ramach Programu przed emisją danej serii Obligacji Retail, posiadających dzień wykupu przypadający najpóźniej ze wszystkich serii emitowanych w ramach Programu, z zastrzeżeniem że Przypadek Naruszenia na podstawie tego punktu nie wystąpi, jeżeli obligacje będą przedmiotem oferty przeprowadzanej wyłącznie poza terytorium Polski i nie będą denominowane w PLN.

12.4 Działania niestanowiące Przypadku Naruszenia

Przed podjęciem jakiegokolwiek działania, które stanowiłoby Przypadek Naruszenia, Emitent może zwołać Zgromadzenie Obligatariuszy w celu podjęcia uchwały wyrażającej zgodę na podjęcie takiego działania. Jeśli Zgromadzenie Obligatariuszy podejmie taką uchwałę, podjęcie danego działania przez Emitenta nie będzie stanowić Przypadku Naruszenia.

12.5 Skutki wystąpienia Przypadku Naruszenia

- (a) W razie wystąpienia Przypadku Naruszenia, o którym mowa w pkt 12.3(a), 12.3(e), 12.3(f), 12.3(o), 12.3(y)(ii), 12.3(z), 12.3(bb), 12.3(cc) lub 12.3(dd), aby Obligatariusze mogli zażądać wcześniejszego wykupu Obligacji, Zgromadzenie Obligatariuszy nie musi najpierw podejmować uchwały upoważniającej Obligatariuszy do zażądania wcześniejszego wykupu Obligacji.

- (b) W razie wystąpienia i utrzymywania się Przypadku Naruszenia innego niż wskazane w pkt (a), aby Obligatariusze mogli zażądać wcześniejszego wykupu Obligacji, Zgromadzenie Obligatariuszy musi najpierw podjąć uchwałę upoważniającą Obligatariuszy do zażądania wcześniejszego wykupu Obligacji.
- (c) Jeśli zdarzenie stanowiące Przypadek Naruszenia zostało wyeliminowane lub przestało występować przed datą zgłoszenia żądania wcześniejszego wykupu Obligacji w wyniku wystąpienia takiego zdarzenia, wtedy wystąpienie takiego zdarzenia nie będzie uważane za stanowiące Przypadek Naruszenia, stanowiący podstawę żądania wcześniejszego wykupu Obligacji.

12.6 Okres dotyczący żądania natychmiastowego wykupu

- (a) Jeśli żądanie Obligatariusza dotyczące wcześniejszego wykupu Obligacji nie jest uwarunkowane podjęciem przez Zgromadzenie Obligatariuszy uchwały wyrażającej zgodę na zażądanie przez Obligatariuszy wcześniejszego wykupu Obligacji, żądanie wcześniejszego wykupu Obligacji może w takim przypadku zostać zgłoszone przez Obligatariusza w terminie nie dłuższym niż 60 dni od późniejszej z następujących dat: (i) daty wystąpienia danego Przypadku Naruszenia, lub (ii) daty, w której Obligatariusze zostali poinformowani przez Emitenta o wystąpieniu takiego Przypadku Naruszenia – chyba że dane zdarzenie, którego wystąpienie stanowiło Przypadek Naruszenia zostało wyeliminowane lub przestało występować przed datą zgłoszenia żądania wcześniejszego wykupu Obligacji w wyniku wystąpienia takiego zdarzenia.
- (b) Jeśli żądanie Obligatariusza dotyczące wcześniejszego wykupu Obligacji jest uwarunkowane wcześniejszym podjęciem przez Zgromadzenie Obligatariuszy uchwały wyrażającej zgodę na zażądanie przez Obligatariuszy wcześniejszego wykupu Obligacji, żądanie wcześniejszego wykupu Obligacji może w takim przypadku zostać zgłoszone przez Obligatariusza w terminie nie dłuższym niż 30 dni od późniejszej z następujących dat: (i) daty podjęcia przez Zgromadzenie Obligatariuszy uchwały wyrażającej zgodę na zażądanie przez Obligatariuszy wcześniejszego wykupu, lub (ii) daty, w której Obligatariusze zostali poinformowani przez Emitenta o podjęciu przez Zgromadzenie Obligatariuszy uchwały wyrażającej zgodę na zażądanie przez Obligatariuszy wcześniejszego wykupu, w następstwie wystąpienia takiego Przypadku Naruszenia – chyba, że dane zdarzenie, którego wystąpienie stanowiło Przypadek Naruszenia zostało wyeliminowane lub przestało występować przed datą zgłoszenia żądania wcześniejszego wykupu Obligacji w wyniku wystąpienia takiego zdarzenia. Ponadto, dane zdarzenie stanowiące Przypadek Naruszenia, może być przedmiotem obrad tylko na jednym Zgromadzeniu Obligatariuszy.

12.7 Żądanie wcześniejszego lub natychmiastowego wykupu

- (a) Obligatariusz żądający wcześniejszego lub natychmiastowego wykupu Obligacji powinien przekazać Emitentowi żądanie wykupu osobiście, pocztą poleconą lub przesyłką kurierską. W żądaniu wykupu Obligatariusz powinien wskazać podstawy swojego żądania wykupu i załączyć świadectwo depozytowe. Jeśli płatność na rzecz Obligatariusza podlega podatkowi u źródła i Obligatariusz chce zastosować obniżoną lub zerową stawkę podatku u źródła, Obligatariusz powinien załączyć do swojego żądania wykupu certyfikat rezydencji podatkowej. Doręczenie żądania wcześniejszego wykupu powoduje, że Obligacje posiadane przez danego Obligatariusza stają się wymagalne i płatne.
- (b) Jeśli wcześniejszemu lub natychmiastowemu wykupowi podlegają Obligacje oprocentowane, Emitent zapłaci Obligatariuszowi kwotę będącą sumą:
 - (i) wartości nominalnej Obligacji obniżonej o dokonaną Amortyzację; oraz
 - (ii) kwoty odsetek naliczonych od rozpoczęcia się Okresu Odsetkowego (wyłączając ten dzień) do dnia wcześniejszego wykupu (wliczając ten dzień).

13. OBOWIĄZKI INFORMACYJNE

13.1 Emitent będzie udostępniać Obligatariuszom (w drodze publikacji na Stronie Internetowej Emitenta oraz stronie internetowej: <https://hbreavis.com/en/investor-relations>):

- (a) swoje półroczne sprawozdania finansowe, w terminie 90 dni od zakończenia odpowiedniego półrocza swojego roku obrotowego;

- (b) swoje zbadane roczne sprawozdania finansowe (zawierające wyliczenie Wskaźnika Zadłużenia, Wskaźnika Zadłużenia Netto oraz Wskaźnika Pokrycia Kapitału Majątkiem na 31 grudnia danego roku), w terminie 180 dni od zakończenia swojego roku obrotowego;
 - (c) skonsolidowane półroczne sprawozdania finansowe Poręczyciela, w terminie 90 dni od zakończenia odpowiedniego półrocza roku obrotowego Poręczyciela;
 - (d) zbadane skonsolidowane roczne sprawozdania finansowe Poręczyciela, w terminie 180 dni od zakończenia roku obrotowego Poręczyciela;
 - (e) Certyfikat Zgodności w terminie dziesięciu dni od dnia opublikowania odpowiedniego półrocznego oraz rocznego sprawozdania finansowego, o których mowa w pkt. (c) oraz (d) powyżej; oraz
 - (f) w terminie 60 dni od zakończenia każdego kwartału kalendarzowego, ogólną aktualną informację na temat działalności Grupy, obejmującą następujące obszary: transakcje nabycia, działalność w zakresie najmu/dzierżawy, finanse, zakończenie realizacji przedsięwzięć i realizacje budowlane, dezinwestycje i inne istotne zdarzenia, w każdym przypadku w granicach umownych i ustawowych zobowiązań do zachowania poufności.
- 13.2 Emitent będzie zobowiązany do wykonywania obowiązków informacyjnych określonych przepisami prawa obowiązującymi w odniesieniu do rynku, na którym notowane są Obligacje.
- 13.3 Do Dnia Wykupu, Emitent przekaże Obligatariuszom informacje o wystąpieniu Przypadku Naruszenia, przy czym informacje te zostaną przekazane poprzez system EBI lub inny odpowiedni system informacyjny na podstawie Regulaminu ASO.
- Informacje zostaną przekazane w ciągu 3 Dni Roboczych od powzięcia wiadomości o wystąpieniu Przypadku Naruszenia (bez duplikowania komunikatów, to znaczy jeśli informacje o wystąpieniu Przypadku Naruszenia zostały już opublikowane przez Emitenta w drodze odpowiedniego bieżącego raportu, nie muszą być publikowane ponownie na podstawie postanowień niniejszego ustępu). Ponadto, Emitent udostępni informacje, o których mowa powyżej, w drodze ich publikacji na Stronie Internetowej Emitenta.
- 13.4 Emitent jest zobowiązany, aby roczne sprawozdania finansowe Emitenta za dany rok były zaudytowane przez audytora należącego do tej samej grupy kapitałowej, do której należy audytor, który dokonał audytu rocznych sprawozdań finansowych Poręczyciela za ten sam rok.

14. ROLA PODMIOTÓW ZAANGAŻOWANYCH W EMISJĘ

- 14.1 W sprawach dotyczących Obligacji, Organizatorzy, Agent Kalkulacyjny, Agent Dokumentacyjny oraz Administrator Zastawu (w celach niniejszego punktu 14 (*Rola Podmiotów Zaangażowanych w Emisję*) łącznie zwani „**Podmiotami Zaangażowanymi**”) zostali wyznaczeni przez Emitenta i nie będą ponosić odpowiedzialności wobec Obligatariusza z tytułu jakichkolwiek kwot płatnych przez Emitenta z tytułu Obligacji lub jakichkolwiek zobowiązań Emitenta wobec Obligatariuszy lub z tytułu skuteczności egzekwowania roszczeń Obligatariusza wobec Emitenta. Podmioty Zaangażowane: (i) nie działają w charakterze banku-reprezentanta w rozumieniu art. 79 ust. 1 Ustawy o Obligacjach i nie są zobowiązane do reprezentowania Obligatariuszy w stosunkach z Emitentem oraz (ii) nie działają w charakterze agenta emisji w rozumieniu Ustawy o Obrocie Instrumentami Finansowymi.
- 14.2 Podmioty Zaangażowane nie są zobowiązane do weryfikacji lub wyceny ryzyka Emitenta lub ryzyka związanego z inwestycją w Obligacje.
- 14.3 Każdy z Podmiotów Zaangażowanych w trakcie prowadzenia swojej działalności będzie współpracować z Emitentem w odniesieniu do różnych usług i będzie posiadać informacje, które mogą być istotne w kontekście sytuacji finansowej Emitenta i jego zdolności do wykonania zobowiązań z tytułu Obligacji, ale nie będzie uprawniony do ujawniania takich informacji Obligatariuszowi, chyba że Emitent konkretnie wskaże dokumenty i informacje, które mają zostać ujawnione Obligatariuszowi w związku z Obligacjami i działając w charakterze danego Podmiotu Zaangażowanego. Wykonywanie przez Podmiot Zaangażowany konkretnych czynności i pełnienie szczególnej funkcji w związku z Obligacjami nie będzie uniemożliwiać Podmiotowi Zaangażowanemu i jego podmiotom zależnym lub powiązanym świadczenia na rzecz Emitenta innych usług lub dostarczania mu porad bądź współpracy z Emitentem w jakimkolwiek innym zakresie lub w innej formie.
- 14.4 Administrator Zastawu oraz Administrator Zabezpieczeń nie będą ponosić odpowiedzialności z tytułu jakiegokolwiek działania lub zaniechania Administratora Zastawu lub Administratora Zabezpieczeń

na podstawie lub w związku z Umową Zastawu, Umową Przelewu lub Umową Poręczenia, chyba że szkoda Obligatariuszy spowodowana działaniem Administratora Zastawu lub Administratora Zabezpieczeń powstała w wyniku rażącego niedbalstwa lub winy umyślnej Administratora Zastawu lub Administratora Zabezpieczeń, w szczególności Administrator Zastawu oraz Administrator Zabezpieczeń nie ponoszą odpowiedzialności za podjęcie czynności zgodnie z Warunkami Emisji oraz Umową Zastawu, Umową Przelewu lub Umową Poręczenia ani za wszczęcie egzekucji zgodnie z ich postanowieniami oraz Administrator Zastawu oraz Administrator Zabezpieczeń nie są zobowiązani do podejmowania jakichkolwiek czynności lub wszczynania jakichkolwiek postępowań w celu zachowania lub wykonania praw związanych z Zastawem Rejestrowym, Przelewem oraz Poręczeniem.

15. ZMIANA ADMINISTRATORA ZASTAWU

Na podstawie art. 7 ust. 2 Ustawy o Obligacjach zmiany Warunków Emisji obejmujące zmianę Administratora Zastawu Administratora Zabezpieczeń wymagają uchwały Zgromadzenia Obligatariuszy i zgody Emitenta.

16. ZAWIADOMIENIA

16.1 Zawiadomienia do Obligatariuszy

Wszystkie zawiadomienia będą publikowane na Stronie Internetowej Emitenta lub jakiegokolwiek innej stronie, która ją zastąpi.

16.2 Zawiadomienia do Emitenta

Obligatariusze będą przekazywać wszelkie swoje zawiadomienia skierowane do Emitenta osobiście, pocztą poleconą lub kurierem, na adres Emitenta ujawniony w rejestrze przedsiębiorców Krajowego Rejestru Sądowego.

16.3 Zawiadomienia do Poręczyciela

Obligatariusze będą przekazywać wszelkie swoje zawiadomienia skierowane do Poręczyciela osobiście, pocztą poleconą lub kurierem, na następujący adres Poręczyciela: ul. Postępu 14, 02-676 Warszawa, Polska.

16.4 Zmiany w adresach Emitenta lub Poręczyciela

Jeżeli po dacie niniejszych Warunków Emisji, nastąpi jakakolwiek zmiana w adresach Emitenta lub Poręczyciela, o których mowa w niniejszym punkcie 15 Warunków Emisji, Emitent lub Poręczyciel jest zobowiązany poinformować każdego z Organizatorów o takiej zmianie w ciągu 10 Dni Roboczych od dnia jej wystąpienia.

17. AGENT DOKUMENTACYJNY

17.1 Emitent przekaże Agentowi Dokumentacyjnemu wydrukowane dokumenty, informacje i wiadomości opublikowane na Stronie Internetowej Emitenta lub na jakiegokolwiek stronie, która zastąpi taką stronę w wykonaniu Ustawy o Obligacjach (Przechowywane Materiały**).**

17.2 Przechowywane Materiały udostępniane przez Emitenta w formie wydruków będą przechowywane w siedzibie Agenta Dokumentacyjnego do czasu upływu okresu przedawnienia roszczeń wynikających z Obligacji. Agent Dokumentacyjny wyda kopie Przechowywanych Materiałów każdemu Obligatariuszowi po przedstawieniu świadectwa depozytowego przez takiego Obligatariusza. Może zostać pobrana odnośna opłata za wydane egzemplarze, która nie będzie pokrywana przez Emitenta.

18. JĘZYK

Niniejsze Warunki Emisji zostały sporządzone w języku angielskim i polskim. Dla celów wykładni Warunków Emisji, obowiązuje wersja w języku polskim.

19. PRAWO WŁAŚCIWE

19.1 Obligacje są emitowane zgodnie z prawem polskim i temu prawu podlegają.

19.2 W przypadku jakichkolwiek rozbieżności pomiędzy niniejszymi Warunkami Emisji a obowiązującymi w danym czasie regulacjami KDPW dotyczącymi spełniania świadczeń z tytułu Obligacji, wiążący charakter będą mieć odpowiednie regulacje KDPW.

ZAŁĄCZNIK 1 SUPLEMENT EMISYJNY

Postanowienia ogólne

- | | | |
|-----|--|---|
| 1. | Miejsce i data Warunków Emisji | Warszawa, 19 listopada 2020 r. |
| 2. | Podstawa prawna emisji | (i) art. 33 pkt 1 Ustawy o Obligacjach;
(ii) Uchwała Zarządu Emitenta nr 1 z dnia 13 listopada 2020 r. w sprawie ustanowienia programu emisji obligacji; oraz
(iii) Uchwała Zarządu Emitenta nr 1 z dnia 19 listopada 2020 r. w sprawie emisji obligacji serii A. |
| 3. | Seria | A |
| 4. | Maksymalna liczba Obligacji proponowanych do nabycia | do 85.000 |
| 5. | Wartość nominalna jednej Obligacji | 1.000 PLN |
| 6. | Maksymalna łączna wartość nominalna Obligacji proponowanych do nabycia | do 85.000.000 PLN |
| 7. | Próg emisji | Nie dotyczy |
| 8. | Dzień Emisji | 08.12.2020 r. |
| 9. | Dzień Wykupu | 08.12.2023 r. |
| 10. | Rejestracja praw z tytułu Obligacji | W Dniu Emisji Obligacje zostaną zarejestrowane w Depozycie. |
| 11. | Notowanie Obligacji | Obligacje zostaną dopuszczone do obrotu w ASO w Dniu Emisji, a notowanie Obligacji w ASO nastąpi w terminie 30 dni od Dnia Emisji. |
| 12. | Cel emisji w rozumieniu art. 32 Ustawy o Obligacjach | Nie został określony |

Odsetki

- | | | |
|-----|---|--|
| 13. | Postanowienia dotyczące Obligacji oprocentowanych według Zmiennej Stopy Procentowej | Dotyczy |
| (a) | Dzień rozpoczęcia naliczania odsetek | Dzień Emisji |
| (b) | Dni Płatności Odsetek | 1. okres odsetkowy – 08.06.2021 r.
2. okres odsetkowy – 08.12.2021 r.
3. okres odsetkowy – 08.06.2022 r.
4. okres odsetkowy – 08.12.2022 r. |

5. okres odsetkowy – 08.06.2023 r.

6. okres odsetkowy – 08.12.2023r.

- (c) Okres depozytu dla określenia Bazowej Stopy Procentowej 6 miesięczny – WIBOR 6M
- (d) Marża 5,00% (słownie: pięć procent) w skali roku
14. Wcześniejszy wykup Obligacji przez Emitenta Nie dotyczy
15. Amortyzacja Nie dotyczy

Podmioty uczestniczące w emisji Obligacji

16. Agent Kalkulacyjny Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce
17. Administrator Zastawu mBank S.A.
18. Administrator Zabezpieczeń Spaczyński, Szczepaniak i Wspólnicy sp.k.
19. Agent Dokumentacyjny Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce

ZAŁĄCZNIK 2
OPIS SPOSOBÓW DOCHODZENIA ZASPOKOJENIA
Z PRZEDMIOTU ZASTAWU REJESTROWEGO
I PORĘCZENIA

1. ZASTAW REJESTROWY

Wierzytelności z obligacji emitowanych w ramach Programu, w tym wierzytelności Obligatariuszy z tytułu Obligacji będą zabezpieczone Zastawem Rejestrowym od dnia jego wpisu do rejestru zastawów.

Jeżeli wierzytelności Obligatariuszy z tytułu Obligacji staną się wymagalne i Emitent nie zaspokoi tych wierzytelności zgodnie z Warunkami Emisji, Obligatariusz może zażądać, aby Administrator Zastawu przystąpił do dochodzenia zaspokojenia z przedmiotu Zastawu Rejestrowego zgodnie z Umową Zastawu Rejestrowego w trybie: (i) sądowego postępowania egzekucyjnego, (ii) poprzez przejęcie na własność w trybie art. 22 Ustawy o Zastawie Rejestrowym lub (iii) poprzez sprzedaż w drodze przetargu publicznego trybie art. 24 Ustawy o Zastawie Rejestrowym. Wybór sposobu dochodzenia zaspokojenia z przedmiotu Zastawu Rejestrowego zostanie dokonany w sposób wskazany Administratorowi Zastawu przez odpowiednią część Obligatariuszy zgodnie z procedurą określoną poniżej po udzieleniu Administratorowi Zastawu odpowiedniego zwolnienia z odpowiedzialności i ochrony przed roszczeniami (ang. *indemnity*).

Opis procedury wyboru metody dochodzenia zaspokojenia:

Obligatariusz mający zamiar dochodzić zaspokojenia z Zastawu Rejestrowego powinien złożyć Administratorowi Zastawu należycie uzupełnione oraz podpisane Polecenie Dochodzenia Zaspokojenia wskazujące m.in. na tryb dochodzenia zaspokojenia (spośród dostępnych zgodnie z Umową Zastawu Rejestrowego).

Jeżeli Obligatariusz lub Obligatariusze prześlą Administratorowi Zastawu Polecenie Dochodzenia Zaspokojenia, wówczas Administrator Zastawu poinformuje o tym Emitenta oraz pozostałych Obligatariuszy poprzez ogłoszenie na swojej stronie internetowej, wzywając Obligatariuszy do złożenia Poleczeń Dochodzenia Zaspokojenia oraz o możliwości zagłosowania nad trybem dochodzenia zaspokojenia. W tym celu Obligatariusz powinien złożyć Polecenie Dochodzenia Zaspokojenia w terminie 14 dni od opublikowania odpowiedniej informacji na stronie internetowej Administratora Zastawu („**Termin na Złożenie Instrukcji**”).

Polecenia Dochodzenia Zaspokojenia będą uznane za doręczone skutecznie, jeżeli zostaną doręczone Administratorowi Zastawu w formie pisemnej lub w formie elektronicznej opatrzonej kwalifikowanym podpisem elektronicznym.

Jeżeli dany tryb zaspokojenia z Zastawu Rejestrowego został wskazany w Poleceniach Dochodzenia Zaspokojenia złożonych przez Obligatariuszy posiadających ponad 50% łącznej wartości nominalnej Obligacji wskazują, uznaje się że wybór takiego trybu wiąże Administratora Zastawu, chyba że stanowiłoby to naruszenie przepisów prawa. Przy braku wiążących Poleczeń Dochodzenia Zaspokojenia Administrator Zastawu ma prawo, ale nie obowiązek, podejmować działania leżące w jego wyłącznej ocenie w najlepszym interesie Obligatariuszy.

Obligatariusze, którzy złożą Polecenia Dochodzenia Zaspokojenia po upływie Terminu na Złożenie Instrukcji wyrażają zgodę na dochodzenie zaspokojenia przez Administratora Zastawu w sposób określony przez wiążące Administratora Zabezpieczeń Polecenia Dochodzenia Zaspokojenia lub, w przypadku braku wiążących Poleczeń Dochodzenia Zaspokojenia, w sposób wybrany przez Administratora Zastawu.

Szczegółową procedurę dochodzenia zaspokojenia określać będzie Umowa o powołanie Administratora Zastawu.

Emitent nie jest uprawniony do wydawania Administratorowi Zastawu poleceń lub instrukcji w zakresie wykonywania przez Administratora Zastawu jego obowiązków.

W przypadku dochodzenia zaspokojenia poprzez przejęcie na własność w trybie art. 22 Ustawy o Zastawie Rejestrowym, wartość przedmiotu Zastawu Rejestrowego na potrzeby dokonania przejęcia będzie określana wg zasad określonych w Umowie Zastawu Rejestrowego, w drodze wybranej przez Administratora Zastawu jednej z procedur wskazanych w Umowie Zastawu Rejestrowego, tj. w szczególności: (i) dokonania wyceny przedmiotu Zastawu Rejestrowego na potrzeby przejęcia przez renomowanego rzeczoznawcę, (ii) przyjęcie wartości przedmiotu Zastawu Rejestrowego wskazanej w wycenie stanowiącej załącznik do Warunków Emisji lub (iii) przejęcia przedmiotu Zastawu Rejestrowego

po wartości 1 PLN (słownie: 1 PLN) z obowiązkiem zaliczenia na poczet zaspokojenia zabezpieczonych wierzytelności wszelkich kwot otrzymanych z tytułu następczej realizacji przedmiotu zastawu po dniu przejęcia.

2. PRZELEW

Wierzytelności z obligacji emitowanych w ramach Programu, w tym wierzytelności Obligatariuszy z tytułu Obligacji są zabezpieczone Przelewem. Jeżeli wierzytelności Obligatariuszy z tytułu Obligacji staną się wymagalne i Emitent nie zaspokoi tych wierzytelności zgodnie z Warunkami Emisji, Obligatariusz może zażądać, aby Administrator Zabezpieczeń przystąpił do dochodzenia zaspokojenia z Przelewu w trybie sądowego postępowania egzekucyjnego.

3. PORĘCZENIE

Wierzytelności z obligacji emitowanych w ramach Programu, w tym wierzytelności Obligatariuszy z tytułu Obligacji są zabezpieczone Poręczeniem. Dochodzenie zaspokojenia wierzytelności wobec Poręczyciela z tytułu poręczenia nastąpi w trybie sądowego postępowania egzekucyjnego zgodnie z prawem właściwym dla miejsca położenia aktywów będących przedmiotem postępowania egzekucyjnego.

ZAŁĄCZNIK 3

**WYCENA WARTOŚCI AKTYWÓW
POSIADANYCH PRZEZ SPÓŁKĘ
HB REAVIS FINANCE PL 3 SP. Z O.O.
NA DZIEŃ 30 WRZEŚNIA 2020 R.**

ZAŁĄCZNIK 4
WZÓR WNIOSKU O ZWOŁANIE ZGROMADZENIA OBLIGATARIUSZY

WNIOSEK O ZWOŁANIE ZGROMADZENIA OBLIGATARIUSZY

[MIEJSCE], [DATA]

Od: [●]

Do: HB REAVIS FINANCE PL 3 SP. Z O.O.

Z kopią do: MBANK S.A.

HAITONG BANK, S.A. SPÓŁKA AKCYJNA ODDZIAŁ W POLSCE

Dot.: Obligacji serii A wyemitowanych przez HB Reavis Finance PL 3 sp. z o.o. (**Emitent**) na podstawie warunków emisji z dnia [●] (**Warunki Emisji**), w ramach programu emisji obligacji do wysokości 400.000.000 PLN.

Szanowni Państwo,

W związku z pkt [●] Warunków Emisji, niniejszym składamy wniosek o zwołanie Zgromadzenia Obligatariuszy w ciągu 14 dni od otrzymania niniejszego pisma.

Na podstawie art. 50 ust. 3 Ustawy o Obligacjach, wyjaśniamy, że *[wskazać uzasadnienie wniosku o zwołanie Zgromadzenia Obligatariuszy]*

Niniejszy Wniosek o Zwołanie Zgromadzenia Obligatariuszy zostaje złożony zgodnie z pkt [●] Warunków Emisji.

Wszystkie terminy pisane wielką literą, które nie zostały inaczej zdefiniowane w niniejszym piśmie, posiadają znaczenie nadane im w Warunkach Emisji.

Z poważaniem,

W imieniu [*Obligatariuszy*]

Załącznik: [świadcstwo depozytowe potwierdzające posiadanie Obligacji]

ZAŁĄCZNIK 5
WZÓR WNIOSKU O ZWOŁANIE ZGROMADZENIA OBLIGATARIUSZY

WZÓR POLECENIA DOCHODZENIA ZASPOKOJENIA

[MIEJSCE], [DATA]

Od: [●] (**Obligatariusz**)
Do: [MBANK S.A. (**Administrator Zastawu**) / [●] (**Administrator Zabezpieczeń**)]
Dot.: Obligacji serii A wyemitowanych przez HB Reavis Finance PL 3 sp. z o.o. (**Emitent**) na podstawie warunków emisji z dnia [●] (**Warunki Emisji**), w ramach programu emisji obligacji do wysokości 400.000.000 PLN

Szanowni Państwo,

Na podstawie pkt [●] Warunków Emisji, składamy polecenie dochodzenia zaspokojenia.

Oświadczamy, że w odniesieniu do Obligacji będących w naszym posiadaniu, wystąpiło i trwa zdarzenie polegające na niedokonaniu płatności należnej kwoty.

[W związku z tym, zwracamy się do Państwa o podjęcie kroków w celu dochodzenia zaspokojenia z przedmiotu Zastawu Rejestrowego [w drodze sądowego postępowania egzekucyjnego / w trybie art. 22 Ustawy o Zastawie Rejestrowym / w trybie art. 24 Ustawy o Zastawie Rejestrowym]. /

[W związku z tym, zwracamy się do Państwa o podjęcie kroków w celu dochodzenia zaspokojenia z Poręczenia w drodze sądowego postępowania egzekucyjnego / z Przelewu zgodnie z Umową Przelewu.]

Jednocześnie potwierdzamy, że zgadzamy się na warunki określone w Punkcie 14.4 Warunków Emisji.

W imieniu i na rzecz Obligatariusza

Załącznik:

1. [dokumenty potwierdzające posiadanie Obligacji]
2. [Uchwała Zgromadzenia Obligatariuszy – o ile ma zastosowanie].

ZAŁĄCZNIK 6
ZASADY WZROSTU OPROCENTOWANIA W PRZYPADKU EMISJI OBLIGACJI RETAIL

1. OBLICZANIE STOPY ZWROTU Z OBLIGACJI RETAIL

- 1.1 Jeżeli w Okresie Chronionym zostaną wyemitowane Obligacje Retail, to ich stopa zwrotu wyrażona w procentach zostanie wyliczona jednorazowo na ostatni dzień pierwszego okresu odsetkowego przypadającego po dniu emisji danej serii Obligacji Retail wg następującego wzoru („**Stopa Zwrotu z Obligacji Retail**”):

$$\text{Stopa Zwrotu z Obligacji Retail} = (((\text{Kupon} + ((\text{Wartość Nominalna} - \text{Cena Emisyjna}) / \text{Tenor}))) / \text{Cena Emisyjna}) * 100\%$$

gdzie:

Kupon = kwota odsetek przypadających na jedną Obligację Retail, wypłacanych w skali roku wg oprocentowania Obligacji Retail (obejmującego sumę bazowej stopy procentowej i marży lub stałą stopę procentową) za pierwszy okres odsetkowy, przy czym w przypadku, w którym formuła ustalenia marży Obligacji Retail nie przewiduje stałej wysokości marży we wszystkich okresach odsetkowych, przyjmuje się wysokość najwyższą w ramach formuły, a nie wysokość marży w pierwszym okresie odsetkowym Obligacji Retail;

Wartość Nominalna = Wartość Nominalna jednej Obligacji Retail;

Cena Emisyjna = cena po jakiej obligatariusz nabył jedną Obligację Retail (w przypadku obligacji emitowanych bez dyskonta Cena Emisyjna będzie równa Wartości Nominalnej);

Tenor = liczba lat pomiędzy dniem emisji Obligacji Retail a dniem ich całkowitego wykupu.

2. PODWYŻSZENIE OPROCENTOWANIA OBLIGACJI

- 2.1 Jeżeli Stopa Zwrotu z Obligacji Retail będzie wyższa niż stopa procentowa Obligacji (liczona zgodnie z pkt 6 (*Oprocentowanie*) Warunków Emisji) na koniec ostatniego Okresu Odsetkowego zakończonego przed dniem emisji Obligacji Retail (lub pierwszego Okresu Odsetkowego, jeżeli Obligacje Retail zostały wyemitowane w trakcie trwania pierwszego Okresu Odsetkowego), wówczas [Marża / Stopa procentowa] Obligacji zostanie podwyższona o liczbę punktów bazowych stanowiącą różnicę pomiędzy Stopą Zwrotu z Obligacji Retail wyrażoną w punktach bazowych oraz [Marżą / Stopą procentową] Obligacji wyrażoną w punktach bazowych.
- 2.2 Dla uniknięcia wątpliwości podwyższenie [Marży / Stopy procentowej], o którym mowa w pkt 2.1 zostanie dokonane jednorazowo i będzie obowiązywać od pierwszego Okresu Odsetkowego rozpoczynającego się po przedstawieniu przez Emitenta wyliczeń zgodnie z pkt 6.4(c) Warunków Emisji.

ZAŁĄCZNIK 7
WZÓR CERTYFIKATU ZGODNOŚCI

[MIEJSCE], [DATA]

HB REAVIS FINANCE PL 3 SP. Z O.O.
PROGRAM EMISJI OBLIGACJI DO 400.000.000 PLN

Dot.: Obligacje serii A („**Obligacje**”)

Odnosimy się do warunków emisji Obligacji wyemitowanych przez HB Reavis Finance PL 3 sp. z o.o. („**Warunki Emisji**”). Ten dokument stanowi Certyfikat Zgodności. Wszystkie terminy pisane wielką literą, które nie zostały inaczej zdefiniowane w niniejszym Certyfikacie Zgodności, posiadają znaczenie nadane im w Warunkach Emisji.

Niniejszym potwierdzamy, że na dzień [30/6][31/12][ROK], kwoty Wskaźnika Zadłużenia, Wskaźnika Zadłużenia Netto oraz Wskaźnika Pokrycia Kapitału Majątkiem są następujące:

1. Wskaźnik Zadłużenia: [●]
2. Wskaźnik Zadłużeni Netto: [●]
3. Wskaźnik Pokrycia Kapitału Majątkiem: [●]

[informacje w sprawie szczegółowego wyliczenia Wskaźnika Zadłużenia, Wskaźnika Zadłużenia Netto oraz Wskaźnika Pokrycia Kapitału Majątkiem, w tym kwot wziętych pod uwagę przy procesie określenia poziomu wskazanego powyżej]

Niniejszym potwierdzamy:

- a) nie wystąpił i nie trwa żaden Przypadek Naruszenia; oraz
- b) nie nastąpiła Zmiana Kontroli.

W imieniu i na rzecz Emitenta

[osoba upoważniona do składania podpisów]

9.6 Copy of the valuation of the object encumbered with the pledge or mortgage made by the authorised entity or an abbreviation of that valuation

**RAPORT Z WYCENY WARTOŚCI
AKTYWÓW SPÓŁKI
HB REAVIS FINANCE PL 3
SP. Z O.O.**

Value
Advisors

2 listopada 2020 r.

SPIS TREŚCI

Podsumowanie wyceny	3
Dokumenty źródłowe	4
Metodologia wyceny	5
Założenia i kalkulacja.....	6
Cel wyceny	6
Przedmiot wyceny	6
Wycena.....	7
Uwagi i informacje dodatkowe	8

PODSUMOWANIE WYCENY

Przedmiotem niniejszego raportu jest wycena aktywów Spółki HB Reavis Finance PL 3 Sp. z o.o. przeprowadzona na dzień 30 września 2020 r. (zwany „Dniem Wyceny”).

WYSZCZEGÓLNIENIE	WSKAZANIE
Spółka	HB Reavis Finance PL 3 Sp. z o.o.
Cel wyceny	Określenie wartości majątku Spółki w związku z planem ustanowienia zastawu rejestrowego
Dzień Wyceny	30.09.2020 r.
WYCENA AKTYWÓW SPÓŁKI WSKAZANYCH W NINIEJSZYM RAPORCIE	55,007.32 PLN

Raport Belline

DOKUMENTY ŹRÓDŁOWE

Wycena została przeprowadzona w szczególności w oparciu o informacje i dokumenty wskazane poniżej.

- 1) Zestawienie sald (trial balance) na 30.09.2020 r.
- 2) Sprawozdanie finansowe Spółki za 2019 r.
- 3) Oświadczenie Zarządu Spółki z dn. 02.11.2020 r.
- 4) Umowa Spółki z dn. 21.08.2020 r.
- 5) Opinia bankowa z dn. 21.10.2020 r.
- 6) Odpis z KRS Spółki z dn. 30.09.2020 r. i 21.10.2020 r.

METODOLOGIA WYCENY

Na potrzeby niniejszej wyceny zastosowano następujące metody wyceny:

- 1) **na potrzeby wyceny środków pieniężnych** zastosowano wycenę w wartości nominalnej środków zgromadzonych na rachunkach bankowych w wysokości określonej na podstawie ostatnich dostępnych do Dnia Wyceny wyciągów z rachunków bankowych Spółki. Kompletność przedstawionych wyciągów oraz ich aktualność na Dzień Wyceny została potwierdzona przez Zarząd Spółki.
Środki pieniężne denominowane w EUR przeliczono na PLN z zastosowaniem kursu średniego NBP z Dnia Wyceny.

Spółka na Dzień Wyceny nie posiadała aktywów innych kategorii.

ZAŁOŻENIA I KALKULACJA**CEL WYCENY**

Wycena została przygotowana w związku z planowaną emisją obligacji przez spółkę HB Reavis Finance PL 3 Sp. z o.o. (KRS: 741386) i planowanym ustanowieniem zastawu rejestrowego na aktywach Spółki.

PRZEDMIOT WYCENY

Lista aktywów wykazanych na kontach Spółki na 30.09.2020 r. została zaprezentowana w tabeli poniżej.

Składnik aktywów	Opis pozycji	Wartość na 30.09.2020 r.
Środki pieniężne w kasie i na rachunkach	Środki pieniężne denominowane w PLN, rachunek PL36 1140 1010 0000 3661 6500 1003	0.00 PLN
	Środki pieniężne denominowane w EUR, rachunek PL09 1140 1010 0000 3661 6500 1004	11,901.90 EUR
	Środki pieniężne denominowane w PLN, rachunek PL77 1140 2062 0000 3661 6500 1001	1,129.80 PLN
	Środki pieniężne denominowane w PLN, rachunek PL50 1140 2062 0000 3661 6500 1002 (rachunek VAT split payment)	0.00 PLN

W związku z powyższym i w związku z metodologią wyceny przedmiotem wyceny na Dzień Wyceny były środki pieniężne zdeponowane na rachunkach o numerach:

- PL36 1140 1010 0000 3661 6500 1003 denominowany w PLN, prowadzony przez mBank S.A.
- PL09 1140 1010 0000 3661 6500 1004 denominowany w EUR, prowadzony przez mBank S.A.
- PL77 1140 2062 0000 3661 6500 1001 denominowany w PLN, prowadzony przez mBank S.A.
- PL50 1140 2062 0000 3661 6500 1002 denominowany w PLN, o ograniczonej możliwości dysponowania (rachunek VAT split payment), prowadzony przez mBank S.A.

Wyceniający zwraca uwagę, że aktywa stanowiące przedmiot niniejszej wyceny stanowiły wg wartości bilansowych na dzień 30.09.2020 r. 100% sumy bilansowej.

WYCENA

Kalkulację wyceny składników aktywów przedstawiono w tabeli poniżej.

Składnik aktywów	Metoda wyceny	Wycena na Dzień Wyceny [PLN]	Kurs średni NBP z Dnia Wyceny	Wycena na Dzień Wyceny [EUR]
Srodki pieniężne	Wartość nominalna	55,007.32 PLN	n/d	n/d
rachunek PL36 1140 1010 0000 3661 6500 1003	opinia bankowa z 21.10.2020 r.	0 00 PLN	n/d	n/d
rachunek PL09 1140 1010 0000 3661 6500 1004	opinia bankowa z 21.10.2020 r.	53,877.52 PLN	4 5268	11,901.90 EUR
rachunek PL77 1140 2062 0000 3661 6500 1001	opinia bankowa z 21.10.2020 r.	1,129.80 PLN	n/d	n/d
rachunek PL50 1140 2062 0000 3661 6500 1002	opinia bankowa z 21.10.2020 r.	0 00 PLN	n/d	n/d
SUMA		55,007.32 PLN	n/d	n/d

UWAGI I INFORMACJE DODATKOWE

Niniejsza wycena została sporządzona na zlecenie HB Reavis Finance PL 3 Sp. z o.o. (zwanej w niniejszym raporcie „Spółką”) na podstawie Umowy o świadczenie usług wyceny z dn. 21.10.2020 r. („Umowa”) zawartej pomiędzy Spółką a Value Advisors Sp. z o.o. („Wyceniający”).

Niniejszy dokument może być wykorzystany wyłącznie dla celów związanych z planowanym ustanowieniem zabezpieczenia obligacji wyemitowanych przez Spółkę, w formie zastawu rejestrowego na aktywach Spółki.

Wyceniający zwraca uwagę, że przedmiotem niniejszego raportu jest wycena wybranych składników majątku na Dzień Wyceny. Składniki majątku oraz ich wartość mogą zmieniać się w czasie. Wartość głównych składników majątku jest ściśle zależna od sytuacji ekonomicznej Spółki.

Wycenę oparto na dokumentach źródłowych otrzymanych od Spółki i innych wskazanych Wyceniającemu podmiotów i osób. W przypadku braku dostępności określonych dokumentów źródłowych bazowano na dostępnych danych historycznych. Weryfikacja prawidłowości, rzetelności i poprawności sprawozdań finansowych i innych danych nie stanowi przedmiotu Umowy i nie jest objęta niniejszym raportem. Wyceniający nie ponosi żadnej odpowiedzialności za przekazane mu dane i informacje, za które wyłączną odpowiedzialność ponosi Spółka. Założono, że wszelkie otrzymane informacje odzwierciedlają najlepszą wiedzę co do kondycji finansowej i wartości Spółki i jej aktywów. Niniejsza wycena nie obejmuje również skutków ewentualnych zabezpieczeń na majątku Spółki, o ile w treści raportu nie zaznaczono inaczej. Równolegle należy pamiętać, że niniejsza wycena opiera się o ścisłą metodologię wyceny opisaną w niniejszym raporcie i jej wskazania nie muszą w pełni odzwierciedlać wartości rynkowej przedmiotu wyceny, stanowią jedynie estymację jego wartości określoną na podstawie uzgodnionej procedury.

9.7 Copy of the agreement appointing the security administrator



AGREEMENT ON APPOINTMENT OF THE SECURITY ADMINISTRATOR

concluded on 19 November 2020

between

HB REAVIS FINANCE PL 3 SP. Z O.O.

with its registered office in Warsaw

as the Issuer

and

SPACZYŃSKI, SZCZEPANIAK I WSPÓLNICY SP.K.

with its registered office in Warsaw

as the Security Administrator

AGREEMENT ON APPOINTMENT OF THE SECURITY ADMINISTRATOR

This Agreement on appointment of the security administrator (hereinafter referred to as the “**Agreement**”) was concluded in Warsaw on 19 November 2020 between:

- (1) **HB Reavis Finance PL 3 Spółka z ograniczoną odpowiedzialnością** with its registered office in Warsaw, at Postępu 14, 02-676 Warsaw, entered into the register of entrepreneurs maintained by the District Court for capital city of Warsaw, XIII Commercial Division of the National Court Register, under KRS number 0000741386, holding REGON number 380827481 and NIP number 5252757202, with the share capital in the amount of PLN 10,000,000 (hereinafter referred to as the “**Company**” or the “**Issuer**”);
and
- (2) **Spaczyński, Szczepaniak i Wspólnicy Spółka komandytowa** with its registered office in Warsaw, at ul. Rondo ONZ 1 floor 12, 00-124 Warsaw, entered into the register of entrepreneurs maintained by the District Court for capital city of Warsaw, XII Commercial Division of the National Court Register, under KRS number 0000583564, holding REGON number 146936694 and NIP number 5252569133 (hereinafter referred to as the “**Security Administrator**” or the “**Administrator**”).

The Issuer and the Security Administrator are hereinafter jointly referred to as the “**Parties**” and each of them is separately referred to as a “**Party**”.

PREAMBLE

Whereas:

- (1) On the basis of a programme agreement dated 13 November 2020 entered into between the Issuer, mBank (as defined below) and Haitong (as defined below) (the “**Programme Agreement**”) the Issuer established a programme for the issue of ordinary bearer bonds up to the total nominal value of PLN 400,000,000 (the “**Programme**”), whereas the bonds under the Programme will be issued in one or several series (the “**Bonds**”)
- (2) The Bonds shall be issued as secured bonds.
- (3) According to the Bonds issue documentation, in order to administer the security established to secure the receivables arising from the Bonds, other than the registered pledge, a security administrator (within the meaning of Article 29 of the Bonds Act of 15 January 2015 (the “**Bonds Act**”), being a third party to the Issuer, is to be appointed.

The parties conclude an Agreement with the following content:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement, the following capitalised terms and expressions shall have the following meaning:

“**Administrator**” or “**Security Administrator**” shall have the meaning specified in the Agreement's introduction.

“**Agents**” means mBank and Haitong and the “**Agent**” means each of them separately.

“**Agreement**” means this Agreement, as amended in accordance with its provisions and all documents scheduled thereto.

"Assignment" means a security assignment established on the basis of the Assignment Agreement.

"Assignment Agreement" an assignment agreement executed between the Issuer and the Security Administrator on or around the date of this Agreement, a template of which constitutes Schedule 1 to this Agreement.

"Bank Account" means Security Administrator bank account denominated in PLN with number 13 1020 4027 0000 1202 1377 8560 maintained by Powszechna Kasa Oszczędności Bank Polski S.A. or another PLN-denominated bank account of the Security Administrator maintained by a reputable, recognized bank that has an international long-term investment rating of min. BBB and is among the 10 largest banks in Poland in terms of asset value, notified to the Issuer.

"Bondholder", **"Bondholders"** means an entity which holds the rights attached to the Bonds or, depending on the context, all these entities jointly.

"Bonds" means the bonds issued under the Programme.

"Bonds Act" has the meaning given in Point (3) of the Preamble.

"Business Day" means every day, except Saturdays, Sundays and other public holidays, on which the National Depository for Securities S.A. (*KDPW S.A.*) with its registered office in Warsaw and entities operating securities accounts and collective accounts conduct business activity enabling the transfer of the Bonds and making payments under the Bonds.

"Civil Code" means the Act of 23 April 1964 Civil Code.

"Claims" shall have the meaning given in Point 3.6 of this Agreement.

"Company" shall have the meaning specified in the Agreement's introduction.

"Confidential Information" has the meaning given in Point 9.1 of this Agreement.

"Consideration" has the meaning given in Point 3.69.1 of this Agreement.

"Enforcement Instruction" means an instruction of the Instructing Bondholder addressed to the Security Administrator, drawn up according to the form attached as schedule 5 (*Form of the Enforcement Instruction*) to the Terms and Conditions and which contains at least a statement by the Bondholder that an event of non-payment of a due and payable amount has occurred and is continuing with respect to the Bonds held by it.

"Haitong Bank" means Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce, with its registered office in Warsaw, at Żłota 59, 00-120 Warsaw, whose documentation is kept by the District Court for capital city of Warsaw, XIII Commercial Division of the National Court Register, registered under KRS number 0000302998, holding REGON number 141395911 and NIP number 1070041602.

"Hourly Remuneration" has the meaning given in Point 4.2 of this Agreement.

"Instructing Bondholder" means a Bondholder who provided the Security Administrator with the Enforcement Instruction.

"Issuer" shall have the meaning specified in the Agreement's introduction.

"mBank" means mBank Spółka Akcyjna with its registered office in Warsaw, at Senatorska 18, 00-950 Warsaw, entered into the register of entrepreneurs maintained by the District Court for capital city of Warsaw, XII Commercial Division of the National Court Register, under KRS number 0000025237, holding REGON number 001254524 and NIP number 5260215088.

"Party" shall have the meaning specified in the Agreement's introduction.

“**PLN**” means the currency of the Republic of Poland.

“**Programme**” has the meaning given in Point (1) of the Preamble.

“**Schedule**” means the schedule to the Agreement.

“**Secured Claims**” means all existing and future monetary claims that bondholders have resulting from the Bonds issued under the Programme, including bondholders monetary claims against the Issuer resulting from the Bonds, together with any incidental claims, accessory claims and claims for reimbursement of claim enforcement expenses, including the fee payable to the Security Administrator under this Agreement, to the maximum extent permitted by law.

“**Security**” means the Assignment and the Suretyship.

“**Security Documents**” means all documents on the basis of which the Security has been established.

“**Suretyship**” means the suretyship (*poręczenie*) established on the basis of the Suretyship Agreement.

“**Suretyship Agreement**” means a suretyship agreement executed between the Suretyship Provider and the Security Administrator on or around the date of this Agreement, a template of which constitutes Schedule 2 to this Agreement.

“**Suretyship Provider**” means HB Reavis Holding S.A. with its registered office in Grand Luxembourg, Luxembourg (address: 21 Rue Glesener, L-1631 Grand Duchy of Luxembourg; RCS number B156287).

“**Terms and Conditions**” means the terms and conditions of the issue of the Bonds under the Programme substantially in accordance with template attached as Schedule 3 (*Form of the Terms and Conditions*) to this Agreement.

1.2. Interpretation

1.2.1. Unless otherwise stated in this Agreement, references in this Agreement to:

- (a) the **Issuer** or the **Administrator** shall also include their successors in title, permitted assignees and permitted transferees;
- (b) this Agreement, another agreement or document shall constitute a reference to that agreement or document as amended;

1.2.2. Headlines, Points and Schedules have been introduced to facilitate their use;

1.2.3. the singular includes the plural and *vice versa*, unless the context indicates otherwise;

1.2.4. all Schedules to this Agreement form an integral part thereof.

2. SECURITY

2.1. Issuer's undertaking

The Issuer undertakes to the Administrator that until the redemption of the Bonds:

2.1.1. will take or will cause the Suretyship Provider and other entities (as applicable) to take, to the extent permitted by law, justified and necessary actions, so that the Issuer's assets are in a state enabling satisfaction of the Secured Claims and to maintain the established Security, until full satisfaction of the Bondholders' claims resulting from the Bonds;

2.1.2. at its own expense, it shall draw up the necessary documents and perform the necessary actions requested by the Administrator in connection with the establishment

or maintenance of the Security;

2.1.3. it will immediately notify the Administrator of:

- (a) an occurrence of any event described in Clause 12 of the Terms and Conditions;
- (b) any Bondholder requesting an early redemption of the Bonds;
 - under pain of liability for damage incurred by the Bondholders in connection with the Issuer's failure to fulfil the above obligations;

2.1.4. it shall immediately notify the Administrator of any events or circumstances that may have a material adverse impact on the Security;

2.1.5. subject to prior written notice, within 7 days, it shall provide the Administrator, with information on the Security or Security objects to the extent necessary to protect the interests of the Bondholders;

2.1.6. subject to prior written notice within 7 days, provide the Administrator and its representatives and contractors at any time with the right to examine the Security objects and related documentation held by the Issuer by providing the aforementioned documentation and, to the remaining extent, by granting an applicable power of attorney;

2.1.7. as soon as an application for bankruptcy or restructuring proceedings is filed with or by the Issuer, it will notify the Administrator of the content of the application for bankruptcy or restructuring proceedings and its legitimacy.

2.2. Administrator's rights and obligations

2.2.1. The Administrator is hereby appointed as the security administrator within the meaning of Article 29 of the Bonds Act.

2.2.2. The performance of the function of Administrator in relation to the Security includes the right and obligation to:

- (a) exercise the Administrator's rights and obligations under the Agreement, the Security Documents and to represent the interests of the Bondholders against the Issuer with respect to the satisfaction of the due and payable Secured Claims by enforcement from the Security;
- (b) take any actions to satisfy the Bondholders as to the Secured Claims by enforcement from the Security under the terms of this Agreement, the Bonds, the Terms and Conditions and the Security Documents;
- (c) distribute the funds obtained as a result of actions aimed at satisfying the Bondholders, including satisfaction from the Security, and transfer to each of the Bondholders the amount of its receivables from the Secured Claims in proportion to the total amount of the unpaid due receivables of a given Bondholder in relation to the total amount of unpaid due receivables of all Bondholders from the Secured Claims;
- (d) notify the Bondholders and the Issuer of the Administrator's commencement of enforcement (seeking satisfaction) of the due Secured Claims by seeking satisfaction from the established Security.

2.2.3. Immediately after the total expiration (satisfaction) of the Secured Claims or consent to the release of the Security by all the Bondholders, the Administrator, in cooperation with

the Issuer, shall take all actions necessary to release the Security.

- 2.2.4. The Administrator shall be entitled to satisfy, in its own name but on the account of the Bondholders, the due and payable Secured Claims secured by enforcement from the Security under the conditions specified in the applicable law.
- 2.2.5. In the event of termination of the Agreement by either of the Parties, the Parties undertake to cooperate to the extent necessary so as to ensure that immediately and correctly, with particular regard to the interests of the Bondholders, the Administrator transferred the obligations of the Security Administrator to an entity indicated by the Issuer, including that all the necessary documents and information related to the Security are provided to such an entity.
- 2.3. Satisfaction of claims from established Security
- 2.3.1. The Bondholders' claims may be satisfied by enforcement (seeking satisfaction) of the Security in accordance with the rules set forth in this Agreement, the Bonds, the Terms and Conditions and the Security Documents.
- 2.3.2. The Administrator may proceed to satisfy the Instructing Bondholders from the Security only on the terms and conditions provided by law and set forth in the Terms and Conditions and the Security Documents and after prior written notification.
- 2.3.3. The Administrator shall receive and distribute all funds obtained by the Administrator in the course of enforcement (seeking satisfaction) on the Bank Account.
- 2.3.4. When deciding on the manner and sequence of enforcement (seeking satisfaction) from the Security, the Administrator will firstly take into account the best interests of the Instructing Bondholders and, subsequently, the interests of the Issuer. To this end, the Administrator will take such actions with respect to enforcement from the Security as it believes will allow it to obtain the largest possible amounts of funds at the lowest possible cost and in the least burdensome way for the Issuer.
- 2.3.5. If the amount of funds obtained by the Administrator in the course of enforcement (seeking satisfaction) from the Security (after taking into account the costs related to such enforcement) will be:
- (a) equal to the amount of unpaid Secured Claims – the Issuer's liability expires with respect to those unpaid Secured Claims;
 - (b) higher than the amount of unpaid Secured Claims – the Issuer's liability shall expire and the Administrator shall transfer the surplus to the account indicated by the Issuer, subject to Point 2.3.6 of the Agreement;
 - (c) lower than the amount of unpaid Secured Claims – the Issuer's liability shall expire in part equal to the value of the satisfaction obtained from the Security, and the Instructing Bondholders shall seek payment from the Issuer of the remainder of the amount due to them from the remainder of the Security and other assets of the Issuer under the applicable law.
- 2.3.6. In the first place, the funds obtained from the Security shall be credited by the Administrator to cover the costs of actions undertaken by the Administrator, i.e. in particular those incurred by the Administrator:
- (a) costs of public levies, advertising costs, court and notary fees and charges;
 - (b) the costs of external advisers employed by the Administrator to ensure proper enforcement of the Security;

and for the Administrator's remuneration referred to in Point 4 below, provided that with regard to the our remuneration only up to the pre-agreed amount.

- 2.3.7. If it is necessary for the Administrator to incur any court, official, notary or bailiff costs and fees related to the assertion of claims under the Bonds, including those under the Security, the Administrator, prior to taking any actions related to the assertion of claims under the Bonds, shall have the right to demand from the Issuer to transfer to the Administrator's bank account appropriate amounts enabling the Administrator to cover such costs and fees. If the amounts referred to above are not transferred to the Administrator's account and the Instructing Bondholders do not cover these amounts, the Administrator may refrain from taking any actions related to claims under the Bonds, including those under the Security.
- 2.3.8. In second place, to satisfy the receivables of the Bondholders of the Bonds issued under the Programme in the following order: (i) first, on the account of the payment of any default interest, (ii) second, on the account of the payment of any capital interest and (iii) third, on the account of the payment of the nominal value of the Bonds; whereby:
- (a) the amount to be paid for the satisfaction of the Bondholders in accordance with Point 2.3.8. above shall be divided into parts, from which the Bondholders of each series of Bonds issued under the Programme shall be satisfied, and the allocation of funds to such groups shall be made *pro rata* between the total nominal value of the Bonds issued in a given series of Bonds and the total nominal value of all Bonds issued under the Programme, except for the redeemed Bonds; and
 - (b) the Bondholders of a given series of Bonds issued under the Programme shall be satisfied *pro rata* to the amount of their receivables arising from the Bonds held by a given Bondholder, whereby the Security Administrator: (i) shall transfer the amounts calculated in such way to the Instructing Bondholders and (ii) shall deposit in the court deposit, transfer to the KDPW or deposit in other another type of deposit amounts that have not been transferred to the Instructing Bondholders in connection with satisfaction of the Bondholders.
- 2.3.9. After all Secured Claims have been satisfied, the Administrator shall take actions aimed at releasing the Security and issuing to the Issuer any surplus of funds obtained by the Administrator as a result of enforcement of the Security, subject to the provisions of Point 2.3.6 of the Agreement.
- 2.3.10. Within 3 days from establishing the list of entitled Bondholders to receive funds from the enforcement and upon receipt by the Security Administrator of funds from the enforcement, the Security Administrator is obliged to distribute such funds to these Bondholders.

3. LIABILITY OF THE PARTIES

- 3.1. The Parties undertake to make every effort to ensure that the Agreement is properly performed.
- 3.2. The Administrator shall not be liable for the establishment of the Security, or for their validity or effectiveness.
- 3.3. The Administrator does not guarantee that the Bondholders' claims resulting from the Bonds will be satisfied, including no liability for the effectiveness of enforcement from the Security.

- 3.4. The Administrator shall not be liable to the Bondholders for any damages, except for damages resulting from the Administrator's failure to exercise due diligence in performing its obligations under this Agreement. The Issuer waives a right to assert any liability arising as a result of the Administrator's act or omission in connection with the performance of this Agreement, unless the basis for the liability was the Administrator's wilful misconduct or gross negligence.
- 3.5. The Administrator shall not be liable to the Bondholders for any damage caused by an act or omission of the Issuer which was not under the Administrator's control or of which the Administrator was not aware, in particular resulting from the Issuer's submission in this Agreement of representations which are inconsistent with the reality or the Issuer's failure to submit a representation on the statuses or events which have or may have an impact on the proper performance of the Agreement, including due protection of the Bondholders' interests.
- 3.6. If in connection with the Security and the Administrator's function in relation to the Security, claims based on the Administrator's actions which will be undertaken in accordance with the Agreement and the documents establishing the Security (the "**Claims**") will be made by any entity against the Administrator and as a result of the Claims, a court or administrative decision will be issued which awards or states the Administrator's obligation to pay a cash consideration (the "**Consideration**") to those third parties, the Issuer will be obliged to pay the Administrator liquidated damages in the amount of the Consideration paid by the Administrator and the related costs of the process, including the costs of legal advisers and experts in other fields – on the following conditions met jointly:
- 3.6.1. each Claim shall be notified by the Administrator to the Issuer in writing, and shall provide the Issuer with all information and documentation in its possession concerning the Claim;
- 3.6.2. the Administrator shall enable the Issuer to participate in negotiations with entities raising Claims, to participate in possible court, arbitration or other proceedings related to the Claim, directly or through persons indicated by the Issuer and shall enable the Issuer to participate in the selection of the Administrator's legal advisers and other experts appointed by the Administrator in such proceedings;
- 3.6.3. conclusion by the Administrator of any of the Claims settlements or acceptance of the Claims should be made with the Issuer's consent.

4. REMUNERATION OF THE ADMINISTRATOR

- 4.1. From the date of the Agreement until the date of full satisfaction of the Secured Claims, the Administrator shall receive from the Issuer a monthly lump-sum remuneration equal to PLN 2,000 (in words: two thousand zloty) net monthly, payable in advance within 30 (in words: thirty) days from the date of the invoice for a given calendar month. The monthly remuneration shall cover the costs of the Administrator's performance of his functions under the Agreement, subject to the provisions of Point 4.2 and subsequent below.
- 4.2. If the Administrator takes any actions aimed at satisfaction or starts to satisfy the Secured Claims through enforcement (seeking satisfaction) from the Security, the Administrator shall receive, irrespective of the remuneration indicated in Point 4.1, hourly remuneration (the "**Hourly Remuneration**"), save that such actions of the Administrator to be undertaken before the occurrence of an Event of Default (as defined in the Terms and Conditions) must be pre-approved by the Issuer. Notwithstanding the foregoing, in case the Issuer does not respond to the Administrator's request for approval made pursuant to the previous sentence within a period of 3 (three) Business Days from the date of receiving the Administrator's request, the Issuer's approval shall be deemed granted. In case the Issuer refuses to accept actions in accordance with this Point, and unless the Bondholder agree to cover the Hourly Remuneration the

Administrator may refrain from further actions and the Administrator shall be released from (and the Issuer hereby releases the Administrator from) any liability towards the Bondholders in this scope.

- 4.3. The Hourly Remuneration will be calculated at a fixed hourly rate of PLN 590.00 (five hundred and ninety zloty) net for each hour worked by the Administrator's lawyers in connection with the performance of the Agreement. The Hourly Remuneration shall be settled after the end of each subsequent month, taking into account the work performed in a given month.
- 4.4. In the event of a request for payment of the Hourly Remuneration, the Administrator shall provide the Issuer with a detailed subject-time calculation of the work performed within the number of working hours.
- 4.5. The remuneration referred to in Point 4.1 above does not include, inter alia, court, official, notary and bailiff fees incurred in connection with the performance of the function of Administrator. If such fees are incurred by the Administrator, the Issuer shall return their equivalent to the Administrator.
- 4.6. The Administrator may apply to the Issuer for an advance payment on account of the expenses specified in Point 4.5. Any unused amount of the advance payment, in accordance with the expenditure classification specified in Point 4.5, shall be returned to the bank account indicated by the Issuer. In the event of failure to make the aforementioned advance payment to the Administrator's account, the Administrator may refrain from taking any actions related to claims under the Bonds, including those under the Security.
- 4.7. The Issuer shall return to the Administrator the equivalent of the Administrator's documented costs of satisfying the Bondholders' receivables from the established Security.
- 4.8. Value added tax (VAT) will be added to the amounts due in accordance with the provisions of this Point, provided that it is due in accordance with the applicable law.
- 4.9. The amounts due in accordance with the provisions of this Point shall be paid by the Issuer by bank transfer within 30 (in words: thirty) days of the date of receipt of properly issued VAT invoices (or other relevant documents) by the Administrator to the bank account indicated in the VAT invoice (or other relevant document).

5. REPRESENTATIONS OF THE PARTIES

- 5.1. The Parties represent that the conclusion of this Agreement and the performance of its provisions does not make it impossible, in whole or in part, to satisfy claims of third parties within the meaning of Article 59 of the Civil Code, nor does it result in harming creditors within the meaning of Articles 527-534 of the Civil Code, nor are there any other contractual reservations limiting or excluding the possibility of the Parties to conclude or perform this Agreement.
- 5.2. The Parties represent that the conclusion and performance of the Agreement is not contrary to the mandatory provisions of law in force on the date of conclusion of the Agreement, and that no consent or permissions are required for its conclusion, which have not been granted.
- 5.3. The Parties state and ensure that the conclusion of the Agreement is not contrary to the mandatory provisions of law in force on the date of conclusion of the Agreement, or to a final judgment of a common court, arbitration court or administrative decisions issued by public administration bodies or other authorities, and that no proceedings are pending that could lead to such a judgment or decision.
- 5.4. The persons representing the Parties declare, on their own behalf, that they are duly authorised and entitled to conclude the Agreement together with all the obligations and rights arising therefrom.

6. REPRESENTATIONS OF THE ISSUER

6.1. The Issuer hereby represents and warrants to the Administrator that:

- 6.1.1. the Issuer is a company duly established, acting in accordance with the applicable Polish law, and is entitled to conclude the Agreement and perform the obligations arising therefrom;
- 6.1.2. all formalities, including any corporate approvals required in order for the Issuer to enter into this Agreement and perform its obligations hereunder have been obtained or fulfilled and shall remain in force;
- 6.1.3. the signing and performance by the Issuer of this Agreement shall not constitute a breach of the Issuer's articles of association or any legal regulations, judgments and court, arbitration or administrative rulings, or agreements of any kind, binding the Issuer;
- 6.1.4. the Issuer does not have any due and payable tax or non-tax arrears regulated by the tax ordinance.

7. ENFORCEMENT

7.1. If an Instructing Bondholder gives the Security Administrator the Enforcement Instruction, the Security Administrator:

- (b) will deliver notice referred to in Point 2.3.2 to the Issuer;
- (c) will notify the Agents of the delivery of the above-mentioned notice to the Issuer; and
- (d) taking into account the terms and conditions of this Agreement and the Terms and Conditions and subject to the time limits arising under mandatory provisions of law, will take action consistent with the Enforcement Instructions in order to enforce all or part of the Secured Claims of all the Instructing Bondholders,

unless within 5 Business Days of receiving the Enforcement Instruction the Issuer or the Suretyship Provider provides the Agents, with a copy to the Security Administrator, a written statement that the payments under the Bonds have been made.

7.2. The Security Administrator has the right to refrain from acting in accordance with the Enforcement Instructions until it receives such security as it may demand to cover any costs, losses or liability (plus any applicable VAT) that it may incur in carrying out those instructions.

8. ENTRY INTO FORCE AND EXPIRATION OF THE AGREEMENT

8.1. The Parties shall enter into the Agreement for a definite period of time which shall expire within 90 days from the date of full satisfaction of all Secured Claims, where, subject to the provisions of the Terms and Conditions, the Parties may terminate the Agreement upon 30 (thirty) days' notice, in particular in the event of non-performance or improper performance of the obligations provided for in the Agreement, including in the event of non-payment of amounts due to the Administrator under the Agreement. The statement on termination of the Agreement shall be made in writing under pain of nullity and delivered or sent in accordance with the rules of notifications specified in Point 10 of the Agreement. During the termination period, the Issuer will be obliged to conclude an agreement on appointment of the security administrator with another entity of its choice, which will be capable of acting as the security administrator on the date of termination of the Agreement at the latest.

8.2. The Administrator, with respect to the Bondholders' legitimate interest, undertakes to cooperate with the Issuer in changing the entity performing the function of security administrator, and in

particular to submit to the Issuer and the Agents all required representations and provide the relevant documentation related to the performance of the function to date.

9. CONFIDENTIAL INFORMATION

9.1. The Parties agree and accept that information relating to the Agreement (the “**Confidential Information**”) shall be kept confidential and shall ensure that such information is used only for the purpose of joint performance of the Agreement and that it is not transmitted or disclosed to third parties without the prior written consent of the other Party with each Party being entitled to disclose the Confidential Information to the:

- 9.1.1. members of their bodies;
- 9.1.2. members of the capital group to which a Party belongs;
- 9.1.3. legal, financial, accounting, tax and other advisors;
- 9.1.4. persons interested in purchasing the Bonds;
- 9.1.5. Agents; and
- 9.1.6. Bondholders.

9.2. This confidentiality obligation also applies to all documents to the extent that they contain or are based on Confidential Information.

9.3. The confidentiality obligation set out in this Point shall continue to apply after the termination of the Agreement for a period of 2 years.

9.4. The Parties shall take all necessary measures to keep the Confidential Information confidential.

9.5. Confidential information does not include:

- 9.5.1. publicly available information;
- 9.5.2. information obtained from third parties;
- 9.5.3. information provided to the competent authorities or courts with regard to the conclusion and performance of the Agreement.

9.6. For the avoidance of doubt, the Parties confirm that disclosure of the content of the Agreement and information on the fact of its conclusion shall not constitute a breach of the obligation to maintain Confidential Information:

- 9.6.1. carried out in the process of issuing Bonds under the Programme (in particular to potential bondholders) or for the benefit of a person interested in purchasing bonds;
- 9.6.2. made in the financial statements drawn up by the Parties;
- 9.6.3. carried out in connection with any disclosure obligations imposed on the Issuer under the law, documents related to bond issues or disclosure obligations under other agreements, including financial agreements to which the Issuer is a party.

10. NOTIFICATIONS

10.1. Methods of delivery and addresses

10.1.1. Any notices, representations, consents, requests or demands, withdrawals or any other information related to the Agreement shall be made in writing and signed by or on behalf of the Party making them. The notice shall be delivered to the other Parties directly or by courier or e-mail, subsequently confirmed by registered letter with acknowledgement of receipt, for the attention of the Agents, at the following addresses:

HB Reavis Finance PL 3 spółka z ograniczoną odpowiedzialnością

ul. Postępu 14

02-676 Warsaw

to: Peter Andrasina, Marek Buzek, Patryk Wróblewski

e-mail: peter.andrasina@hbreavis.com;

marek.buzek@hbreavis.com;

patryk.wroblewski@hbreavis.com

or any other address that the Issuer will duly notify the Administrator of.

Spaczyński, Szczepaniak i Wspólnicy Sp.k.

ul. Rondo ONZ 1, floor 12

00-124 Warsaw

to: Szymon Okoń

e-mail: szymon.okon@ssw.solutions

or any other address that the Administrator will duly notify the Issuer of.

for the attention of:

Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce

ul. Złota 59

00-120 Warsaw

to: Konrad Sobczyk; Dawid Fankidejski

e-mail: wardcm@haitongib.com

or any other address that the Haitong Bank will duly notify the Administrator and the Issuer of.

and

mBank S.A.

DFS

ul. Senatorska 18

00-950 Warsaw

(or with the effect from 20 November 2020: ul. Prosta 18, 00-850 Warsaw)

to: Tomasz Gałka, Michał Pielasa

e-mail: tomasz.galka@mbank.pl;

michal.pielasa@mbank.pl

or any other address that the mBank will duly notify the Administrator and the Issuer of.

10.1.2. Any correspondence sent to a Party and the Agents shall be deemed to have been delivered:

- (a) if sent by an e-mail (and confirmed by registered mail) between 9:00 and 17:00 (Central European Time), on the Business Day at the place of receipt, on the same day, or, if sent at another time, at 9:00 on the following Business Day at the place of receipt, provided that the sender of the message, sent by an e-mail, has not received an automatically generated message indicating that the message has not reached the correct e-mail address of the addressee of the correspondence and provided that the same correspondence is sent to the Party by registered letter with acknowledgement of receipt or by courier during the following 3 Business Days; or

- (b) if sent by registered letter with acknowledgement of receipt or by courier, on the 5th Business Day following sending, unless it is delivered effectively before that date.

10.1.3. All notifications referred to in this Agreement shall be made in the English language.

11. ADDITIONAL WARRANTY

- 11.1. The Parties shall take, or cause to be taken, all measures to perform this Agreement, in particular the drawing up of all acts and documents, the convening of all meetings, assemblies or sittings, the granting of all necessary waivers, resignations and consents, and the adopting of all resolutions or otherwise executing of all their rights and entitlements.

12. GENERAL PROVISIONS

- 12.1. The transfer of rights and obligations of either Party under this Agreement requires the prior written consent of the other Party.
- 12.2. No right, entitlement or claim, or any means of exercising or satisfying a right, entitlement or claim under the applicable law or provisions of this Agreement shall be deemed to be waived, limited or excluded by reason of any delay or omission in exercising, one-off or partial exercise of such right, entitlement or claim, or of a past exercise or satisfaction.
- 12.3. This Agreement is drawn up in duplicate, one for each Party.

13. A SALVATORIAL CLAUSE

- 13.1. Each provision of the Agreement is separate. If any provision of the Agreement is or will be illegal, invalid or unenforceable for any reason, it will not affect the legality, validity or enforceability of the other provisions of the Agreement.

14. AMENDMENTS TO THE AGREEMENT AND APPLICABLE LAW

- 14.1. Any amendments to this Agreement shall be made in writing under the pain of nullity.
- 14.2. This Agreement shall be governed by and construed in accordance with Polish law.
- 14.3. Possible disputes arising out of or in connection with this Agreement, including any issues concerning the existence, validity or termination of the Agreement or legal relations arising on its grounds, shall be submitted for resolution and finally settled by common courts having jurisdiction over the Administrator's registered office.

SIGNATURES

On behalf of the Administrator:

Signatures: _____

Name and surname: [REDACTED]

Function: Attorney-in-fact

On behalf of the Issuer:

Signatures: _____

Name and surname: Marek Buzek

Function: Attorney-in-fact

Signatures: _____

Name and surname:

Function:

LIST OF SCHEDULES

Schedule 1: draft of the Assignment Agreement

Schedule 2: draft of the Suretyship Agreement

Schedule 3: template of the Terms and Conditions

9.8 Copy of the Suretyship Agreement

EXECUTION
VERSION

19 November 2020

SURETYSHIP AGREEMENT

by and between

HB Reavis Holding SA
as the Suretyship Provider

and

Spaczyński, Szczepaniak i Wspólnicy sp.k.
as the Security Administrator

Table of Contents

1.	DEFINITIONS AND INTERPRETATION	2
2.	SURETYSHIP	3
3.	PAYMENT DEMAND	3
4.	REPRESENTATIONS, WARRANTIES I OBLIGATION OF THE SURETYSHIP PROVIDER	4
5.	NO NEED TO NOTIFY THE SURETYSHIP PROVIDER	4
6.	OBLIGATION OF THE SURETYSHIP PROVIDER	5
7.	NOTICES	5
8.	AMENDMENTS	6
9.	MISCELLANEOUS.....	6

This Suretyship Agreement (the “**Agreement**”) was executed in Warsaw on 19 November 2020, by and between:

- (1) **HB Reavis Holding SA** a public limited liability company (*société anonyme*) duly incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 21, rue Glesener, L-1631 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B156287 (the “**Suretyship Provider**”)

and

- (2) **Spaczyński, Szczepaniak i Wspólnicy sp.k.**, a limited partnership duly established under the Polish law, with its registered office in Warsaw (address: Rondo ONZ 1, 00-124 Warsaw), entered in the Register of Business Entities of the National Court Register under KRS number 0000583564, kept by District Court for the Capital City of Warsaw in Warsaw, XII Commercial Division of the National Court, REGON 146936694, NIP 5252569133 (the “**Security Administrator**”).

The Suretyship Provider and the Security Administrator hereinafter jointly referred to as the “**Parties**”, and each of them referred to as a “**Party**”.

WHEREAS:

- (A) **HB Reavis Finance PL 3 sp. z o.o.** with its registered office in Warsaw (address: ul. Postępu 14, 02-676 Warszawa), entered in the Register of Business Entities of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under KRS number 0000741386, REGON: 380827481, NIP: 5252757202, with the share capital of PLN 10,000 (the “**Issuer**”) executed on 13 November 2020 with mBank S.A. and Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce a bonds programme agreement, under which a bonds programme has been established of up to PLN 400,000,000 (in words: four hundred million zlotys) (the “**Bonds Programme Agreement**”), whereunder the Issuer may issue bonds (the “**Bonds**”).
- (B) On 19 November 2020, the Security Administrator and the Issuer executed an administrator appointment agreement (the “**Administrator Appointment Agreement**”) and assumed the function of a security administrator within the meaning of Article 29 of the Act on Bonds, under which the Security Administrator will perform the rights and obligations of a creditor in respect of the securities for the Bonds (other than a registered pledge) in its own name but on the account of the bondholders.
- (C) The Bonds will be issued under Article 33(1) of the Act on Bonds as secured dematerialised bearer securities.
- (D) Any claims that the bondholders may have under the Bonds, pursuant to the Bonds Programme Agreement and the terms and conditions of the issue of the Bonds of specific series, are to be secured, specifically by suretyship granted by the Suretyship Provider under Article 876 and the subsequent articles of the Civil Code, and with a view to establishing such suretyship the Parties decided to enter into this Agreement.

THE PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement:

“Act on Bonds”	means the Act on Bonds dated 15 January 2015;
“Administrator Appointment Agreement”	has the meaning assigned to this term in letter (B) of the Preamble;
“Bondholder”	means a person entitled to receive payment under the Bonds;
“Bonds Programme Agreement”	has the meaning assigned to this term in letter (A) of the Preamble;
“Bonds”	has the meaning assigned to this term in letter (A) of the Preamble;
“Business Day”	means each day except for Saturday, Sunday or a public holiday, on which commercial banks are open for business in Poland;
“Civil Code”	means the Act dated 23 April 1964 – the Civil Code;
“Code of Civil Procedure”	means the Act dated 17 November 1964 – the Code of Civil Procedure;
“Issuer”	has the meaning assigned to this term in letter (A) of the Preamble;
“Notices”	has the meaning assigned to this term in section 7.1 of this Agreement;
“Payment Demand”	has the meaning assigned to this term in section 3.1 of this Agreement.
“Programme”	means a bond issue program up to PLN 400,000,000, under which Bonds are issued, established pursuant to the Bonds Programme Agreement;
“Secured Claims”	means all existing and future monetary claims that bondholders have resulting from the Bonds, including bondholders monetary claims against the Issuer, together with any incidental claims, accessory claims and claims for reimbursement of claim enforcement expenses, including the fee payable to the Security Administrator under the Administrator Appointment Agreement, to the maximum extent permitted by law;

“Security Period”	means the period commencing on the date of this Agreement and ending on the date in which the monetary claims resulting from the Bonds will be satisfied fully and irrevocably, in such a manner that it will expire in full, however no later than on 31 December 2035;
“Suretyship”	has the meaning assigned to this term in section 2.1 of this Agreement;
“Terms and Conditions”	means the terms and conditions of the issue of the Bonds issued under the Programme within the meaning of Article 5 (1) of the Act on Bonds;

2. SURETYSHIP

2.1. Granting the Suretyship

In order to secure the satisfaction of the Secured Claims, the Suretyship Provider hereby, under Article 876 and the subsequent articles of the Civil Code, agrees to make payment resulting from the Secured Claims, in case the Issuer fails to perform its obligation to make such payment, in favour of the Security Administrator, acting in its capacity of a security administrator within the meaning of Article 29 of the Act on Bonds (the **“Suretyship”**), and the Security Administrator hereby accepts the Suretyship.

2.2. Maturity of claims against the Suretyship Provider

The Security Administrator’s claims against the Suretyship Provider under the Suretyship shall mature after the Security Administrator has requested the Issuer to pay the matured amounts under the Secured Claims.

2.3. Scope of suretyship

2.3.1. The Suretyship is granted up to PLN 600,000,000 (in words: six hundred million zlotys); and

2.3.2. The Suretyship is a term suretyship and shall be granted within the Security Period.

3. PAYMENT DEMAND

3.1. The Security Administrator may, within the Security Period, give to the Suretyship Provider a payment demand in written form, or else shall be deemed null and void, in each case, where the Issuer has failed to perform its obligations to pay any amount of the Secured Claims, in full or in part, due to a Bondholder or the Bondholders, on the dates specified in the Terms and Conditions, and the Security Administrator has requested the Issuer to pay (the **“Payment Demand”**).

3.2. The Payment Demand shall contain:

3.2.1. a representation on the non-performance by the Issuer of its obligation to pay a specific amount of the Secured Claims and the representation that the Issuer has been requested to pay;

3.2.2. the amount, specified in section 3.1 above, demanded by the Security Administrator (expressed in Polish zlotys); and

3.2.3. the number of bank account to which the payment must be made.

- 3.3. The Suretyship Provider unconditionally agrees to pay any sum specified on each occasion in the Payment Demand, in the amount and in the currency specified in the Payment Demand, to the bank account indicated in the Payment Demand, no later than within 15 (in words: fifteen) Business Days from the receipt of the Payment Demand.
- 3.4. The payment of an amount specified in the Payment Demand shall be deemed made on the date on which it is credited to the bank account of the Security Administrator indicated in the Payment Demand.
- 3.5. The Security Administrator may demand that the Suretyship Provider pay an amount specified in the Payment Demand on several occasions, in each case before the end of the Security Period (provided that, for the avoidance of doubt, the amount specified in the Payment Demand served on the Suretyship Provider before the end of the Security Period may be enforced also after the end of the Security Period).
- 3.6. In the case where the Suretyship Provider fails to comply with the date of payment specified in the Payment Demand, the Security Administrator shall be entitled to claim from the Suretyship Provider late payment interest in the statutory amount in accordance with the Civil Code and to seek the outstanding amount in enforcement proceedings in accordance with the Code of Civil Procedure.

4. REPRESENTATIONS, WARRANTIES I OBLIGATION OF THE SURETYSHIP PROVIDER

- 4.1. The Suretyship Provider, by making the representations and warranties included in this section, is aware that the Security Administrator fully relies on its representation and warranties.
- 4.2. The Suretyship Provider warrants and represents to the Security Administrator that:
 - 4.2.1. it is public limited liability company (*société anonyme*) duly incorporated and operating in accordance with the laws of the Grand Duchy of Luxembourg;
 - 4.2.2. the execution of this Agreement is not contrary to any corporate documents, agreements and obligations of the Suretyship Provider, and the Suretyship Provider has obtained any consent to the execution of this Agreement required under the applicable laws and its corporate document;
 - 4.2.3. the obligations of the Suretyship Provider under this Agreement are legal, valid and enforceable;
 - 4.2.4. there is no bankruptcy, restructuring or other similar proceedings under the applicable laws threatened against the Suretyship Provider;
 - 4.2.5. the Suretyship Provider has acknowledged the Bonds Programme Agreement and the Form of the Terms and Conditions and accepts their contents; and
 - 4.2.6. the Suretyship Provider is aware of the financial and legal standing of the Issuer.
- 4.3. The Suretyship Provider agrees to the Security Administrator that it will conduct its business in accordance with the ongoing practice of a holding company and will hold the assets allowing it to perform its obligations under the Suretyship.

5. NO NEED TO NOTIFY THE SURETYSHIP PROVIDER

- 5.1. The Parties mutually agree that Article 880 of the Civil Code to this Agreement shall not apply to this Agreement therefore:

- 5.1.1. the obligation of the Suretyship Provider under this Agreement shall become due and payable despite the Security Administrator's failure to notify the Suretyship Provider of the Issuer's delay in payment under the Secured Claims;
- 5.1.2. the failure by the Security Administrator to notify the Suretyship Provider of the Issuer's delay in payment under the Secured Claims does not result that the Security Administrator is in statutory default (*zwłoka*) with payment; and
- 5.1.3. the failure by the Security Administrator to notify the Suretyship Provider of the Issuer's delay in payment under the Secured Claims does not trigger on the part of the Security Administrator any liability for possible damage suffered by the Suretyship Provider as a result of an omission to give such notice by the Security Administrator.

6. OBLIGATION OF THE SURETYSHIP PROVIDER

The Suretyship Provider shall take any required measures to ensure that the Agreement remains valid, binding and effective until the last day of the Security Period.

7. NOTICES

- 7.1. Any representations, notices, instructions (including a Payment Demand and a request referred to in section 2.2 of the Agreement)) and other information exchanges between the Parties (the "Notices"), in connection with this Agreement require a written form, or else shall be deemed null and void, and shall be delivered to the addressee in person with written confirmation of receipt, by courier (messenger) upon confirmation of receipt or sent by registered mail or registered letter with return receipt requested, to the following addresses in Poland:

If to the Suretyship Provider

HB Reavis Holding SA
 21, rue Glesener, L-1631 Luxembourg
 Grand-Duchy of Luxembourg
 Email: Luxoffice@hbreavis.com
 Attn: the Directors

If to the Security Administrator

Spaczyński, Szczepaniak i Wspólnicy Sp.k.
 ul. Rondo ONZ 1, floor 12
 00-124 Warszawa
 Email: szymon.okon@ssw.solutions
 Attn: Szymon Okoń
Copy to:
 mBank
 Tomasz Gałka, Michał Pielasa
 tomasz.galka@mbank.pl;
 michal.pielasa@mbank.pl

Haitong Bank
 Konrad Sobczyk, Dawid Fankidejski
 wardcm@haitongib.com

- 7.2. For the purposes of this Agreement, Notices shall be deemed as served on the following dates:

- 7.2.1. on the delivery date – if delivered in person;
- 7.2.2. on the date on which the courier confirms delivery – if delivered by courier;

- 7.2.3.** on the date on which the addressee confirms the receipt of the registered letter (registered mail);
 - 7.2.4.** on the date on which the addressee rejects the delivery – if delivered in person or by courier;
 - 7.2.5.** after 14 days from the first delivery notification from the relevant postal service (if sent by registered mail) if the addressee has failed to collect the Notice within the collection period specified in the delivery notification.
- 7.3.** Either Party may change its address for delivery by way of a written notice give to the other Party, which shall not constitute an Amendment, whereas a change of the address for delivery shall be effective for the other Party from the first day following the date of service of such notice on the change of address and provided that the new address for delivery is within the territory of Poland.

8. AMENDMENTS

Any amendments must be made in writing or else shall be deemed null and void, provided that any non-technical amendments require the consent of the Bondholders Meeting.

9. MISCELLANEOUS

- 9.1.** This Agreement shall become effective as of its execution and was shall continue until the full repayment or satisfaction of the Secured Claims.
- 9.2.** This Agreement shall be governed by Polish law.
- 9.3.** Any disputes resulting from this or connected with this Agreement, including any disputes about its validity, shall be resolved by a competent court of law having jurisdiction over the registered office of the Security Administrator.
- 9.4.** If any provision of this Agreement is found or becomes invalid or unenforceable, this will not affect the remaining provisions unless it is evident under the existing circumstances that without such invalid or unenforceable this Agreement would not have been entered into and no amendment or supplement of this Agreement in the manner specified in section 9.5 is possible.
- 9.5.** In the case referred to in w section 9.4, the Parties will be required to immediately amend or supplement this Agreement in a manner reflecting, to the highest extent possible, the original intentions of the Parties expressed in the provision that was found or became invalid or unenforceable. Specifically, the Parties shall be required to include in the Agreement certain provisions under which the suretyship will be effectively granted by the Suretyship Provider in favour of the Security Administrator for the monetary claims under the Secured Claims.
- 9.6.** Any costs connected with the execution and performance of this Agreement shall be exclusively charged to the Suretyship Provider.
- 9.7.** The Suretyship Provider cannot assign or transfer its rights, obligations, commitments or claims resulting from this Agreement, in full or in part, without the prior written consent of the Security Administrator, given in written form, or else such consent shall be deemed null and void, provided that such consent may be given only under a resolution of the Bondholders Meeting allowing such transfer or assignment.
- 9.8.** This Agreement is executed in English and Polish language version and signed with a qualified electronic signature.

SIGNATURES

On behalf of the Suretyship Provider

Signature: _____

Full name: _____

Position: _____

Signature: _____

Full name: _____

Position: _____

On behalf of the Security Administrator

Signature: _____

Full name: _____

Position: _____

Signature: _____

Full name: _____

Position: _____

WERSJA
OSTATECZNA

19 listopada 2020 r.

UMOWA PORĘCZENIA

pomiędzy

HB Reavis Holding S.A.

jako Poręczycielem

oraz

Spaczyński, Szczepaniak i Wspólnicy sp.k.

jako Administratorem Zabezpieczeń

Spis Treści

1.	DEFINICJE I WYKŁADNIA	1
2.	PORĘCZENIE	3
3.	ŻĄDANIE ZAPŁATY	3
4.	OŚWIADCZENIA, ZAPEWNIENIA I ZOBOWIĄZANIA PORĘCZycIELA	4
5.	BRAK KONIECZNOŚCI ZAWIADOMIENIA PORĘCZycIELA	4
6.	ZOBOWIĄZANIE PORĘCZycIELA	5
7.	ZAWIADOMIENIA I DORĘCZENIA	5
8.	ZMIANY UMOWY	6
9.	POZOSTAŁE POSTANOWIENIA.....	6

Niniejsza umowa poręczenia („**Umowa**”) została zawarta w Warszawie dnia 19 listopada 2020 r., pomiędzy:

- (1) **HB Reavis Holding SA** spółką akcyjną (*société anonyme*), utworzoną zgodnie z przepisami prawa Wielkiego Księstwa Luksemburga, z siedzibą przy rue Glesener 21, L-1631 Luxembourg, Wielkie Księstwo Luksemburga i wpisaną w luksemburskim rejestrze handlowym (*Registre de Commerce et des Sociétés, Luxembourg*) pod numerem B156287 („**Poręczyciel**”)
- a
- (2) **Spaczyński, Szczepaniak i Wspólnicy sp.k.**, spółką komandytową utworzoną zgodnie z prawem polskim, z siedzibą w Warszawie (adres: Rondo ONZ 1, 00-124 Warszawa), wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego pod numerem KRS 0000583564, której akta są przechowywane przez Sąd Rejonowy dla m.st. Warszawy w Warszawie, XII Wydział Gospodarczy Krajowego Rejestru Sądowego, REGON 146936694, NIP 5252569133 („**Administrator Zabezpieczeń**”).

Poręczyciel oraz Administrator Zabezpieczeń będą zwani dalej łącznie „**Stronami**”, a każdy z nich „**Stroną**”.

ZWAŻYWSZY, ŻE:

- (A) **HB Reavis Finance PL 3 sp. z o.o.** z siedzibą w Warszawie (adres: ul. Postępu 14, 02-676 Warszawa), wpisana do rejestru przedsiębiorców Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m. st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS: 0000741386, numer REGON: 380827481, numer NIP: 5252757202, z kapitałem zakładowym w wysokości 10.000 PLN („**Emitent**”) zawarła w dniu 13 listopada 2020 r. z mBank S.A. oraz Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce umowę programu, na podstawie której ustanowiony został program emisji obligacji do kwoty 400.000.000 PLN (słownie: czterysta milionów złotych) („**Umowa Programowa**”), w ramach którego Emitent zamierza emitować obligacje („**Obligacje**”).
- (B) W dniu 19 listopada 2020 r. Administrator Zabezpieczeń zawarł z Emitentem umowę o ustanowienie administratora zabezpieczeń („**Umowa Ustanowienia Administratora**”) i przyjął na siebie funkcję administratora zabezpieczeń w rozumieniu art. 29 Ustawy o Obligacjach, w ramach której Administrator Zabezpieczeń będzie wykonywał prawa i obowiązki wierzyciela z tytułu zabezpieczeń Obligacji (innych niż zastaw rejestrowy) w imieniu własnym, lecz na rachunek obligatariuszy.
- (C) Obligacje będą emitowane na podstawie art. 33 pkt 1 Ustawy o Obligacjach jako zabezpieczone zdematerializowane papiery wartościowe na okaziciela.
- (D) Wierzytelności obligatariuszy względem Emitenta z tytułu Obligacji, zgodnie z Umową Programową oraz warunkami emisji Obligacji poszczególnych serii mają zostać zabezpieczone m.in. poprzez poręczenie udzielone na podstawie art. 876 i następnych Kodeksu Cywilnego przez Poręczyciela i w celu ustanowienia takiego poręczenia Strony postanowiły zawrzeć niniejszą Umowę.

STRONY POSTANOWIŁY, CO NASTĘPUJE:

1. DEFINICJE I WYKŁADNIA

1.1. Definicje

W niniejszej Umowie:

„Dzień Roboczy”	oznacza każdy dzień z wyjątkiem sobót, niedziel i innych dni ustawowo wolnych od pracy, w którym banki komercyjne prowadzą działalność na terytorium Rzeczypospolitej Polskiej;
„Emitent”	ma znaczenie nadane w lit. (A) Preambuły;
„Kodeks Cywilny”	oznacza ustawę z dnia 23 kwietnia 1964 r. – Kodeks cywilny;
„Kodeks Cywilnego”	Postępowania oznacza ustawę z dnia 17 listopada 1964 r. – Kodeks postępowania cywilnego;
„Obligacje”	mają znaczenie nadane w lit. (A) Preambuły;
„Obligatariusze”	oznaczają osoby uprawnione do otrzymywania świadczeń z tytułu Obligacji;
„Okres Zabezpieczenia”	oznacza okres rozpoczynający się w dniu zawarcia niniejszej Umowy i kończący się w dniu, w którym roszczenia pieniężne wynikające z Obligacji zostaną całkowicie i nieodwołalnie zaspokojone, w taki sposób, że w całości wygasną, nie później jednak niż 31 grudnia 2035 r.;
„Poręczenie”	ma znaczenie nadane w punkcie 2.1 Umowy;
„Powiadomienia”	ma znaczenie nadane w punkcie 7.1 Umowy;
„Program”	oznacza program emisji obligacji do kwoty 400.000.000 PLN, w ramach którego emitowane są Obligacje, ustanowiony na podstawie Umowy Programowej;
„Umowa Programowa”	ma znaczenie nadane w lit. (A) Preambuły;
„Umowa Ustanowienia Administratora”	ma znaczenie nadane w lit. (B) Preambuły;
„Ustawa o Obligacjach”	oznacza ustawę z dnia 15 stycznia 2015 r. o obligacjach;
„Warunki Emisji	oznaczają warunki emisji Obligacji emitowanych w ramach Programu w rozumieniu art. 5 ust. 1 Ustawy o Obligacjach;
„Zabezpieczone Wierzytelności”	oznaczają wszelkie istniejące i przyszłe wierzytelności pieniężne obligatariuszy obligacji emitowanych w ramach Programu Emisji Obligacji, w tym wierzytelności pieniężne Obligatariuszy wobec Emitenta z tytułu Obligacji, wraz ze wszystkimi roszczeniami ubocznymi, roszczeniami akcesoryjnymi oraz roszczeniami o pokrycie kosztów dochodzenia wierzytelności, w tym kosztów wykonywania obowiązków przez Administratora Zabezpieczeń zgodnie z

Umową Ustanowienia Administratora, w maksymalnym dozwolonym prawem zakresie.

„Żądanie Zapłaty”

ma znaczenie nadane w punkcie 3.1 Umowy.

2. PORĘCZENIE

2.1. Udzielenie Poręczenia

W celu zabezpieczenia zaspokojenia Zabezpieczonych Wierzytelności Poręczyciel niniejszym, na podstawie art. 876 i następnych Kodeksu Cywilnego, zobowiązuje się wykonać zobowiązania pieniężne wynikające z Zabezpieczonych Wierzytelności, gdyby Emitent takich zobowiązań nie wykonał, na rzecz Administratora Zabezpieczeń, działającego w charakterze administratora zabezpieczeń w rozumieniu art. 29 Ustawy o Obligacjach (**„Poręczenie”**), a Administrator Zabezpieczeń niniejszym Poręczenie przyjmuje.

2.2. Wymagalność roszczeń względem Poręczyciela

Roszczenia Administratora Zabezpieczeń wobec Poręczyciela z tytułu Poręczenia staną się wymagalne po wezwaniu przez Administratora Zabezpieczeń Emitenta do zapłaty wymagalnych kwot z tytułu Zabezpieczonych Wierzytelności.

2.3. Zakres poręczenia

2.3.1. Poręczenie udzielone jest do kwoty 600.000.000 PLN (słownie: sześćset milionów złotych);

2.3.2. Poręczenie jest poręczeniem terminowym i zostaje udzielone na Okres Zabezpieczenia.

3. ŻĄDANIE ZAPŁATY

3.1. Administrator Zabezpieczeń może, w Okresie Zabezpieczenia, dostarczyć Poręczycielowi żądanie zapłaty w formie pisemnej pod rygorem nieważności, w każdym przypadku, gdy Emitent nie wykona swoich zobowiązań co do zapłaty całości lub części jakiegokolwiek kwoty Zabezpieczonych Wierzytelności przysługujących Obligatariuszowi lub Obligatariuszom w terminach określonych w Warunkach Emisji i Administrator Zabezpieczeń wezwie Emitenta do zapłaty (**„Żądanie Zapłaty”**).

3.2. Żądanie Zapłaty będzie zawierać:

3.2.1. oświadczenie o niewykonaniu przez Emitenta jego zobowiązania do zapłaty kwoty Zabezpieczonych Wierzytelności i oświadczenie o wezwaniu Emitenta do zapłaty;

3.2.2. kwotę zobowiązania, o którym mowa w pkt. 3.1 powyżej, której zapłaty Administrator Zabezpieczeń żąda (wyrażoną w polskich złotych); oraz

3.2.3. numer rachunku bankowego, na który należy dokonać płatności.

3.3. Poręczyciel bezwarunkowo zobowiązuje się do zapłaty każdorazowo kwoty w wysokości i walucie określonej w Żądaniu Zapłaty na rachunek bankowy wskazany w Żądaniu Zapłaty nie później niż w terminie 15 (słownie: piętnastu) Dni Roboczych od otrzymania Żądania Zapłaty.

3.4. Zapłatę kwoty wskazanej w Żądaniu Zapłaty uważa się za dokonaną w dniu uznania nią rachunku bankowego Administratora Zabezpieczeń wskazanego w Żądaniu Zapłaty.

3.5. Administrator Zabezpieczeń może żądać od Poręczyciela dokonania płatności kwoty określonej w Żądaniu Zapłaty wielokrotnie, w każdym czasie przed zakończeniem Okresu Zabezpieczenia (przy czym, dla uniknięcia wątpliwości, kwota określona w Żądaniu Zapłaty doręczonym Poręczycielowi przed końcem Okresu Zabezpieczenia może być dochodzona również po jego zakończeniu).

- 3.6.** W przypadku naruszenia przez Poręczyciela terminu zapłaty wskazanego w Żądaniu Zapłaty, Administrator Zabezpieczeń będzie uprawniony do żądania od Poręczyciela odsetek za opóźnienie w wysokości ustawowej zgodnie z przepisami Kodeksu Cywilnego, jak również do dochodzenia niezapłaconej kwoty w trybie postępowania egzekucyjnego zgodnie z przepisami Kodeksu Postępowania Cywilnego.

4. OŚWIADCZENIA, ZAPEWNIENIA I ZOBOWIĄZANIA PORĘCZycIELA

- 4.1.** Poręczyciel, składając oświadczenia i zapewnienia wymienione w niniejszym punkcie, ma świadomość, że Administrator Zabezpieczeń w pełni polega na jego oświadczeniach i zapewnieniach.
- 4.2.** Poręczyciel oświadcza i zapewnia Administratora Zabezpieczeń, że:
- 4.2.1.** jest spółką akcyjną (*société anonyme*), należycie utworzoną i funkcjonującą zgodnie z prawem Wielkiego Księstwa Luksemburga;
 - 4.2.2.** zawarcie niniejszej Umowy nie jest sprzeczne z jakimikolwiek dokumentami korporacyjnymi, umowami oraz zobowiązaniami Poręczyciela, a Poręczyciel uzyskał wszelkie wymagane przez właściwe przepisy prawa i dokumenty korporacyjne zgody na zawarcie Umowy;
 - 4.2.3.** zobowiązania Poręczyciela wynikające z Umowy są zgodne z prawem, ważne i skuteczne;
 - 4.2.4.** nie jest zagrożony wszczęciem w stosunku do niego postępowania związanego z upadłością lub restrukturyzacją lub innego podobnego postępowania na podstawie właściwych przepisów prawa;
 - 4.2.5.** zapoznał się z treścią Umowy Programowej oraz wzorem Warunków Emisji oraz akceptuje ich treść; oraz
 - 4.2.6.** znany jest mu stan ekonomiczny oraz prawny Emitenta.
- 4.3.** Poręczyciel zobowiązuje się względem Administratora Zabezpieczeń, że będzie prowadził działalność w sposób zgodny z dotychczasową praktyką działalności spółki holdingowej i będzie dysponował aktywami umożliwiającymi wykonanie zobowiązań z tytułu Poręczenia.

5. BRAK KONIECZNOŚCI ZAWIADOMIENIA PORĘCZycIELA

- 5.1.** Strony zgodnie wyłączają w całości zastosowanie art. 880 Kodeksu Cywilnego do niniejszej Umowy, w związku z czym:
- 5.1.1.** wymagalność zobowiązania Poręczyciela na podstawie niniejszej Umowy powstaje mimo braku zawiadomienia Poręczyciela przez Administratora Zabezpieczeń o opóźnieniu się Emitenta ze spełnieniem świadczenia wynikającego z Zabezpieczonych Wierzytelności;
 - 5.1.2.** brak zawiadomienia Poręczyciela przez Administratora Zabezpieczeń o opóźnieniu się Emitenta ze spełnieniem świadczenia wynikającego z Zabezpieczonych Wierzytelności nie powoduje, że Administrator Zabezpieczeń jest w zwłoce; oraz
 - 5.1.3.** brak zawiadomienia Poręczyciela przez Administratora Zabezpieczeń o opóźnieniu się Emitenta ze spełnieniem świadczenia wynikającego z Zabezpieczonych Wierzytelności nie rodzi po stronie Administratora Zabezpieczeń żadnej odpowiedzialności za ewentualną szkodę doznaną przez Poręczyciela w następstwie zaniechania przez Administratora Zabezpieczeń dokonania takiego zawiadomienia.

6. ZOBOWIĄZANIE PORĘCZycIELA

Poręczyciel podejmie wszelkie wymagane czynności, aby Umowa pozostała ważna, wiążąca i skuteczna do ostatniego dnia Okresu Zabezpieczenia.

7. ZAWIADOMIENIA I DORĘCZENIA

- 7.1. Wszelkie oświadczenia, zawiadomienia, polecenia (w tym Żądanie Zapłaty oraz wezwanie, o którym mowa w punkcie 2.2 Umowy) i inne informacje wymieniane pomiędzy Stronami („Powiadomienia”), w związku z Umową wymagają formy pisemnej pod rygorem nieważności oraz będą sporządzane w języku polskim i doręczane adresatowi osobiście za pisemnym potwierdzeniem odbioru, bądź za pośrednictwem kuriera (pośłańca) za pisemnym potwierdzeniem odbioru lub wysłane przesyłką poleconą lub listem poleconym za zwrotnym potwierdzeniem odbioru na wskazane niżej adresy w Rzeczypospolitej Polskiej:

Do Poręczyciela

HB Reavis Holding S.A.
21, rue Glesener,
L-1631 Luksemburg
Wielkie Księstwo Luksemburga
E-mail: Luxoffice@hbreavis.com
Do rąk: Zarządu

Do Administratora Zabezpieczeń

Spaczyński, Szczepaniak i Wspólnicy Sp.k.
ul. Rondo ONZ 1, piętro 12
00-124 Warszawa

E-mail: szymon.okon@ssw.solutions

Do rąk: Szymon Okoń

z kopią do:

mBank

Tomasz Gałka, Michał Pielasa

tomasz.galka@mbank.pl;

michal.pielasa@mbank.pl

Haitong Bank

Konrad Sobczyk, Dawid Fankidejski

wardcm@haitongib.com

- 7.2. Dla celów niniejszej Umowy, Powiadomienia będą uznane za doręczone w następujących terminach:

7.2.1. w dacie doręczenia, jeśli doręczenie odbędzie się osobiście,

7.2.2. w dacie potwierdzenia doręczenia przez kuriera;

7.2.3. w dacie potwierdzenia odbioru listu poleconego (przesyłki poleconej);

7.2.4. w dacie odmowy odbioru w przypadku doręczenia osobistego lub za pośrednictwem kuriera;

7.2.5. z upływem 14 dni od pierwszego awizowania (przesyłki poleconej), jeżeli adresat nie podjął go w terminie awizowania.

- 7.3. Każda ze Stron może zmienić swój adres dla doręczeń w drodze pisemnego zawiadomienia drugiej Strony, co nie stanowi zmiany Umowy, przy czym zmiana adresu dla doręczeń wobec drugiej Strony

będzie skuteczna od pierwszego dnia następującego po dniu doręczenia takiego zawiadomienia o zmianie adresu i pod warunkiem, iż nowy adres dla doręczeń będzie znajdować się na terytorium Rzeczypospolitej Polskiej.

8. ZMIANY UMOWY

Wszelkie zmiany Umowy wymagają formy pisemnej pod rygorem nieważności, przy czym zmiany umowy w zakresie innym niż techniczny wymagają uzyskania zgody Zgromadzenia Obligatariuszy.

9. POZOSTAŁE POSTANOWIENIA

- 9.1.** Niniejsza Umowa wchodzi w życie z chwilą zawarcia i została zawarta do dnia całkowitej spłaty lub zaspokojenia Zabezpieczonych Wierzytelności.
- 9.2.** Niniejsza Umowa jest rządzona prawem polskim.
- 9.3.** Wszelkie spory wynikające z niniejszej Umowy lub z nią związane, w tym spory dotyczące jej ważności, będą rozstrzygane przez sąd powszechny miejscowo dla siedziby Administratora Zabezpieczeń.
- 9.4.** W przypadku, gdy którekolwiek z postanowień Umowy okaże się lub stanie się nieważne lub bezskuteczne, nie będzie to miało wpływu na pozostałe jej postanowienia, chyba, że z okoliczności będzie wynikało w sposób oczywisty, iż bez postanowień dotkniętych nieważnością lub bezskutecznością Umowa niniejsza nie zostałaby zawarta, a nie będzie możliwa zmiana lub uzupełnienie Umowy w sposób wskazany w punkcie 9.5.
- 9.5.** W przypadku o którym mowa w punkcie 9.4 Strony zobowiązane są do niezwłocznej zmiany lub uzupełnienia Umowy w sposób oddający możliwie najpełniej intencje Stron wyrażone w postanowieniu, które uznane zostało lub stało się nieważne lub bezskuteczne. W szczególności Strony zobowiązane będą do zawarcia w Umowie takich postanowień, na podstawie których dojdzie do skutecznego udzielenia poręczenia przez Poręczyciela na rzecz Administratora Zabezpieczeń za zobowiązania pieniężne Emitenta wynikające z Zabezpieczonych Wierzytelności.
- 9.6.** Wszelkie koszty związane z zawarciem i wykonaniem niniejszej Umowy obciążają wyłącznie Poręczyciela.
- 9.7.** Poręczyciel nie ma prawa do przelania ani do przeniesienia całości lub części swoich praw, obowiązków, zobowiązań lub wierzytelności wynikających z Umowy bez uprzedniej, pisemnej zgody Administratora Zabezpieczeń, udzielonej w formie pisemnej pod rygorem nieważności, która to zgoda może zostać udzielona wyłącznie po podjęciu przez Zgromadzenie Obligatariuszy w przedmiocie wyrażenia zgody na takie przeniesienie lub przelew.
- 9.8.** Niniejsza Umowa została zawarta w polskiej i angielskiej wersji językowej i podpisana elektronicznym podpisem kwalifikowanym.

STRONA PODPISOWA

W imieniu Poręczyciela

Podpis: _____

Imię i nazwisko: _____

Stanowisko: _____

Podpis: _____

Imię i nazwisko: _____

Stanowisko: _____

W imieniu Administratora Zabezpieczeń

Podpis: _____

Imię i nazwisko: _____

Stanowisko: _____

Podpis: _____

Imię i nazwisko: _____

Stanowisko: _____

9.9 Copy of the agreement appointing the pledge administrator

EXECUTION
VERSION

19 November 2020

AGREEMENT APPOINTING THE PLEDGE ADMINISTRATOR

Between

HB REAVIS FINANCE PL 3 SP. Z O.O.

as the Issuer

and

MBANK S.A.

as the Pledge Administrator

Table of Contents

1.	DEFINITIONS AND INTERPRETATION	1
2.	APPOINTMENT OF A PLEDGE ADMINISTRATOR.....	4
3.	REPRESENTATIONS AND WARRANTIES OF THE ISSUER	4
4.	COVENANTS OF THE ISSUER	5
5.	PROTECTION OF THE PLEDGE ADMINISTRATOR	5
6.	SATISFACTION	5
7.	APPLICATION OF PROCEEDS	6
8.	RELEASE OF THE PLEDGE	7
9.	TERMINATION OF THE AGREEMENT	7
10.	COSTS.....	7
11.	STAMP DUTY AND OTHER FEES	7
12.	LIABILITY	8
13.	ASSIGNMENT OF RIGHTS UNDER THIS AGREEMENT AND DISCLOSURE OF INFORMATION.....	8
14.	NOTICES	8
15.	AMENDMENTS, CONSENTS AND AUTHORISATIONS	9
16.	WAIVER OF RIGHTS AND SEVERABILITY	9
17.	FURTHER ASSURANCES	9
18.	GOVERNING LAW.....	9
19.	DISPUTE RESOLUTION	9
20.	FORM OF AGREEMENT	9
	SCHEDULE 1 FORM OF THE ENFORCEMENT NOTICE	10

This **AGREEMENT APPOINTING THE PLEDGE ADMINISTRATOR** (hereinafter referred to as the **"Agreement"**) was concluded in Warsaw on 19 November 2020

BY AND BETWEEN

(1) **HB REAVIS FINANCE PL 3 SP. Z O.O.**, with its registered office in Warsaw, address: ul. Postępu 14, 02-676 Warsaw, Poland, recorded in the business register at the National Court Register under number KRS 0000741386, whose documentation is kept by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, REGON 380827481, NIP 5252757202, with its share capital of PLN 10,000.00 PLN (the **"Issuer"** or the **"Pledgor"**),

and

(2) **MBANK S.A.**, with its registered office in Warsaw, address: ul. Senatorska 18, 00-950 Warsaw, recorded in the National Court Register under number 0000025237, whose documentation is kept by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, REGON 001254524, NIP 5260215088, with its share capital paid up in full in the amount of PLN 169,461,036 (the **"Pledge Administrator"** or **"mBank"**),

The Issuer and the Pledge Administrator shall be hereinafter individually referred to as a **"Party"**, and jointly as the **"Parties"**.

WHEREAS:

- (A) On 13 November 2020 the Issuer concluded a programme agreement with mBank and Haitong (as defined below) (the **"Programme Agreement"**) relating to the establishment of a programme of issuance of the Issuer's bonds up to the amount of PLN 400,000,000.
- (B) Pursuant to the Programme Agreement the Issuer shall issue the Bonds (as defined below) under the Programme (as defined below).
- (C) The Parties hereby conclude this Agreement in order to appoint the Pledge Administrator as the pledge administrator securing the receivables under the Bonds.
- (D) According to art. 4 sec. 4 of the Act on Registered Pledge (as defined below), the Issuer as the issuer of the Bonds is obliged to conclude an agreement with the pledge administrator.

NOW, THEREFORE, THE PARTIES HAVE RESOLVED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

"Act on Registered Pledge"	means the Act dated 6 December 1996 on registered pledge and pledge register (consolidated text: Journal of Laws/Dz. U. of 2018, item 2017, as amended).
"Agents"	means mBank and Haitong and the "Agent" means each of them separately.
"Bond"	means a non-documentary (dematerialised) bearer security, with a unit nominal value amounting to PLN 1,000 (in words:

	one thousand zlotys) or a multiple of this amount, issued by the Pledgor under the Programme.
“Bondholder”	means a person entitled to receive payment under the Bonds.
“Civil Code”	means the Civil Code dated 23 April 1964 (consolidated text: Journal of Laws/Dz. U. of 2020, item 1740, as amended).
“Code of Civil Procedure”	means the Code of Civil Procedure dated 17 November 1964 (consolidated text: Journal of Laws/Dz. U. of 2020, item 1575, as amended)
“Enforcement Instruction”	means an instruction of the Instructing Bondholder addressed to the Pledge Administrator, drawn up according to the form attached as schedule 5 (<i>Form of the Enforcement Instruction</i>) to the Terms and Conditions and which contains at least a statement by the Bondholder that an event of non-payment of a due and payable amount has occurred and is continuing with respect to the Bonds held by it.
“Enforcement Notice”	means the notice drawn up substantially in the form set out in Schedule 1 (<i>Form of the enforcement notice</i>) to this Agreement.
“Haitong”	means Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce with its registered office in Warsaw, at ul. Złota 59, 00-120 Warsaw, whose documentation is kept by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, recorded in the National Court Register under number 0000302998, NIP 1070041602.
“Instructing Bondholder”	means a Bondholder who provided the Pledge Administrator with the Enforcement Instruction.
“KDPW”	has the meaning assigned to this term in the Terms and Conditions.
“Pledge Administrator”	has the meaning assigned to this term in the introduction to this Agreement.
“Pledge”	means the registered pledge on movable assets of the enterprise of the Pledgor within the meaning of article 55 ¹ of the Civil Code, established pursuant to the Act on Registered Pledge and Registered Pledge Agreement, described in the Terms and Conditions.
“Pledged Assets”	means the subject of the Pledge.

“Programme”	means a programme of issuance of the Bonds up to the total value PLN 400,000,000 established by the Issuer pursuant to which the Issuer is entitled to issue the Bonds in accordance with the conditions specified in the Programme Agreement and the Terms and Conditions.
“Registered Pledge Agreement”	means the registered pledge on assets agreement dated 19 November 2020 concluded between the Issuer as Pledgor and mBank as Pledgee.
“Secured Claims”	means all existing and future monetary claims that Bondholders have resulting from the Bonds, including Bondholders monetary claims against the Issuer, together with any incidental claims, accessory claims and claims for reimbursement of claim enforcement expenses, including the fee payable to the Pledge Administrator under this Agreement, to the maximum extent permitted by law;
“Security Period”	means the period commencing on the date of this Agreement and ending on the date on which the Issuer satisfies all the pecuniary claims resulting from the Bonds or these claims are annulled or expire in full on a different legal basis (including on the basis of the provisions of the Act on Registered Pledge or the Civil Code), no later than 31 December 2035.
“Suretyship Provider”	means HB Reavis Holding SA, a joint stock company (<i>société anonyme</i>) duly established under the laws of the Grand Duchy of Luxembourg, with its registered office in Luxembourg, at 21, rue Glesener and registered with the Luxembourg trade and companies register (<i>Registre de commerce et des sociétés, Luxembourg</i>) under number B156287.
“Suretyship”	means the suretyship provided by the Suretyship Provider for all liabilities of the Issuer under the Bonds.
“Terms and Conditions”	means the terms and conditions of the issue of the Bonds under the Programme in the form attached as Schedule 1 (<i>Form of the Terms and Conditions</i>) to the Programme Agreement, subject to point 5.1 of the Programme Agreement.

1.2. Interpretation

In this Agreement:

- 1.2.1.** The terms defined in the Terms and Conditions or the Programme Agreement, together with attachments, shall have the same meaning in this Agreement, unless they are defined differently herein or the context requires otherwise.

- 1.2.2.** Any reference in this Agreement made to:
- (a) this Agreement or any other agreement or document shall be understood as references to this Agreement or any other agreements and documents with further amendments, changes, updates or supplements; and
 - (b) a legal provision or an international treaty shall be understood as a reference to such a provision or an international treaty with subsequent amendments, as well as in the case of an act or law – with novations.
- 1.2.3.** Unless the context requires otherwise, a clause is a reference to a clause or a sub-clause of this Agreement, and a “Schedule” is a reference to a schedule of this Agreement.
- 1.2.4.** Titles, subtitles and headings used at the beginning of certain clauses have been provided only for reference and do not affect the interpretation of this Agreement.
- 1.2.5.** Terms and expressions in the plural form cover also the singular form and vice versa.
- 1.2.6.** The Parties confirm that without prejudice to the provisions of this Agreement, any right vested in a Party under this Agreement shall be exercised by the Party on the basis of a reasonable judgment.

2. APPOINTMENT OF A PLEDGE ADMINISTRATOR

- 2.1.** Pursuant to Art. 4 sec. 4 of the Act on Registered Pledge, the Issuer hereby appoints the Pledge Administrator as the pledge administrator with respect to the Pledge.
- 2.2.** The Pledge Administrator hereby accepts the appointment as the pledge administrator, on the terms set out in this Agreement.
- 2.3.** The Pledge Administrator is authorised to exercise and perform in its own name but for the account of all the Bondholders a pledgee's rights and obligations arising under the Registered Pledge Agreement, this Agreement and provisions of law.
- 2.4.** The Pledge Administrator is not required to be a Bondholder.

3. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer represents and warrants to the Pledge Administrator that:

- 3.1.1.** has the right to enter into this Agreement and to exercise the rights and perform the obligations arising hereunder;
- 3.1.2.** all administrative, corporate and other actions required for the conclusion of this Agreement and the performance of the obligations arising hereunder have been correctly taken and remain in full force and effect;
- 3.1.3.** the Pledged Assets may be encumbered with the Pledge;
- 3.1.4.** only the Issuer is entitled to the relevant Pledged Assets that are free and clear of all rights and charges established for third parties and may freely dispose of them;
- 3.1.5.** the Pledged Assets are not the subject of any dispute or third party claim;
- 3.1.6.** the conclusion and performance of this Agreement by the Issuer is not in conflict with or a breach of any provision of law in force in the Republic of Poland, the Issuer's corporate documents or any agreement binding on the Issuer that would affect the validity or effectiveness of the security created on the basis of this Agreement;

- 3.1.7. the Issuer's obligations arising under this Agreement are legally effective, valid and binding and may be enforced against the Issuer in accordance with the terms of this Agreement and applicable law;
- 3.1.8. upon registration, the Pledge will be valid and effective registered pledge over the relevant Pledged Assets; and
- 3.1.9. the Issuer has taken all the necessary action and has all the necessary consents and approvals to enter into and perform this Agreement.

4. COVENANTS OF THE ISSUER

The Issuer covenants to the Pledge Administrator that:

- 4.1. the Pledged Assets will not be sold, assigned or disposed of (and will not be encumbered), other than as permitted by (or in accordance with a consent granted under) the Terms and Conditions;
- 4.2. it shall notify the Pledge Administrator that: (i) any person has taken any action with the aim of instituting enforcement proceedings against any Pledged Assets or part thereof, and/or (ii) enforcement proceedings are instituted against any Pledged Assets or part thereof, promptly after learning of the same;
- 4.3. on the Pledge Administrator's demand, it shall take all actions and provide all the documents necessary in connection with the performance of this Agreement or satisfaction under the Pledge.

5. PROTECTION OF THE PLEDGE ADMINISTRATOR

- 5.1. Subject to clause 6.4 of the Agreement, the Pledge Administrator is not required to examine whether the Issuer has made the payments under the Bonds.
- 5.2. The Pledge Administrator shall not be liable for the accuracy, correctness or completeness of any information (whether written or oral) provided to it by the Issuer.
- 5.3. The Pledge Administrator shall not be liable for taking any action in accordance with the Agreement, Terms and Conditions or for the institution of enforcement against the Pledge in accordance with the terms of the Agreement and Terms and Conditions, except in the case of damages resulting from gross negligence (*rażące niedbalstwo*) or wilful default (*wina umyślna*) upon its part.
- 5.4. The Pledge Administrator is not required to take any action or institute any proceedings in order for rights related to the Pledge to be retained or exercised.

6. SATISFACTION

- 6.1. Satisfaction of the Secured Claims in accordance with the Registered Pledge Agreement takes place within one selected method according to the provisions on court enforcement proceedings set out in Code of Civil Procedure or Art 22 sec. 1 of the Act on Registered Pledge or Art. 24 of the Act on Registered Pledge.
- 6.2. If an Instructing Bondholder gives the Pledge Administrator the Enforcement Instruction, the Pledge Administrator:
 - 6.2.1. will deliver an Enforcement Notice to the Issuer (as the Pledgor);
 - 6.2.2. will notify the Agents of the delivery of the Enforcement Notice to the Issuer and of the Pledged Assets against which satisfaction is to be conducted; and
 - 6.2.3. taking into account the terms and conditions of this Agreement and the Terms and Conditions and subject to the time limits arising under mandatory provisions of law, will take

action consistent with the Enforcement Instructions in order to enforce all or part of the Secured Claims of all the Instructing Bondholders,

unless within five Business Days of receiving the Enforcement Instruction the Issuer or the Suretyship Provider provides the Agents, with a copy to the Pledge Administrator, a written statement that the payments under the Bonds have been made.

- 6.3. The Pledge Administrator has the right to refrain from acting in accordance with the Enforcement Instructions until it receives such security as it may demand to cover any costs, losses or liability (plus any applicable VAT) that it may incur in carrying out those instructions.
- 6.4. In the absence of Enforcement Instructions, the Pledge Administrator is authorised, but is not obligated, to take any enforcement measures or non-enforcement measures in relation to the Pledge.

7. APPLICATION OF PROCEEDS

- 7.1. In case the Pledge Administrator obtains the satisfaction from any Security, the Pledge Administrator shall execute the settlement of the amounts obtained in connection with the execution of that Security, whereby those amounts shall be applied by the Pledge Administrator:

- 7.1.1. in first place, to cover the costs and expenditures of the Pledge Administrator (or persons specified thereby, in particular persons appointed by the Pledge Administrator as the external advisers employed by the Pledge Administrator to ensure proper enforcement of the Security) necessary in connection with the pursuit of satisfaction from a Pledge as referred to in clause 10.1 hereof that are not covered at the relevant time, or towards the return of appropriate amounts to the Bondholders who covered the costs of pursuing satisfaction, in accordance with clause 6.3 above and to cover the Pledge Administrator's remuneration;

- 7.1.2. in second place, to satisfy the receivables of the Bondholders of the Bonds issued under the Programme in the following order: (i) first, on the account of the payment of any default interest, (ii) second, on the account of the payment of any capital interest and (iii) third, on the account of the payment of the nominal value of the Bonds; whereby:

- (a) the amount to be paid for the satisfaction of the Bondholders in accordance with Clause 7.1.2 above shall be divided into parts, from which the Bondholders of each series of Bonds issued under the Programme shall be satisfied, and the allocation of funds to such groups shall be made *pro rata* between the total nominal value of the Bonds issued in a given series of Bonds and the total nominal value of all Bonds issued under the Programme, except for the redeemed Bonds; and
 - (b) the Bondholders of a given series of Bonds issued under the Programme shall be satisfied *pro rata* to the amount of their receivables arising from the Bonds held by a given Bondholder, whereby the Pledge Administrator: (i) shall transfer the amounts calculated in such way to the Instructing Bondholders and (ii) shall deposit in the court deposit, transfer to the KDPW or deposit in other another type of deposit amounts that have not been transferred to the Instructing Bondholders in connection with satisfaction of the Bondholders;

- 7.1.3. in third place – for the return of a surplus to the Issuer.

- 7.2. If there are premises authorising the Pledge Administrator to deposit the proceeds acquired from the satisfaction from the Security, the Pledge Administrator shall deposit the relevant part of the proceeds acquired in such way to the court deposit.

8. RELEASE OF THE PLEDGE

- 8.1. The expiry of the Security Period results in the automatic expiry of the Pledge. Within 10 Business Days from receiving from the Issuer written statement confirming that the Secured Claims has been satisfied in full and as requested by the Pledge Administrator, any other document confirming that the Secured Claims has been satisfied in full and the expiry of the Security Period, the Pledge Administrator shall issue a written statement that the Secured Claims have expired or been satisfied, in particular will provide the Issuer with the statement necessary to deregister the Pledges from the register of pledges and as reasonably requested by the Pledgor any other document necessary to confirm that the Secured Claims has been satisfied in full and the expiry of the Security Period.
- 8.2. The Pledge Administrator has the right to refrain from taking action in accordance with clause 8 of the Agreement until it receives an advance from the Issuer or from the Instructing Bondholder (on the account of the Issuer) to cover any costs related to the deletion of the Pledge.

9. TERMINATION OF THE AGREEMENT

This Agreement shall expire upon delivery to the Issuer by the Pledge Administrator of a written statement confirming that the Secured Claims has been satisfied in full.

10. COSTS

The Issuer:

- 10.1. promptly, on demand, shall cover all the documented costs and expenses (including legal fees) reasonably incurred by the Pledge Administrator, members of its authorities, advisors, attorneys, agents or other persons acting on behalf of or for the benefit of the Pledge Administrator (the “**Indemnified Person**”) in accordance with this Agreement, to the extent necessary to:
- 10.1.1. perform the obligations or exercise the rights under this Agreement; or
- 10.1.2. enforce satisfaction under the Pledge or maintain it,
- except for the costs and expenses incurred as a result of gross negligence or wilful default of such person;
- 10.2. shall redress damage incurred by each Indemnified Person as a result of a failure or a delay in the payment of such costs or expenses, except for the damage incurred as a result of gross negligence or wilful default of such person.

11. STAMP DUTY AND OTHER FEES

The stamp duty, registration fees and similar taxes and charges, which may be due in connection with the conclusion and performance of this Agreement, or in connection with an administrative decision or a court judgment relating to this Agreement shall be incurred by the Issuer. The Issuer shall indemnify the Pledge Administrator, including in respect of the obligation to pay financial penalties related to a delay or a lack of payment of such stamp duty, registration fee or a similar tax or charge.

12. LIABILITY

The Pledge Administrator:

- 12.1. shall not be liable for any actions undertaken or neglected in connection with enforcing any receivables or satisfaction under the Pledge, provided that they have been taken in accordance with this Agreement and the provisions of law;
- 12.2. shall not be liable for any payments in respect of any Pledged Assets and shall not be required to make such payments; and
- 12.3. shall not be liable for non-performance or improper performance of the obligations arising under this Agreement,
except in the case of damages resulting from gross negligence (*rażące niedbalstwo*) or wilful default (*wina umyślna*) upon its part.

13. ASSIGNMENT OF RIGHTS UNDER THIS AGREEMENT AND DISCLOSURE OF INFORMATION

- 13.1. The Issuer may assign its rights or obligations under this Agreement after obtaining the consent of the Pledge Administrator, on pain of invalidity.
- 13.2. The Pledge Administrator may assign its rights or obligations only upon receiving the resolution of the Bondholders Meeting and the consent of the Issuer pursuant to the Terms and Conditions.
- 13.3. If not prohibited by the provisions of law applicable in the Republic of Poland, the Pledge Administrator may disclose to the Bondholders at any time information relating to the Issuer, this Agreement, the Pledge and the Secured Claims.
- 13.4. The Issuer hereby agrees that copies and documents of security for the Bonds may be provided to each Investor (as defined in the Programme Agreement).

14. NOTICES

- 14.1. The provisions of clause 21.10 (*Notices*) of the Programme Agreement are incorporated and apply to this Agreement as if set out in full herein, mutatis mutandis.
- 14.2. Address and contact data of the Pledge Administrator for all the deliveries under or in connection with this Agreement are as follows:

MBANK S.A.

address: DFS

ul. Senatorska 18

00-950 Warszawa

(or with the effect from 20 November 2020: ul. Prosta 18, 00-850 Warszawa)

email: tomasz.galka@mbank.pl;

michal.pielasa@mbank.pl

agencydesk@mbank.pl

attn.: Tomasz Gałka, Michał Pielasa

- 14.3. Address and contact data of the Issuer for all the deliveries under or in connection with this Agreement are as follows:

HB REAVIS FINANCE PL 3 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

address: ul. Postępu 14, 02-676 Warsaw
email: peter.andrasina@hbreavis.com;
marek.buzek@hbreavis.com,
patryk.wroblewski@hbreavis.com

attn.: Peter Andrasina, Marek Buzek, Patryk Wróblewski

15. AMENDMENTS, CONSENTS AND AUTHORISATIONS

- 15.1.** Any amendments and supplements to this Agreement must be in writing to be valid.
- 15.2.** Save for the cases specified in this Agreement, a consent, notice or authorisation issued by the Pledge Administrator in accordance with this Agreement or in connection with it shall be effective only if made in writing.

16. WAIVER OF RIGHTS AND SEVERABILITY

- 16.1.** A delay or failure to exercise any right by the Pledge Administrator under this Agreement shall not negatively affect further existence of such right and shall not be treated as a waiver of such right. A single or partial exercise of a given right shall in no event exclude the possibility of using such right otherwise or the possibility to continue to use such right and shall not exclude the possibility of exercising another right.
- 16.2.** If specific provisions of this Agreement are found to be entirely or partly invalid, the remaining provisions of this Agreement shall remain valid, subject to art. 58 § 3 of the Civil Code. The Parties shall amend the invalid provision so that it corresponds to their original intention to the widest possible extent.

17. FURTHER ASSURANCES

The Issuer, at its own cost, shall take all further actions and shall execute all further documents which may be requested by the Pledge Administrator in order to ensure the effectiveness of the provisions of this Agreement, and in particular (i) in order to maintain or exercise all the rights vested in the Pledge Administrator pursuant to this Agreement and (ii) in order to ensure full effectiveness of the security established pursuant to this Agreement.

18. GOVERNING LAW

This Agreement and any and all non-contractual obligations arising from it shall be governed by Polish law.

19. DISPUTE RESOLUTION

Courts appropriate because of their venue for the Śródmieście District of the capital city of Warsaw shall have jurisdiction to resolve all disputes arising from this Agreement or connected with it (including disputes relating to the existence, validity or termination of this Agreement).

20. FORM OF AGREEMENT

This Agreement is executed with a qualified electronic signature.

SCHEDULE 1
FORM OF THE ENFORCEMENT NOTICE

/on the headed paper of the Pledge Administrator/

To: **HB REAVIS FINANCE PL 3 SP. Z O.O.**, with its registered office in Warsaw, address: ul. Postępu 14, 02-676 Warsaw, Poland, recorded in the business register at the National Court Register under number KRS , whose documentation is kept by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, REGON 380827481, NIP 5252757202, with its share capital paid in the amount of PLN 10,000.00 PLN.

From: **MBANK S.A.**, with its registered office in Warsaw, address: ul. Senatorska 18, 00-950 Warsaw, recorded in the business register of the National Court Register under number KRS 0000025237, whose documentation is kept by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, REGON 001254524, NIP 5260215088, with its share capital paid up in full in the amount of PLN 169,461,036.

Date: [●]

Re.: Enforcement on the basis of the agreement appointing the pledge administrator entered into between the Pledge Administrator and the Issuer on [●] (the “**Agreement**”). (The terms defined in the Agreement have the same meaning herein).

Dear Sirs,

Pursuant to clause 6 (*Satisfaction*) of the Agreement, we inform you that we have received the Enforcement Instruction and that we intend to exercise the rights under the Agreement within 7 days of delivering this notice to you.

Pursuant to the Enforcement Instruction, we intend to enforce the satisfaction of claims against [description] [by way of court enforcement proceedings/ pursuant to Article 22 of the Act on Registered Pledge/ pursuant to Article 24 of the Act on Registered Pledge]].

.

This notice is governed by Polish law.

For and on behalf of **MBANK S.A.**

Name:
Position:

Name:
Position:

SIGNATURE PAGE

Issuer

Name: Marek Buzek
Position: Attorney-in-fact

Pledge Administrator

Name:
Position:

Name:
Position:

9.10 Copy of the registered pledge agreement

EXECUTION
VERSION

19 November 2020

AGREEMENT FOR THE REGISTERED PLEDGE OVER ASSETS

Between

HB REAVIS FINANCE PL 3
SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
as the Pledgor

and

mBANK SPÓŁKA AKCYJNA
as the Pledgee

Table of Contents

1.	DEFINITIONS AND INTERPRETATION	1
2.	REGISTERED PLEDGE	5
3.	LIST OF ASSETS.....	7
4.	PLEDGOR'S REPRESENTATIONS.....	7
5.	PLEDGOR'S UNDERTAKINGS	8
6.	POWER OF ATTORNEY	8
7.	ENFORCEMENT OF THE REGISTERED PLEDGE	9
8.	APPLICATION OF FUNDS	13
9.	LIMITATION OF LIABILITY.....	13
10.	INEFFECTIVE PAYMENTS	13
11.	EXPIRY OF THE SECURITY	13
12.	FURTHER ASSURANCES	13
13.	COSTS AND EXPENSES	13
14.	NOTICES	14
15.	ASSIGNMENT	15
16.	GOVERNING LAW.....	15
17.	JURISDICTION.....	15
18.	LANGUAGE, AMENDMENTS AND COUNTERPARTS	15
	SCHEDULE 1 FORM OF POWER OF ATTORNEY	16
	SCHEDULE 2 FORM OF THE ENFORCEMENT NOTICE	17

THIS AGREEMENT to create a registered pledge (the "**Agreement**") is made on 19 November 2020

BETWEEN:

- (1) **HB REAVIS FINANCE PL 3 SP. Z O.O.** with its registered office in Warsaw, at Postępu 14, 02-676 Warsaw, recorded in the business register at the National Court Register under number KRS 0000741386, whose documentation is kept by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, REGON 380827481, NIP 5252757202, with its share capital of PLN 10,000.00 (the "**Pledgor**" or the "**Issuer**");

and

- (2) **mBANK S.A.** with its registered office in Warsaw, at Senatorska 18, 00-950 Warsaw, recorded in the business register at the National Court Register under number 0000025237, whose documentation is kept by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, REGON 001254524, NIP 5260215088, with its share capital as at 3 November 2020 paid up in full in the amount of PLN 169,461,036 (the "**Pledgee**" or the "**Pledge Administrator**").

INTRODUCTION:

- (A) On 13 November 2020, the Pledgor (as the issuer) concluded with, inter alia, the Pledgee as the issue organizer, technical agent, pledge administrator and dealer, a programme agreement (the "**Programme Agreement**"), pursuant to which the Issuer may conduct multiple issues of the Bonds (as defined below) up to the total value of PLN 400,000,000 (the "**Bond Issue Programme**").
- (B) Pursuant to the Programme Agreement, the Issuer will issue the Bonds under the Bond Issue Programme.
- (C) The Pledgor and the Pledgee, on the basis of the agreement to appoint a pledge administrator concluded on the date of this Agreement (the "**Administrator Agreement**"), decided to appoint the pledge administrator referred to in Art. 4 sec. 4 of the Registered Pledge Law (as defined below), in order for the Pledgee to exercise the rights and obligations of a pledgee on its own behalf, but on the account of the Bondholders (as defined below), with respect to the Registered Pledge (as defined below).
- (D) The bonds will be issued in accordance with Art. 33 point 1 of the Act on Bonds as dematerialised secured bearer bonds.
- (E) To secure the Bondholders' receivables under the Bonds, the Pledgor decided to establish the Registered Pledge.

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement:

"**Account Bank**" means the Pledgee.

"**Act on Bonds**" means the Act on Bonds of 15 January 2015.

"**Administrator Agreement**" has the meaning assigned to this term in point (C) of the Introduction to this Agreement.

"Assets"	means the Moveables and the Rights which constitute the moveable assets of the Enterprise.
"Bank Account Agreement"	means the bank account agreement dated 5 October 2018 pursuant to which the Account Bank opened and maintains each Bank Account for the Pledgor.
"Bank Account Rights"	means the Pledgor's present and future rights, receivables and claims against the Account Bank relating to monies deposited in each Bank Account under the Bank Account Agreement.
"Bank Account"	<p>means each of:</p> <ul style="list-style-type: none"> (i) PLN denominated bank account no. PL 36 1140 1010 0000 3661 6500 1003; (ii) PLN denominated bank account no. PL 77 1140 2062 0000 3661 6500 1001; and (iii) EUR denominated bank account no. PL 09 1140 1010 0000 3661 6500 1004 <p>opened for the Pledgor pursuant to the Bank Account Agreement.</p>
"Banking Law Act"	means the Banking Law Act of 29 August 1997.
"Bankruptcy Law"	means the Bankruptcy Law of 28 February 2003.
"Bond Issue Programme"	has the meaning assigned to this term in the Introduction to this Agreement.
"Bond"	means a non-documentary (dematerialised) bearer security, with a unit nominal value amounting to PLN 1,000 (in words: one thousand zlotys) or a multiple of this amount, issued by the Pledgor under the Bond Issue Programme.
"Bondholder"	has the meaning ascribed to this term in the Administrator Agreement.
"Catalogue"	means the catalogue attached to the Ordinance of the Minister of Justice on the detailed organisation and maintenance of the register of pledges of 15 October 1997 as schedule 1, as amended.
"Civil Code"	means the Civil Code of 23 April 1964.
"Civil Procedure Code"	means the Civil Procedure Code of 17 November 1964.

"Enforcement Instruction"	means the instruction of the Instructing Bondholder sent to the Pledgee, prepared in accordance with the form attached as Schedule 5 (<i>Form of the Enforcement Instruction</i>) to the Terms and Conditions, which contains at least the Bondholder's statement that an event of non-payment of a due and payable amount has occurred and is continuing with respect to the Bonds held by it and the statement regarding the method selected for the enforcement of the Registered Pledge.
"Enforcement Notice"	means a notice in the form of Schedule 1 (<i>Form of an Enforcement Notice</i>) to the Administrator Agreement.
"Enterprise"	means the enterprise of the Pledgor within the meaning of article 55 ¹ of the Civil Code.
"Group"	has the meaning ascribed to this term in the Terms and Conditions.
"Instructing Bondholder"	means a Bondholder that provided the Pledgee an Enforcement Instruction.
"Intra-Group Loans Rights"	means rights of the Pledgor arising from the loans granted by the Issuer to the members of the Group from the amounts acquired as the result of the Bond Issue Programme, assigned as security on the basis of the Assignment Agreement (in accordance with the definition set out in the Terms and Conditions) and the rights of the Pledgor arising under the bonds held by the Pledgor issued by HB Reavis Finance PL 2 sp. z o.o., having ISIN codes PLHBRVS00011 and PLHBRVS00029.
"Moveables"	means inventory, moveable fixed assets, and all other moveable property of the Pledgor, whether owned at the date of this Agreement or subsequently acquired by the Pledgor.
"Power of Attorney"	means a power of attorney in the form set out in Schedule 1 (<i>Form of Power of Attorney</i>).
"Register"	means the register of pledges held by the relevant district court (<i>Sąd Rejonowy</i>), as determined under the Registered Pledge Law.
"Registered Pledge Law"	means the Law of 6 December 1996 on the registered pledge and pledge register.
"Registered Pledge"	is defined in clause 2.1 (<i>Establishment of Registered Pledge</i>).

"Regulation"	means the regulation of the Minister of Justice of 10 March 2009 in relation to the sale of the subject of the registered pledge by public auction (Journal of Laws of 2009, No. 45, item 371).
"Restructuring Law"	means the act of 15 May 2015 – Restructuring Law.
"Rights"	means: (i) the Bank Account Rights and (ii) all other rights of the Pledgor under any title or agreement, whether held at the date of this Agreement or subsequently acquired by the Pledgor, except for the Intra-Group Loans Rights.
"Secured Claims"	means all existing and future monetary claims that bondholders have resulting from the Bonds issued under the Bond Issue Programme, including bondholders monetary claims against the Issuer resulting from the Bonds, together with any incidental claims, accessory claims and claims for reimbursement of claim enforcement expenses, including the fee payable to the Pledgee under the Administrator Agreement, to the maximum extent permitted by law.
"Security Period"	means the period commencing on the date of this Agreement and ending on the date in which the monetary claims resulting from the Bonds will be satisfied fully and irrevocably, in such a manner that it will expire in full, however no later than on 31 December 2035.
"Terms and Conditions"	means the terms and conditions of the issue of the Bonds under the Programme in the form attached as Schedule 1 (<i>Form of the Terms and Conditions</i>) to the Programme Agreement.
"Valuer"	means: (i) one of the following entities that will be appointed by the Pledge Administrator for the purposes set out in Clause 7 of this Agreement: KPMG Advisory sp. z o.o., Deloitte Advisory sp. z o.o., Ernst&Young spółka z ograniczoną odpowiedzialnością Corporate Finance sp.k., PricewaterhouseCoopers Polska sp. z o.o. or Grant Thornton Frąckowiak spółka z ograniczoną odpowiedzialnością sp.k., their legal successors or companies from their capital groups performing services related to the valuation of assets; or (ii) if they do not agree to perform in above-mentioned services, the professional valuer indicated by the Pledge Administrator at its own discretion after consultation with the Pledgor.

1.2. Interpretation

In this Agreement:

#100033525v11<RZDMS>

- 1.2.1. All terms written with capital letters and not defined in this Agreement have the meaning ascribed to them in the Terms and Conditions.
- 1.2.2. Any reference in this Agreement to this Agreement or any other agreement or document shall be construed as a reference to this Agreement or any other agreement or document as the same may have been from time to time amended, varied, novated or supplemented.
- 1.2.3. Unless otherwise stated, "Clause" is a reference to a clause or sub-clause of this Agreement and "Schedule" is a reference to a schedule attached to this Agreement.

2. REGISTERED PLEDGE

2.1. Establishment of Registered Pledge

In order to secure the Secured Claims the Pledgor hereby establishes in favour of the Pledgee acting as a pledge administrator on behalf of the Bondholders a first-ranking registered pledge over the Assets to be registered in the Register under the Registered Pledge Law (the "**Registered Pledge**"). The Pledgee acting as a pledge administrator on behalf of the Bondholders accepts the establishment of the Registered Pledge.

2.2. Maximum Amount of Security

The Registered Pledge is being established up to a maximum amount of security being PLN 600,000,000 (in words: six hundred million zlotys).

2.3. Representations for the purposes of registration

For the purpose of registering the Registered Pledge in the Register, the Pledgor makes the following representations:

- a) the value of the Assets as of the date on 30 September 2020 is PLN 55,007.32 (in words: fifty-five thousand and seven zlotys 32/100); and
- b) the Assets are located in Warsaw at Postępu 14, 02-676 Warsaw, Poland.

2.4. Future Assets

The Registered Pledge will encumber each Asset originated, converted, or acquired by the Pledgor after the date of this Agreement with effect from the date such Asset is acquired. The Registered Pledge will also encumber each Asset which, as a replacement (*surogat*), substitutes any other Asset (or its part) as a result of it being disposed of, converted, or lost.

2.5. Registration

The Pledgor must act diligently in registering the Registered Pledge in the Register and in particular:

- 2.5.1. The Registered Pledge should be entered into the Register within 60 Days from the date of the issue of the Bonds, compliant with the Terms and Conditions;
- 2.5.2. the Pledgor must submit (at its own cost and expense) a complete motion for registration of the Registered Pledge in the Register ("**Motion**"), compliant with this Agreement and the Registered Pledge Law, to the competent court within 3 Business Days of the date hereof;
- 2.5.3. within 2 Business Days from the day of submitting the Motion to the competent court, the Pledgor must submit to the Pledgee a copy of the confirmation confirming the day of filing

of the Motion with the competent court together with evidence of payment of all applicable court fees; and

- 2.5.4.** within 3 Business Days from the day of receipt of the decision of the district (commercial) court on registration of the Registered Pledge in the Register, the Pledgor must verify the entries in the Register relating to the Registered Pledge in terms of their compliance with this Agreement and the Motion and if there is any mistake, discrepancy or inconsistency, the Pledgor must at its own cost and within applicable time limits, take all actions necessary to rectify the mistake, discrepancy or inconsistency in the Register.

2.6. Classification of the Subject of the Pledge

The Motion must classify the Assets as item B1 of the Catalogue (*movable assets of an enterprise*) unless the competent district (commercial) court requires otherwise.

2.7. Correspondence address

- 2.7.1.** The Pledgor hereby represents that the correspondence address of the Pledgor for the purposes of registration of the Registered Pledge in the Register is as follows: ul. Postępu 14, 02-676 Warsaw, Poland.

- 2.7.2.** The Pledgee hereby represents that the correspondence address of the Pledgee for the purposes of registration of the Registered Pledge in the Register is as follows: Rymarz, Zdort, Gasiński, Her, Iwaniszyn, Miklas, Uziębło i Wspólnicy spółka komandytowa, Emilii Plater 53, 20th floor, 00-113 Warsaw, Poland, for the attention of Marcin Iwaniszyn and Jerzy Bombczyński.

2.8. Bank Account Rights

- 2.8.1.** Notwithstanding the provisions of articles 319 and 333 of the Civil Code, the Pledgor continues to be entitled to collect the Bank Account Rights until the date on which the Pledgee delivers a notice to the contrary to the Pledgor.

- 2.8.2.** The Pledgee agrees to refrain from exercising its right to collect the Bank Account Rights prior to the delivery of the Enforcement Instruction.

2.9. Confirmation of Pledgor's rights to the Bank Account Rights

At the request of the Pledgor, if no Enforcement Instruction has been delivered to the Pledgor, the Pledgee will confirm to the Pledgor that the Pledgor is allowed to receive and dispose of specific proceeds in respect of the **Bank Account Rights**.

2.10. Bank Account Rights following the Enforcement Instruction

If the Enforcement Instruction has been delivered to the Pledgor by the Pledgee, the Pledgor shall obey the instructions of the Pledgee in relation to the Bank Account Rights and refrain from demanding or accepting any sums in respect of the Bank Account Rights.

2.11. Deadlines

The time limits set out in clause 2.5 (*Registration*) do not prejudice shorter periods of time (if any) which may apply to certain actions to be undertaken or completed in accordance with the Terms and Conditions.

3. LIST OF ASSETS

If the Secured Claims or any part thereof become due and payable, the Pledgee shall be entitled to demand that in order to protect the Secured Claims, a detailed list of the Assets (*spis z natury*) to be prepared at the cost of the Pledgor within 5 Business Days from presenting such a demand by the Pledgee, in which case the Pledgor must provide the Pledgee (or any agent or representative appointed by the Pledgee) with all requested information, documents and assistance and must allow the Pledgee (or its agent or representative) to access its books and enter the premises where the Assets and books are located. The physical inventory of the Assets will be conducted by a person appointed by the Pledgee. The Pledgee shall inform the Pledgor of actions relating to the preparation of list and a representative of the Pledgor will be permitted to participate in these actions and provide comments, which will be included in a protocol. The Pledgee shall be entitled to file the list of Assets prepared based on this procedure (*spis z natury*) with the district (commercial) court at the cost of the Pledgor.

4. PLEDGOR'S REPRESENTATIONS

4.1. Representations and warranties

Without prejudice and in addition to any representations and warranties made in the Programme Agreement, the Pledgor makes the following representations and warranties to the Pledgee:

4.1.1. Status of the Pledgor

The Pledgor is a limited liability company duly incorporated and validly existing under the laws of Poland.

4.1.2. Ownership of the Assets

The Assets are free of any security interests, encumbrances or rights of third parties and have not been encumbered, transferred or attached, nor has the Pledgor agreed to any transfer, encumbrance or attachment to take place in the future.

4.1.3. Status of the Bank Account Rights

The Bank Account Rights are free of any security interests, encumbrances or rights of third parties and have not been encumbered, transferred or attached, nor has the Pledgor agreed to any transfer, encumbrance or attachment to take place in the future.

4.1.4. Restriction on creation of security interest

There is no prohibition on the creation of the Registered Pledge over the Assets or any part thereof.

4.1.5. Status of the Assets

To the best of the Pledgor's knowledge, the Assets constitute a collection of Moveables and Rights which constitute the moveable assets of the Enterprise.

4.1.6. Validity of this Agreement

This Agreement constitutes legal, valid, and binding obligations on the Pledgor.

4.1.7. Power and authority to enter into this Agreement

The Pledgor has the power to enter into this Agreement, to execute the Power of Attorney and to perform its obligations hereunder. All necessary corporate actions have been taken to authorise

the entry into and performance of this Agreement and the transactions contemplated by this Agreement. No limits on the powers of the Pledgee have been or will be exceeded as a result of the taking of any action contemplated by this Agreement.

4.1.8. Validity and ranking of the Registered Pledge

Upon registration in the Register, the Registered Pledge will constitute the valid first-ranking registered pledge under the Registered Pledge Law in favour of the Pledgee.

4.1.9. Non-contravention

The entry into this Agreement and the exercise by the Pledgor of any rights or performance of any obligations under this Agreement does not and will not result in breach of any obligation binding upon it or affecting any of the Assets.

5. PLEDGOR'S UNDERTAKINGS

5.1. Undertakings

In addition to undertakings set out in the Terms and Conditions, the Pledgor makes the following undertakings:

5.1.1. Negative Pledge

The Pledgor shall not:

- a) sell, assign, or otherwise dispose of the Assets or any part thereof; and
 - b) encumber the Assets or any part thereof with any third-party rights,
- other than as permitted by (or in accordance with a consent granted under) the Terms and Conditions.

5.1.2. Notification of Enforcement

The Pledgor must notify the Pledgee forthwith upon becoming aware that (i) any action is taken or planned to be taken by any party with a view to commencing execution proceedings directed against the Assets or any part of them, or (ii) execution proceedings directed against the Assets or any part of them have been commenced.

6. POWER OF ATTORNEY

6.1. Power of attorney

On the date of this Agreement the Pledgor shall grant to the Pledgee the Power of Attorney.

6.2. Terms applicable to the Power of Attorney

6.2.1. The Power of Attorney shall be irrevocable during the Security Period and shall expire upon the expiry of the Security Period.

6.2.2. Promptly upon the request of the Pledgee, the Pledgor shall ratify and confirm any action taken or purported to be taken by any attorney (or its delegate) under the Power of Attorney.

6.2.3. Promptly upon the request of the Pledgee, the Pledgor shall deliver to the Pledgee:

- (a) documents confirming the grant of the Power of Attorney (including the Power of Attorney re-executed); and
- (b) documents confirming that the Pledgor ratified and confirmed any action taken or purported to be taken by any attorney (or its delegate) under the Power of Attorney

in form and substance satisfactory to the Pledgee.

7. ENFORCEMENT OF THE REGISTERED PLEDGE

7.1. The Registered Pledge can be enforced as follows:

- 7.1.1. If the Bondholders' receivables under the Bonds become due and payable, and the Issuer does not satisfy these receivables pursuant to the Terms and Conditions, the Bondholder may demand that the Pledge Administrator proceeds to enforce the Registered Pledge.
- 7.1.2. If the Pledge Administrator receives the Enforcement Instructions from a Bondholder or the Bondholders, the Pledge Administrator may, after notifying any remaining Bondholders and delivering the Enforcement Notice to the Pledgor, and subject to the provisions of the Registered Pledge Act and the provisions hereof, proceed to enforce the Registered Pledge.
- 7.1.3. The Pledge Administrator shall be authorised to enforce the Registered Pledge with regard to the Assets, or only some selected elements thereof, through any of the following methods, as specified in the Enforcement Instructions:
 - (a) **Court Enforcement:** by commencing court enforcement proceedings in accordance with the provisions of the Civil Procedure Code;
 - (b) **Seizure:** in accordance with Article 22 section 1 of the Registered Pledge Act, through a seizure of the title to the Assets or their part (after obtaining all of the required consents of the relevant authorities, if necessary) (the "**Seizure**");
 - (c) **Auction Sale:** in accordance with Article 24 of Act on Registered Pledge and the Regulation, by selling the Assets or a part thereof by way of a public auction conducted by a notary or a court bailiff in accordance with the Registered Pledge Act (the "**Auction Sale**").
- 7.1.4. Enforcement through Seizure or Auction Sale may be carried out by the Pledgee not earlier than seven (7) days after the delivery of the Enforcement Notice.

7.2. Procedure for selecting the enforcement method

- 7.2.1. The Terms and Conditions provide that the Bondholder that intends to enforce the Registered Pledge must submit to the Pledge Administrator duly filled in and signed Enforcement Instructions specifying the method of enforcement, as set forth in clause 7.1.3 of the Agreement.
- 7.2.2. If the Bondholder or the Bondholders deliver the Enforcement Instructions to the Pledge Administrator, the Pledge Administrator shall then notify the Issuer and any remaining Bondholders thereof by placing an announcement to that effect on its website summoning the Bondholders to submit their Enforcement Instructions and notifying them that they are entitled to vote on the selection of the enforcement method. The Bondholders wishing to

do so should submit their Enforcement Instructions within 14 days from the date on which the relevant notice was published on the Pledge Administrator's website (the "**Instructions Submission Deadline**").

- 7.2.3. The Enforcement Instructions are deemed effectively delivered if delivered to the Pledge Administrator in writing or signed electronically using a certified electronic signature.
- 7.2.4. If a given enforcement method with regard to the Registered Pledge has been specified in the Enforcement Instructions submitted by the Bondholders holding more than 50% of the aggregate nominal value of the Bonds, the selection of such enforcement method shall be binding on the Pledge Administrator, unless implementing such method is contrary to applicable laws.
- 7.2.5. If no binding Enforcement Instructions are provided, the Pledge Administrator shall have the right, but not an obligation, to proceed as it sees fit at its sole discretion in order to best serve the interests of the Bondholders.
- 7.2.6. The Bondholders who submit their Enforcement Instructions after the Instructions Submission Deadline consent to the Pledge Administrator proceeding with the enforcement in the manner specified in the Enforcement Instructions that are binding on the Pledge Administrator or, if there are no binding Enforcement Instructions, in the manner selected by the Pledge Administrator.

7.3. Seizure

- 7.3.1. If the Pledge Administrator decides to enforce the Registered Pledge by way of the Seizure, the Seizure shall occur based on a given value (the "**Seizure Value**"):
 - (a) if, at the request of the Pledge Administrator, the Valuer(s) performed a valuation of the Shares that is:
 - (i) equal to 67% of the value of the Assets presented by the Valuer (or Valuers) in the valuation(s), if it shows (they show) one and the same value of the Assets;
 - (ii) equal to 67% of the lowest value of the Assets presented by the Valuer (or Valuers) in the valuation(s), if it shows (they show) more than one and the same value of the Assets; or
 - (b) if, for any reason, the valuation of the Assets (i) is not performed because the entity that satisfied the conditions to be appointed as the Valuer refused to accept such appointment within one (1) month from the moment at which the Pledge Administrator commenced its efforts, (ii) is not performed by the Valuer within one (1) month from the date of the engagement (specifically because the Pledgor failed to cover the costs of its preparation, the Pledgor refused to accept the obligation with respect to the Valuer to cover such costs, or the Pledgor failed to provide the information or documents required by the Valuer to perform such valuation of the Assets), or (iii) is made by the Valuer within one (1) month from the engagement, but the valuation is qualified in terms to the quality or scope of the information or documents obtained by the Valuer from the Pledge Administrator or used by the Valuer, based on the value:

- (i) corresponding to the value of the Assets stated in the valuation attached to the Terms and Conditions; or
- (ii) corresponding to 50% of the net value of the Assets, calculated by the Pledge Administrator based on the data included in the most recent audited financial statements unqualified in terms of the accuracy or reliability thereof, or other financial statements that the Pledgee deems to be reliably prepared by the Pledgor, available to the Pledgee, if they were prepared as at a date falling not earlier than six (6) months prior to the date of the Seizure,

and if that value amounts to PLN 0 or is negative, at the value of PLN 1.

7.3.2. For the purpose of obtaining a valuation of the Assets, the following rules shall apply:

- (a) the Pledge Administrator shall be entitled to appoint a Valuer, at the Pledgor's cost and expense, to perform a valuation of the Assets (or a part of the Assets if it decides to seize only certain Assets) using market standard valuation methods and applicable professional standards;
- (b) the Pledge Administrator undertakes to deliver to the Pledgor a notice specifying the estimated costs of the valuation. The Pledgor will immediately pay such costs (and, subject to further notification from the Pledgee, any further costs incurred or to be incurred by the Pledgee in connection with the valuation) to an account designated by the Pledgee;
- (c) the Pledgor shall:
 - (i) provide all reasonably required information relating to the Assets;
 - (ii) co-operate fully with the Pledge Administrator, the Valuer, advisers and agents in connection with the valuation; and
 - (iii) take any action required by the Pledge Administrator or the Valuer that may be reasonably required or necessary for the preparation of the valuation.
- (d) In particular, if in the Valuer's reasonable opinion the most recent financial statements of the Pledgor or the most recent valuation of the Assets provided to the Valuer do not fairly and truly represent the current financial condition of the Pledgor or the current value of the Assets, the Pledgor shall be required to prepare, at the Pledge Administrator's request, the document that meets the requirements of the financial statement, in particular with regard to the balance sheet, on the basis of which its current financial condition can be assessed. If the Pledgor does not provide the Valuer or the Pledge Administrator with information or other assistance that they request, the Valuer will be authorised to make such assumptions as it deems appropriate in relation to the missing information and to adjust its valuation of the Assets accordingly.

7.3.3. The Pledgee shall be entitled to seize the title to all of the Assets or only certain Assets selected at its discretion. The Pledgee shall indicate the Assets being seized and their Seizure Value in the seizure notice, which may be delivered to the Pledgor not earlier than seven (7) days after the delivery of the Enforcement Notice.

- 7.3.4.** The Pledgor shall immediately surrender the Assets that are being seized by the Pledge Administrator and make them available for collection by the Pledgee or its representatives on the date on which the Seizure takes effect.
- 7.4.** Rules of proceeding after the ownership title to the Assets is seized
- 7.4.1.** If within 12 months from seizing title to the Assets the Pledge Administrator sells the seized Assets (or any part thereof), the Pledge Administrator shall credit the proceeds from the sale of the Assets towards the repayment of the Secured Claims, in an amount constituting the excess above the amount constituting the sum of:
- (a) the Seizure Value;
 - (b) the value of all of the costs of the sale and all of the costs associated with the ownership of the Assets incurred by the Pledge Administrator from the date on which the ownership title to the Assets is seized until the date of their sale; and
 - (c) all of the taxes levied on the Pledge Administrator in connection with seeking satisfaction under the Pledges or with the sale of the Assets.
- 7.4.2.** After the ownership title to the Assets has been transferred, the Pledgor may indicate to the Pledge Administrator certain entities that are potentially interested in purchasing the Assets from the Pledge Administrator. Each such entity indicated by the Pledgor shall be invited by the Pledge Administrator to participate in the Assets sale process. However, no such entity will have the right of first refusal to purchase the Assets or the right to any other preferential treatment.
- 7.5.** Auction sale
- 7.5.1.** If the Pledge Administrator decides to enforce the Registered Pledge by way of the Auction Sale, a public auction shall be carried out by a notary or a court bailiff pursuant to Article 24 of the Registered Pledge Act and the Regulation within 14 days from the date on which the Pledge Administrator submits an application for such auction, and if not otherwise required by law:
- (a) Place: the public auction shall be carried out in Warsaw or in another location designated by the Pledge Administrator;
 - (b) Costs: the costs of such public auction shall be borne in full by the Pledgor;
 - (c) Estimated Valuation: the estimated valuation of the Assets shall be agreed between the Pledgor and the Pledge Administrator within seven days from the date of delivery to the Pledgor of the Enforcement Notice indicating the Auction Sale as a method of enforcement in relation to some or all the Assets. If within this time the Pledgor and the Pledgee do not reach an agreement as to the estimated valuation, such valuation shall be performed, at the cost of the Pledgor, by the Valuer or a different reputable valuer appointed by the notary or bailiff in consultation with the Pledge Administrator;
 - (d) Selling all or part of the Assets: the Pledge Administrator will instruct the notary or the bailiff as to whether to sell all of the Assets (in a single auction), or instead to sell the Assets in parts (in which case, a number of auctions can be organised for individual Assets or separate groups of Assets);

- (e) Bidding Price: the bidding price for the Assets will be equal to 75% of the estimated valuation referred to in clause (c) above for the first public auction and at least 50% of the estimated valuation referred to in clause (c) above for each subsequent public auction; and
- (f) Terms of Payment: the Pledge Administrator shall be entitled to specify, at its sole discretion, the method and terms of payment of the purchase price for the Assets.

8. APPLICATION OF FUNDS

Any funds obtained by the Pledge Administrator as a result of any activities taken in order to enforce the Registered Pledge pursuant to this Agreement will be credited in accordance with the order specified in Clause 7 (*Application of Proceeds*) of the Administrator Agreement.

9. LIMITATION OF LIABILITY

The Pledgee is not liable by reason of (a) taking any action permitted by this Agreement or (b) realisation of the security created under this Agreement or any part of it, except in the case of damages resulting from gross negligence (*rażące niedbalstwo*) or wilful default (*wina umyślna*) upon its part.

10. INEFFECTIVE PAYMENTS

Subject to Article 18a of the Registered Pledge Law, the Pledge Administrator is not obliged to declare the expiration of the Registered Pledge if the satisfaction of the Secured Claims could reasonably be considered as ineffective or invalid under Article 127 and subsequent of the Bankruptcy Law, Article 304 of the Restructuring Law or under Article 527 of the Civil Code.

11. EXPIRY OF THE SECURITY

Following the expiry of the Security Period, at the request and expense of the Pledgor, the Pledge Administrator shall within 14 Business Days from the Pledgor's request:

- 11.1. deliver to the Pledgor a written statement certifying that the Secured Claims have been discharged in full and this Agreement has expired; or
- 11.2. produce any other document necessary to evidence the expiry of this Agreement in the form reasonably requested by the Pledgor.

12. FURTHER ASSURANCES

The Pledgor must (at its own expense) promptly sign any document and do any act that the Pledge Administrator reasonably requests from time to time in order to perfect the security granted or intended to be granted by this Agreement and to enable the Pledge Administrator to obtain the full benefit of that security.

13. COSTS AND EXPENSES

- 13.1. The Pledgor will immediately, upon request, cover all documented costs and expenses (including legal fees) incurred by the Pledge Administrator, members of its corporate bodies, advisers, attorneys-in-fact, agents or other persons acting for or on behalf of the Pledge Administrator (the "**Indemnified Person**") pursuant to this Agreement within the scope necessary to:

- 13.1.1.** fulfil the obligations or exercise the rights resulting from this Agreement, including the costs and expenses incurred by the Pledge Administrator in connection with the actions taken under clause 13 hereof; or
- 13.1.2.** seek enforcement against the subject of any Registered Pledge established under this Agreement or its maintenance,
- excluding the costs or expenses incurred as a result of gross negligence or wilful default of such person.
- 13.2.** The Pledgor will redress any damage sustained by each Indemnified Person as a result of a failure to pay or a delay in payment of such costs or expenses, excluding the damage sustained as a result of gross negligence or wilful default of such person.

14. NOTICES

- 14.1.** Any statement, notice, instruction and other information exchanged between the Parties in connection with this Agreement must be in writing, otherwise being null and void, and shall be prepared in Polish and served personally to the addressee with written confirmation of receipt, or delivered by courier with written confirmation of receipt, or sent by registered mail ("*przesyłka polecona*") or registered letter ("*list polecony*") with confirmation of the receipt to the following addresses in the Republic of Poland:

- 14.1.1.** in the case of the Pledgor:

HB REAVIS FINANCE PL 3 SP. Z O.O.

ul. Postępu 14

02-676 Warszawa

With a copy to: Peter Andrasina, Marek Buzek, Patryk Wróblewski

E-mail: peter.andrasina@hbreavis.com;

marek.buzek@hbreavis.com;

patryk.wroblewski@hbreavis.com

- 14.1.2.** in the case of the Pledgee

mBank S.A.

DFS

ul. Senatorska 18

00-950 Warszawa

(or with the effect from 20 November 2020: ul. Prosta 18, 00-850 Warszawa)

With a copy to: Tomasz Gałka, Michał Pielasa

E-mail: tomasz.galka@mbank.pl;

michal.pielasa@mbank.pl

agencydesk@mbank.pl

or any substitute address, e-mail address or fax number or department or officer as such party may notify to the Pledgee or to the Pledgor with no less than five Business Days' notice.

15. ASSIGNMENT

- 15.1.** The Pledgor is not entitled to assign or transfer any of its rights, benefits, and obligations under this Agreement.
- 15.2.** Subject to the provisions of the Act on Bonds and the provisions of the Terms and Conditions regarding the change of the Pledge Administrator, the Pledgee is entitled to assign all or a portion of its rights under this Agreement to a third party ("**New Pledgee**"). Upon the Pledgee or the New Pledgee's request, the Pledgor shall execute any other documents as may be required to evidence or perfect the assignment and transfer in relation to this Agreement.

16. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by Polish law.

17. JURISDICTION

The courts competent for District Śródmieście of the Capital City of Warsaw shall have jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement).

18. LANGUAGE, AMENDMENTS AND COUNTERPARTS

18.1. Language of this Agreement

This Agreement is executed in an English and Polish language version. Both language versions may be used for interpretation but, if there is any discrepancy between the English and the Polish language version, the Polish language version shall prevail.

18.2. Amendments

All amendments to this Agreement are null and void unless approved by the parties in writing.

18.3. Counterparts

This Agreement is executed in 3 counterparts in Polish and 2 counterparts in English, one Polish counterpart and one English counterpart for each party and one Polish counterpart for registration of the Registered Pledge in the Register.

SCHEDULE 1
FORM OF POWER OF ATTORNEY

To: mBank S.A. (the "**Pledgee**")

From: HB REAVIS FINANCE PL 3 sp. z o.o. (the "**Pledgor**")

Date: [●]

Agreement for the registered pledge over assets between the Pledgee and the Pledgor dated 19 November 2020 (the "Agreement")

We refer to the Agreement. This power of attorney is granted pursuant to clause 6 (*Power of Attorney*) of the Agreement.

The Pledgor hereby grants the power of attorney to the Pledgee and declares that the Pledgee is authorised to take in its name any action that the Pledgor is obliged to take under the Agreement.

The Pledgee has the right to appoint substitute representatives in relation to the authority granted to it under this power of attorney. The Pledgee may appoint qualified attorneys to commence and conduct proceedings on behalf of the Pledgor.

The Pledgee may be a party to any document entered into by it on behalf of the Pledgor. The limitations set forth in article 108 of the Civil Code do not apply.

The Pledgee has the right to take or abstain from taking any action under this power of attorney in the manner it thinks fit. Specifically, the Pledgee has the right to determine the terms and conditions of any document to be entered into under this power of attorney.

The Pledgor waives its right to revoke this power of attorney. The Pledgor declares that the irrevocability of this power of attorney is justified by the nature of the legal relationship between the Pledgor and the Pledgee.

This power of attorney is governed by Polish law.

This power of attorney is executed in Polish and in English language version. If there is any discrepancy between the English and the Polish language version, the English language version shall prevail.

For and on behalf of the HB Reavis Finance PL 3 sp. z o.o.

Name and surname:

Position:

SCHEDULE 2
FORM OF THE ENFORCEMENT NOTICE

[Comment: may be transferred to the agreement with the administrator]

To: HB REAVIS FINANCE PL 3 sp. z o.o. (the “Pledgor”)

From: mBank S.A. (the “Pledgee”)

Date: [...]

Agreement on the registered pledge established over the assets concluded between the Pledgee and the Pledgor on 19 November 2020 (the “Agreement”)

Dear Sirs and Mesdames,

This notice relates to the Agreement. Terms defined in the Agreement have the same meanings in this Enforcement Notice.

This constitutes the Enforcement Notice. Pursuant to Clause 7 (*Enforcement of the Registered Pledge*) of the Agreement, we give you notice that we intend to exercise our rights under the Agreement.

We give you notice that we intend to enforce the Registered Pledge:

[through court enforcement proceedings]

/

[Pursuant to Clause 7.1.3(b) (*Seizure*) of the Agreement and Article 22 of the Registered Pledge Act, by way of the seizure of title to the Assets not earlier than seven days after the delivery of this notice to you.]

/

[Pursuant to Clause 7.1.3(c) (*Sale*) of the Agreement and Article 24 of the Registered Pledge Act, by way of the sale of the Assets in a public auction carried out by a notary or a public bailiff seven days after the delivery of this notice to you.]

[Please note that, pursuant to Article 25 section 5 of the Registered Pledge Act, you are not permitted to dispose of any Assets without our prior written consent].

[Pursuant to Article 25 section 4 of the Registered Pledge Act, we hereby demand that a detailed list of the Assets (*spis z natury składników majątkowych przedmiotu Zastawu Rejestrowego*) is prepared pursuant to Clause 3 of the Agreement.]

This notice is governed by Polish law.

On behalf of **mBank S.A.**

Name:

Title:

Name:

Title:

The Parties signed this Agreement on the date ascribed in the introduction.

The Pledgor:

HB REAVIS FINANCE PL 3 sp. z o.o.

By:

Name:

Title:

The Pledgee:

mBank S.A.

By:

Name:

Title:

WERSJA
OSTATECZNA

19 listopada 2020 r.

UMOWA ZASTAWU REJESTROWEGO NA AKTYWACH

Pomiędzy

HB REAVIS FINANCE PL 3 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
jako Zastawcą

oraz

mBANK SPÓŁKA AKCYJNA
jako Zastawnikiem

Spis Treści

1.	DEFINICJE I INTERPRETACJA	1
2.	ZASTAW REJESTROWY	5
3.	LISTA AKTYWÓW	7
4.	OŚWIADCZENIA ZASTAWCY	7
5.	ZOBOWIĄZANIA ZASTAWCY	8
6.	PEŁNOMOCNICTWO.....	9
7.	ZASPOKOJENIE Z PRZEDMIOTU ZASTAWU REJESTROWEGO.....	9
8.	PRZEZNACZENIE ŚRODKÓW	13
9.	OGRANICZENIE ODPOWIEDZIALNOŚCI.....	13
10.	NIESKUTECZNA ZAPŁATA.....	13
11.	WYGAŚNIĘCIE ZABEZPIECZENIA	14
12.	DALSZE ZAPEWNIENIA	14
13.	KOSZTY I WYDATKI	14
14.	ZAWIADOMIENIA	14
15.	CESJA	15
16.	PRAWO WŁAŚCIWE	15
17.	JURYSDYKCJA.....	15
18.	JĘZYK, ZMIANY I EGZEMPLARZE UMOWY	15
	ZAŁĄCZNIK 1 WZÓR PEŁNOMOCNICTWA.....	17
	ZAŁĄCZNIK 2 ZAWIADOMIENIE O DOCHODZENIU ZASPOKOJENIA	18

NINIEJSZA UMOWA ustanowienia zastawu rejestrowego („Umowa”) została zawarta dnia 19 listopada 2020 r.

POMIĘDZY:

- (1) **HB Reavis Finance PL 3 sp. z o.o.** z siedzibą w Warszawie przy ul. Postępu 14, 02-676 Warszawa, wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m. st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS: 0000741386, numer REGON: 380827481, numer NIP: 525-275-72-02, z kapitałem zakładowym w wysokości 10.000 PLN („Zastawca” lub „Emitent”);

oraz

- (2) **mBankiem S.A.** z siedzibą w Warszawie, przy ul. Senatorskiej 18, 00-950 Warszawa, wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego pod numerem 0000025237, którego dokumentacja jest przechowywana przez Sąd Rejonowy dla m. st. Warszawy w Warszawie, XII Wydział Gospodarczy Krajowego Rejestru Sądowego, REGON 001254524, NIP 5260215088, o kapitale zakładowym (w pełni opłaconym) wynoszącym 169.461.036 PLN („Zastawnik” lub „Administrator Zastawu”).

WSTĘP:

- (A) Dnia 13 listopada 2020 r. Zastawca (jako emitent) zawarł z, między innymi, Zastawnikiem jako organizatorem emisji, agentem technicznym, administratorem zastawu, i dealerem, umowę programu („Umowa Programu”), zgodnie z którą Emitent może przeprowadzić wiele emisji Obligacji (zdefiniowanych poniżej) do wartości całkowitej wynoszącej 400.000.000 PLN („Program Emisji Obligacji”).
- (B) Zgodnie z Umową Programu, Emitent wyemituje Obligacje na podstawie Programu Emisji Obligacji.
- (C) Zastawca i Zastawnik na podstawie umowy w sprawie powołania administratora zastawu zawartej w dacie niniejszej Umowy („Umowa w Sprawie Powołania Administratora”) postanowili powołać administratora zastawu, o którym mowa w art. 4 ust. 4 Ustawy o Zastawie Rejestrowym (zdefiniowanej poniżej), w celu wykonania przez Zastawnika praw i obowiązków zastawnika we własnym imieniu, ale na rzecz Obligatariuszy (zdefiniowanych poniżej), w odniesieniu do, Zastawu Rejestrowego (zdefiniowanego poniżej).
- (D) Obligacje będą emitowane na podstawie art. 33 pkt 1 Ustawy o Obligacjach jako zabezpieczone zdematerializowane papiery wartościowe na okaziciela.
- (E) W celu zabezpieczenia wierzytelności Obligatariuszy z tytułu Obligacji, Zastawca postanowił ustanowić Zastaw Rejestrowy.

STRONY POSTANAWIAJĄ, co następuje:

1. DEFINICJE I INTERPRETACJA

1.1. Definicje

W niniejszej Umowie:

“Rzecznik”

oznacza: (i) jedną z następujących firm, która zostanie wyznaczona przez Administratora Zastawu dla celów punktu 7: KPMG Advisory sp. z o.o., Deloitte Advisory sp. z

o.o., Ernst&Young spółka z ograniczoną odpowiedzialnością Corporate Finance sp.k., PricewaterhouseCoopers Polska sp. z o.o. lub Grant Thornton Frackowiak spółka z ograniczoną odpowiedzialnością sp.k. lub ich następcy prawni lub spółki z ich grup zajmujące się wyceną majątku; albo (ii) jeśli żadna z tych spółek nie zgodzi się działać w tym charakterze, innego profesjonalnego rzeczoznawcę, jaki zostanie wyznaczony przez Administratora Zastawu według jego własnego uznania po konsultacji z Zastawcą.

„Aktywa”

oznaczają Rzeczy Ruchome i Prawa, które stanowią mienie ruchome Przedsiębiorstwa.

„Bank Prowadzący Rachunek”

oznacza Zastawnika.

„Grupa”

ma znaczenie przypisane terminowi w Warunkach Emisji

„Katalog”

oznacza katalog załączony do Rozporządzenia Ministra Sprawiedliwości w sprawie szczegółowej organizacji i sposobu prowadzenia rejestru zastawów z dnia 15 października 1997 r. jako załącznik 1, z późniejszymi zmianami.

„Kodeks Cywilny”

oznacza Kodeks cywilny z dnia 23 kwietnia 1964 r.

„Kodeks Postępowania Cywilnego”

oznacza Kodeks postępowania cywilnego z dnia 17 listopada 1964 r.

„Obligacja”

oznacza zdematerializowany papier wartościowy na okaziciela, o jednostkowej wartości nominalnej wynoszącej 1.000 PLN (słownie: tysiąc złotych) lub wielokrotność tej kwoty, wyemitowany przez Zastawcę na podstawie Programu Emisji Obligacji.

„Obligatariusz Wydający Polecenie”

oznacza Obligatariusza, który dostarczył Zastawnikowi Polecenie Dochodzenia Zaspokojenia.

„Obligatariusz”

ma znaczenie przypisane temu terminowi w Umowie w Sprawie Powołania Administratora.

„Okres Zabezpieczenia”

oznacza okres rozpoczynający się w dniu zawarcia niniejszej Umowy i kończący się w dniu, w którym roszczenia pieniężne wynikające z Obligacji zostaną całkowicie i nieodwołalnie zaspokojone, w taki sposób, że w całości wygasną, nie później jednak niż 31 grudnia 2035 r.

„Pełnomocnictwo”	oznacza pełnomocnictwo sporządzone według wzoru określonego w Załączniku 1 (<i>Wzór Pełnomocnictwa</i>).
„Polecenie Dochodzenia Zaspokojenia”	oznacza polecenie Obligatariusza Wydającego Polecenie wystosowane do Zastawnika, sporządzone zgodnie ze wzorem stanowiącym Załącznik 5 (<i>Wzór Polecenia Dochodzenia Zaspokojenia</i>) do Warunków Emisji, które zawiera co najmniej oświadczenie Obligatariusza, że w odniesieniu do posiadanych przez niego Obligacji wystąpiło i trwa zdarzenie polegające na niedokonaniu płatności należnej kwoty oraz wybór sposobu dochodzenia zaspokojenia.
„Prawa”	oznacza (i) Wierzytelności z Rachunku Bankowego oraz (ii) wszelkie inne prawa Zastawcy z jakiegokolwiek tytułu lub umowy, przysługujące Zastawcy w dniu zawarcia niniejszej Umowy oraz nabyte przez Zastawcę po jej zawarciu, z wyłączeniem Wierzytelności z Tytułu Pożyczek Wewnętrznych.
„Prawo Bankowe”	oznacza ustawę z dnia 29 sierpnia 1997 r. - Prawo bankowe.
„Prawo Restrukturyzacyjne”	oznacza ustawę z dnia 15 maja 2015 r. - Prawo restrukturyzacyjne.
„Prawo Upadłościowe”	oznacza ustawę z dnia 28 lutego 2003 r. - Prawo upadłościowe.
„Program Emisji Obligacji”	ma znaczenie przypisane temu terminowi we Wstępie do niniejszej Umowy.
„Przedsiębiorstwo”	oznacza przedsiębiorstwo Zastawcy w rozumieniu art. 55 ¹ Kodeksu Cywilnego.
„Rachunek Bankowy”	<p>oznacza każdy z następujących rachunków bankowych:</p> <ul style="list-style-type: none"> (i) rachunek bankowy w PLN nr PL 36 1140 1010 0000 3661 6500 1003; (ii) rachunek bankowy w PLN nr PL 77 1140 2062 0000 3661 6500 1001; oraz (iii) rachunek bankowy w EUR nr PL 09 1140 1010 0000 3661 6500 1004, <p>otwarte dla Zastawcy zgodnie z Umową Rachunku Bankowego.</p>

„Rejestr”	oznacza rejestr zastawów prowadzony przez właściwy Sąd Rejonowy, zgodnie z przepisami Ustawy o Zastawie Rejestrowym.
„Rozporządzenie”	oznacza rozporządzenie Ministra Sprawiedliwości z dnia 10 marca 2009 r. w sprawie prowadzenia sprzedaży przedmiotu zastawu rejestrowego w drodze przetargu publicznego (Dz. U. z 2009 r., Nr 45, poz. 371).
„Rzeczy Ruchome”	oznacza zapasy, ruchome środki trwałe i wszelkie inne rzeczy ruchome Zastawcy, będące jego własnością w dniu zawarcia niniejszej Umowy lub nabyte przez niego po jej zawarciu.
„Umowa Rachunku Bankowego”	oznacza umowę rachunku bankowego z dnia 5 października 2018 r., zgodnie z którą Bank Prowadzący Rachunek otworzył i prowadzi każdy Rachunek Bankowy dla Zastawcy.
„Umowa w Sprawie Powołania Administratora”	ma znaczenie nadane temu terminowi w punkcie (C) wstępu do niniejszej Umowy.
„Ustawa o Obligacjach”	oznacza Ustawę o obligacjach z dnia 15 stycznia 2015 r.
„Ustawa o Zastawie Rejestrowym”	oznacza ustawę z dnia 6 grudnia 1996 r. o zastawie rejestrowym i rejestrze zastawów.
„Warunki Emisji”	oznacza warunki emisji Obligacji na podstawie Programu według wzoru stanowiącego Załącznik 1 (<i>Wzór Warunków Emisji</i>) do Umowy Programu.
„Wierzytelności z Rachunku Bankowego”	oznacza obecne i przyszłe prawa, wierzytelności i roszczenia Zastawcy wobec Banku Prowadzącego Rachunek dotyczące środków pieniężnych zdeponowanych na każdym Rachunku Bankowym, na podstawie Umowy Rachunku Bankowego.
„Wierzytelności z Tytułu Pożyczek Wewnętrznych”	oznacza wierzytelności Zastawcy z tytułu z pożyczek udzielonych przez Emitenta członkom Grupy z kwot uzyskanych w wyniku Programu Emisji Obligacji, przebrane na zabezpieczenie na podstawie Umowy Przelewu (zgodnie z definicją zawartą w Warunkach Emisji) oraz wierzytelności Zastawcy z tytułu posiadanych przez Zastawcę obligacji wyemitowanych przez spółkę HB Reavis Finance PL 2 sp. z o.o. oznaczonych kodami ISIN PLHBRVS00011 oraz PLHBRVS00029.
„Zabezpieczone Wierzytelności”	oznacza wszelkie istniejące i przyszłe wierzytelności pieniężne obligatariuszy obligacji emitowanych w ramach Programu Emisji Obligacji, w tym wierzytelności pieniężne

Obligatariuszy wobec Zastawcy z tytułu Obligacji, wraz ze wszystkimi roszczeniami ubocznymi, roszczeniami akcesoryjnymi oraz roszczeniami o pokrycie kosztów dochodzenia wierzytelności, w tym kosztów wykonywania obowiązków przez Administratora Zastawu zgodnie z Umową w Sprawie Powołania Administratora, w maksymalnym dozwolonym prawem zakresie.

„Zastaw Rejestrowy”

został zdefiniowany w punkcie 2.1 (*Ustanowienie Zastawu Rejestrowego*).

„Zawiadomienie o Dochodzeniu Zaspokojenia”

oznacza zawiadomienie sporządzone według wzoru stanowiącego Załącznik 2 (*Wzór Zawiadomienia o Dochodzeniu Zaspokojenia*) do Umowy w Sprawie Powołania Administratora.

1.2. Interpretacja

W niniejszej Umowie:

- 1.2.1.** Wszelkie terminy pisane wielką literą i niezdefiniowane w niniejszej Umowie mają znaczenie przypisane im w Warunkach Emisji.
- 1.2.2.** Każde odwołanie w niniejszej Umowie do niniejszej Umowy lub dowolnej innej umowy lub dokumentu będzie interpretowane jako odwołanie do niniejszej Umowy lub dowolnej innej umowy lub dokumentu wraz z ich późniejszymi zmianami, modyfikacjami, nowacjami i uzupełnieniami.
- 1.2.3.** O ile w niniejszej Umowie nie wskazano inaczej, "punkt" stanowi odniesienie do punktu lub podpunktu niniejszej Umowy, a "Załącznik" stanowi odniesienie do załącznika do niniejszej Umowy.

2. ZASTAW REJESTROWY

2.1. Ustanowienie Zastawu Rejestrowego

W celu zabezpieczenia Zabezpieczonych Wierzytelności Zastawcy niniejszym ustanawia na rzecz Zastawnika działającego w charakterze administratora zastawu na rzecz Obligatariuszy zastaw rejestrowy z najwyższym pierwszeństwem zaspokojenia na Aktywach, podlegający wpisowi do Rejestru zgodnie z Ustawą o Zastawie Rejestrowym ("**Zastaw Rejestrowy**"). Zastawnik działający w charakterze administratora zastawu na rzecz Obligatariuszy wyraża zgodę na ustanowienie Zastawu Rejestrowego.

2.2. Najwyższa Suma Zabezpieczenia

Zastaw Rejestrowy zostaje ustanowiony do najwyższej sumy zabezpieczenia wynoszącej 600.000.000 PLN (słownie: sześćset milionów złotych).

2.3. Oświadczenia dla celów wpisanego do Rejestru

Dla celów wpisanego Zastawu Rejestrowego do Rejestru Zastawca składa następujące oświadczenia:

- (a) wartość Aktywów na dzień 30 września 2020 r. wynosi 55.007,32 PLN (słownie: pięćdziesiąt pięć tysięcy siedem złotych 32/100); oraz
- (b) Aktywa znajdują się w Warszawie przy ul. Postępu 14, 02-676 Warszawa, Polska.

2.4. Przyszłe Aktywa

Zastaw Rejestrowy będzie obciążał każde z Aktywów wytworzone, przekształcone lub nabyte przez Zastawcę po dacie zawarcia niniejszej Umowy, ze skutkiem od daty jego nabycia. Zastaw Rejestrowy będzie ponadto obciążał każde z Aktywów, które jako surogat zastępuje inny zbywany, przekształcony lub utracony składnik Aktywów (lub jego część).

2.5. Wpis do Rejestru

Zastawca jest zobowiązany działać z należytą starannością w celu wpisania Zastawu Rejestrowego do Rejestru i w szczególności:

- 2.5.1. Zastaw Rejestrowy powinien zostać wpisany do rejestru zastawów w terminie 60 dni od Dnia Emisji, zgodnie z Warunkami Emisji;
- 2.5.2. Zastawca jest zobowiązany złożyć (na własny koszt) kompletny wniosek o wpisanie Zastawu Rejestrowego do Rejestru ("**Wniosek**"), zgodny z niniejszą Umową i Ustawą o Zastawie Rejestrowym, we właściwym sądzie w ciągu 3 Dni Roboczych od daty podpisania niniejszej Umowy;
- 2.5.3. w ciągu 2 Dni Roboczych od daty złożenia Wniosku we właściwym sądzie, Zastawca jest zobowiązany przedstawić Zastawnikowi kopię potwierdzenia złożenia Wniosku we właściwym sądzie wraz z dowodem opłacenia wszystkich należnych opłat sądowych; oraz
- 2.5.4. w ciągu 3 Dni Roboczych od dnia otrzymania postanowienia sądu rejonowego (gospodarczego) dotyczącego wpisu Zastawu Rejestrowego do Rejestru, Zastawca jest zobowiązany zweryfikować treść wpisów w Rejestrze dotyczących Zastawu Rejestrowego pod względem ich zgodności z niniejszą Umową i Wnioskiem, a w przypadku jakiegokolwiek błędu, rozbieżności lub niespójności, Zastawca jest zobowiązany na własny koszt i w odpowiednim terminie podjąć wszystkie czynności niezbędne w celu naprawienia błędu lub usunięcia rozbieżności bądź niespójności w Rejestrze.

2.6. Klasyfikacja Przedmiotu Zastawu

We wniosku Aktywa należy sklasyfikować jako pozycję B1 Katalogu (*mienie ruchome przedsiębiorstwa*), chyba że właściwy sąd rejonowy (gospodarczy) wymaga inaczej.

2.7. Adres korespondencyjny

- 2.7.1. Zastawca niniejszym oświadcza, że adres korespondencyjny Zastawcy dla celów wpisu Zastawu Rejestrowego do Rejestru jest następujący: ul. Postępu 14, 02-676 Warszawa, Polska.
- 2.7.2. Zastawnik niniejszym oświadcza, że adres korespondencyjny Zastawnika dla celów wpisu Zastawu Rejestrowego do Rejestru jest następujący: Marcin Iwaniszyn; Jerzy Bombczyński; Rymarz, Zdort, Gasiński, Her, Iwaniszyn, Miklas, Uziębło i Wspólnicy spółka komandytowa, ul. Emilii Plater 53, XX p., 00-113 Warszawa.

2.8. Wierzytelności z Rachunku Bankowego

- 2.8.1. Niezależnie od postanowień art. 319 i 333 Kodeksu Cywilnego, do daty, w której Zastawnik dostarczy Zastawcy zawiadomienie o innej treści, Zastawca jest nadal uprawniony do Wierzytelności z Rachunku Bankowego.
- 2.8.2. Zastawnik wyraża zgodę na powstrzymanie się przed dostarczeniem Polecenia Dochodzenia Zaspokojenia od wykonywania swego prawa do Wierzytelności z Rachunku Bankowego.

2.9. Potwierdzenie praw Zastawcy do Wierzytelności z Rachunku Bankowego

Na wniosek Zastawcy, jeśli Zastawcy nie zostanie dostarczone Polecenie Dochodzenia Zaspokojenia, Zastawnik potwierdzi Zastawcy, że Zastawca ma prawo otrzymywać i dysponować określonymi środkami w odniesieniu do Wierzytelności z Rachunku Bankowego.

2.10. Wierzytelności z Rachunku Bankowego po wystosowaniu Polecenia Dochodzenia Zaspokojenia

Jeśli Zastawnik dostarczy Zastawcy Polecenie Dochodzenia Zaspokojenia, Zastawca będzie postępował w związku z Wierzytelnościami z Rachunku Bankowego zgodnie z poleceniami Zastawnika i powstrzyma się od żądania i przyjmowania jakichkolwiek kwot w odniesieniu do Wierzytelności z Rachunku Bankowego.

2.11. Terminy

Terminy określone w punkcie 2.5 (*Wpis do Rejestru*) nie skutkują wydłużeniem ewentualnych krótszych terminów, o ile takie zostały ustalone dla podjęcia lub zakończenia określonych czynności zgodnie z Warunkami Emisji.

3. LISTA AKTYWÓW

Jeżeli Zabezpieczone Wierzytelności lub ich część stała się wymagalna, Zastawnik może żądać od Zastawcy zabezpieczenia roszczeń przez przeprowadzenie na koszt Zastawcy spisu z natury Aktywów w ciągu 5 Dni Roboczych od przedstawienia takiego żądania przez Zastawnika. W takim przypadku Zastawca jest zobowiązany przekazać Zastawnikowi (lub dowolnemu pełnomocnikowi lub przedstawicielowi wyznaczonemu przez Zastawnika) wszystkie informacje i dokumenty, o które prosił, i zapewnić mu wszelką pomoc, oraz jest zobowiązany zezwolić Zastawnikowi (lub jego pełnomocnikowi lub przedstawicielowi) na dostęp do ksiąg i pomieszczeń, w których znajdują się Aktywa i księgi. Spis z natury Aktywów będzie przeprowadzony przez osobę wskazaną przez Zastawnika. Zastawnik zawiadomi Zastawcę o czynnościach służących przygotowaniu spisu z natury Aktywów i jego przedstawiciel będzie mógł w nich uczestniczyć i wnosić uwagi, które będą protokolowane. Zastawnik jest upoważniony do złożenia zaktualizowanej listy Aktywów przygotowanej w oparciu o niniejszą procedurę spisu z natury w sądzie rejonowym (gospodarczym) na koszt Zastawcy.

4. OŚWIADCZENIA ZASTAWCY

4.1. Oświadczenia i zapewnienia

Bez uszczerbku dla wszelkich oświadczeń i zapewnień złożonych w Umowie Programu, Zastawca składa wobec Zastawnika następujące oświadczenia i zapewnienia:

4.1.1. Status Zastawcy

Zastawca jest spółką z ograniczoną odpowiedzialnością należycie utworzoną i istniejącą w sposób ważny zgodnie z prawem polskim.

4.1.2. Własność Aktywów

Aktywa są wolne od wszelkich zabezpieczeń, obciążeń lub praw osób trzecich i nie zostały obciążone, przeniesione ani zajęte, a Zastawca nie udzielił zgody na dokonanie takiego przeniesienia, obciążenia ani zajęcia w przyszłości.

4.1.3. Status Wierzytelności z Rachunku Bankowego

Wierzytelności z Rachunku Bankowego są wolne od zabezpieczeń, obciążeń oraz praw osób trzecich i nie zostały obciążone, przeniesione ani zajęte, ani Zastawca nie zgodził się na jakiegokolwiek przeniesienie, obciążenie ani zajęcie w przyszłości.

4.1.4. Ograniczenia dotyczące ustanowienia zabezpieczeń

Nie istnieje zakaz ustanawiania Zastawu Rejestrowego na Aktywach ani na żadnej ich części.

4.1.5. Status Aktywów

Zgodnie z najlepszą wiedzą Zastawcy, Aktywa stanowią zbiór rzeczy ruchomych i praw, które stanowią mienie ruchome Przedsiębiorstwa.

4.1.6. Ważność niniejszej Umowy

Niniejsza Umowa kreuje zgodne z prawem, ważne i wiążące zobowiązania Zastawcy.

4.1.7. Zdolność prawna i upoważnienie do zawarcia niniejszej Umowy

Zastawca posiada zdolność prawną do zawarcia niniejszej Umowy, udzielenia Pełnomocnictwa oraz do wykonania swoich zobowiązań z niej wynikających. Wszystkie niezbędne czynności korporacyjne zostały podjęte w celu skutecznego zawarcia i wykonania niniejszej Umowy oraz transakcji stanowiących jej przedmiot. W wyniku podjęcia jakiegokolwiek czynności przewidzianej w niniejszej Umowie nie zostały ani nie zostaną przekroczone żadne ograniczenia uprawnień Zastawnika.

4.1.8. Ważność i pierwszeństwo Zastawu Rejestrowego

Z chwilą wpisu do Rejestru Zastaw Rejestrowy będzie stanowić ważny zastaw rejestrowy na rzecz Zastawnika z najwyższym pierwszeństwem zaspokojenia, zgodnie z Ustawą o Zastawie Rejestrowym.

4.1.9. Brak konfliktu

Zawarcie niniejszej Umowy oraz wykonanie przez Zastawcę jakichkolwiek praw lub zobowiązań na podstawie niniejszej Umowy nie skutkuje i nie będzie skutkowało naruszeniem jakiegokolwiek zobowiązania wiążącego Zastawcę lub mającego wpływ na którekolwiek z Aktywów.

5. ZOBOWIĄZANIA ZASTAWCY

5.1. Zobowiązania

W uzupełnieniu zobowiązań, określonych w Warunkach Emisji Zastawca podejmuje następujące zobowiązania:

5.1.1. Zobowiązanie do nieustanawiania obciążeń

Zastawca:

- (a) nie sprzeda, nie sceduje ani w inny sposób nie rozporządzi Aktywami ani żadną ich częścią; oraz
- (b) nie obciąży Aktywów ani żadnej ich części prawami osób trzecich, w sposób inny niż dozwolony w Warunkach Emisji lub na podstawie zgody udzielonej w oparciu o ich postanowienia.

5.1.2. Zawiadomienie o możliwej egzekucji

Zastawca zobowiązany jest zawiadomić Zastawnika niezwłocznie po powzięciu informacji o tym, że (i) jakakolwiek osoba podjęła lub planuje podjąć jakiejkolwiek czynności zmierzające do wszczęcia postępowania egzekucyjnego w stosunku do Aktywów lub ich części, lub (ii) w stosunku do Aktywów lub ich części wszczęte zostało postępowanie egzekucyjne.

6. PEŁNOMOCNICTWO

6.1. Pełnomocnictwo

W dniu zawarcia niniejszej Umowy Zastawca udzieli Zastawnikowi Pełnomocnictwa.

6.2. Postanowienia dotyczące Pełnomocnictwa

6.2.1. Pełnomocnictwo pozostaje nieodwołalne w Okresie Zabezpieczenia i wygasa z chwilą wygaśnięcia tego okresu.

6.2.2. Na wniosek Zastawnika, Zastawca niezwłocznie zatwierdzi i potwierdzi wszelkie czynności podjęte lub zamierzone przez pełnomocnika (lub pełnomocnika substytucyjnego) na podstawie Pełnomocnictwa.

6.2.3. Na wniosek Zastawnika, Zastawca niezwłocznie dostarczy Zastawnikowi:

- (a) dokumenty potwierdzające udzielenie Pełnomocnictwa (w tym Pełnomocnictwo ponownie sporządzone); oraz
- (b) dokumenty potwierdzające, że Zastawca zatwierdził i zaakceptował wszelkie czynności podjęte lub zamierzone przez pełnomocnika (lub pełnomocnika substytucyjnego) na podstawie Pełnomocnictwa

w formie i o treści zadawalającej dla Zastawnika.

7. ZASPOKOJENIE Z PRZEDMIOTU ZASTAWU REJESTROWEGO

7.1. Sposoby dochodzenia zaspokojenia z przedmiotu Zastawu Rejestrowego

7.1.1. Jeżeli wierzytelności Obligatariuszy z tytułu Obligacji staną się wymagalne i Emitent nie zaspokoi tych wierzytelności zgodnie z Warunkami Emisji, Obligatariusz może zażądać, aby Administrator Zastawu przystąpił do dochodzenia zaspokojenia z przedmiotu Zastawu Rejestrowego.

7.1.2. W przypadku otrzymania Polecenia Dochodzenia Zaspokojenia przekazanego przez Obligatariusza lub Obligatariuszy, po poinformowaniu przez Administratora Zastawu pozostałych Obligatariuszy i doręczeniu Zastawcy Zawiadomienia o Dochodzeniu Zaspokojenia, Administrator Zastawu może, z zastrzeżeniem przepisów Ustawy o Zastawie Rejestrowym i postanowień niniejszej Umowy, przystąpić do dochodzenia zaspokojenia z Zastawu Rejestrowego.

7.1.3. Administrator Zastawu będzie upoważniony do dochodzenia zaspokojenia z Zastawu Rejestrowego w odniesieniu do Aktywów lub jedynie wybranych ich elementów wykorzystując dowolną z poniższych metod wskazaną w Poleceniu Dochodzenia Zaspokojenia:

- (a) **Egzekucja sądowa:** wszczęcie sądowego postępowania egzekucyjnego zgodnie z postanowieniami Kodeksu Postępowania Cywilnego.

- (b) **Przejęcie:** zgodnie z art. 22 ust. 1 Ustawy o Zastawie Rejestrowym, przejęcie na własność Aktywów lub ich części (z zastrzeżeniem uzyskania wszystkich wymaganych zgód właściwych organów, jeżeli będą wymagane) („**Przejęcie**”);
- (c) **Sprzedaż:** zgodnie z art. 24 Ustawy o Zastawie Rejestrowym i Rozporządzeniem, sprzedaż Aktywów lub ich części w drodze przetargu publicznego przeprowadzonego przez notariusza lub komornika sądowego zgodnie z Ustawą o Zastawie Rejestrowym („**Sprzedaż**”).

7.1.4. Egzekucja w drodze Przejęcia lub Sprzedaży może zostać przeprowadzona przez Zastawnika nie wcześniej niż 7 dni po doręczeniu Zawiadomienia o Dochodzeniu Zaspokojenia.

7.2. Procedura wyboru metody dochodzenia zaspokojenia

7.2.1. Zgodnie z Warunkami Emisji, Obligatariusz mający zamiar dochodzić zaspokojenia z Zastawu Rejestrowego powinien złożyć Administratorowi Zastawu należycie uzupełnione oraz podpisane Polecenie Dochodzenia Zaspokojenia wskazujące tryb dochodzenia zaspokojenia określony w punkcie 7.1.3 Umowy.

7.2.2. Jeżeli Obligatariusz lub Obligatariusze prześlą Administratorowi Zastawu Polecenie Dochodzenia Zaspokojenia, wówczas Administrator Zastawu poinformuje o tym Emitenta oraz pozostałych Obligatariuszy poprzez ogłoszenie na swojej stronie internetowej, wzywając Obligatariuszy do złożenia Poleczeń Dochodzenia Zaspokojenia oraz o możliwości zagłosowania nad trybem dochodzenia zaspokojenia. W tym celu Obligatariusz powinien złożyć Polecenie Dochodzenia Zaspokojenia w terminie 14 dni od opublikowania odpowiedniej informacji na stronie internetowej Administratora Zastawu („**Termin na Złożenie Instrukcji**”).

7.2.3. Polecenia Dochodzenia Zaspokojenia uznaje się za doręczone skutecznie, jeżeli zostaną doręczone Administratorowi Zastawu w formie pisemnej lub w formie elektronicznej opatrzonej kwalifikowanym podpisem elektronicznym.

7.2.4. Jeżeli dany tryb zaspokojenia z Zastawu Rejestrowego został wskazany w Poleceniach Dochodzenia Zaspokojenia złożonych przez Obligatariuszy posiadających ponad 50% łącznej wartości nominalnej Obligacji, wybór takiego trybu wiąże Administratora Zastawu, chyba że stanowiłoby to naruszenie przepisów prawa.

7.2.5. Przy braku wiążących Poleczeń Dochodzenia Zaspokojenia Administrator Zastawu ma prawo, ale nie obowiązek, podejmować działania leżące w jego wyłącznej ocenie w najlepszym interesie Obligatariuszy.

7.2.6. Obligatariusze, którzy złożą Polecenia Dochodzenia Zaspokojenia po upływie Terminu na Złożenie Instrukcji wyrażają zgodę na dochodzenie zaspokojenia przez Administratora Zastawu w sposób określony przez wiążące Administratora Zastawu Polecenia Dochodzenia Zaspokojenia lub, w przypadku braku wiążących Poleczeń Dochodzenia Zaspokojenia, w sposób wybrany przez Administratora Zastawu.

7.3. Przejęcie

7.3.1. Jeśli Administrator Zastawu przystąpi do dochodzenia zaspokojenia z Zastawu Rejestrowego w drodze Przejęcia, wówczas Przejęcie nastąpi według wartości („**Wartość Przejęcia**”):

- (a) jeśli na żądanie Administratora Zastawu Rzeczoznawca(y) sporządził(sporządzili) wycenę(y) Aktywów:
 - (i) odpowiadającej 67% wartości Aktywów wskazanej przez Rzeczoznawcę (lub Rzeczoznawców) w wycenie (wycenach), jeśli wskazuje (wskazują) jedną i tę samą wartość Aktywów;
 - (ii) odpowiadającej 67% najniższej wartości Aktywów wskazanej przez Rzeczoznawcę (lub Rzeczoznawców) w wycenie (wycenach), jeśli wskazuje (wskazują) więcej niż jedna i ta sama wartość Aktywów; lub
- (b) jeśli z jakiegokolwiek przyczyny wycena Aktywów: (i) nie zostanie sporządzona, ponieważ podmiot spełniający warunki, aby być Rzeczoznawcą, odmówi przyjęcia zlecenia w ciągu 1 miesiąca od podjęcia prób przez Administratora Zastawu, (ii) nie zostanie sporządzona przez Rzeczoznawcę w ciągu 1 miesiąca od daty jej zlecenia (w szczególności wskutek niepokrycia przez Zastawcę kosztów jej sporządzenia, jego odmowy przyjęcia wobec Rzeczoznawcy zobowiązania do pokrycia takich kosztów, lub niedostarczenia przez Zastawcę informacji lub dokumentów niezbędnych Rzeczoznawcy do sporządzenia takiej wyceny Aktywów) lub (iii) zostanie sporządzona przez Rzeczoznawcę w ciągu 1 miesiąca od daty jej zlecenia, ale będzie zawierać zastrzeżenia co do jakości i zakresu informacji lub dokumentów otrzymanych przez Rzeczoznawcę od Administratora Zastawu lub wykorzystanych przez Rzeczoznawcę, według wartości:
 - (i) odpowiadającej wartości Aktywów wskazanej w wycenie stanowiącej załącznik do Warunków Emisji; lub
 - (ii) odpowiadającej 50% wartości Aktywów netto, obliczonej przez Administratora Zastawu na podstawie danych zawartych w najbardziej aktualnym sprawozdaniu finansowym zbadanym przez biegłego rewidenta i niezawierającym zastrzeżeń takiego biegłego rewidenta w zakresie jego prawidłowości i rzetelności, lub innego sprawozdania finansowego, które Zastawnik uzna za rzetelnie sporządzone przez Zastawcę, dostępnego dla Zastawnika, jeśli zostało sporządzone na dzień przypadający nie wcześniej niż 6 miesięcy przed datą Przejęcia;a w przypadku, gdy wartość ta wynosi 0 PLN lub stanowi wartość ujemną, według wartości równej 1 PLN.

7.3.2. Dla celów uzyskania wyceny Aktywów zastosowanie mają następujące postanowienia:

- (a) Administrator Zastawu będzie uprawniony do wyznaczenia na koszt Zastawcy Rzeczoznawcy w celu dokonania wyceny Aktywów (lub części Aktywów, jeśli postanowi przejąć jedynie określone Aktywa) w oparciu o metody wyceny powszechnie stosowane na rynku i z zastrzeżeniem obowiązujących standardów zawodowych;
- (b) Administrator Zastawu zobowiązuje się wystosować do Zastawcy zawiadomienie określające szacunkowe koszty wyceny. Zastawca niezwłocznie zapłaci te koszty (oraz, w razie dalszego zawiadomienia od Zastawnika, wszelkie kolejne koszty poniesione lub które mają być poniesione przez Zastawnika w związku z wyceną) na rachunek wskazany przez Zastawnika;

- (c) Zastawca:
 - (i) udzieli wszystkich zasadnie wymaganych informacji dotyczących Aktywów;
 - (ii) będzie w pełni współpracować z Administratorem Zastawu, Rzeczoznawcą, doradcami i pełnomocnikami w związku z wyceną; oraz
 - (iii) podejmie wszelkie czynności wymagane przez Administratora Zastawu lub Rzeczoznawcę, które mogą być zasadnie wymagane lub niezbędne w celu przygotowania wyceny.
- (d) W szczególności, jeśli w rozsądnej opinii Rzeczoznawcy najbardziej aktualne sprawozdanie finansowe lub najbardziej aktualna wycena Aktywów dostarczona Rzeczoznawcy nie odzwierciedla właściwie bieżącej sytuacji finansowej Zastawcy lub aktualnej wartości Aktywów, na żądanie Administratora Zastawu Zastawca będzie miał obowiązek sporządzić dokument odpowiadający wymogom sprawozdania finansowego, w szczególności w zakresie bilansu, na podstawie którego można będzie ocenić aktualną sytuację finansową Zastawcy. Jeśli Zastawca nie udzieli Rzeczoznawcy lub Administratorowi Zastawu informacji lub innej pomocy, jakiej zażąda, Rzeczoznawca będzie uprawniony do przyjęcia takich założeń, jakie uzna za właściwe w odniesieniu do brakujących informacji, i do dostosowania odpowiednio swojej wyceny Aktywów.

7.3.3. Zastawnik jest uprawniony do przejęcia na własność wszystkich lub niektórych Aktywów według własnego wyboru. Zastawnik wskaże przejmowane Aktywa oraz ich Wartość Przejęcia w zawiadomieniu o przejęciu, które może być doręczone Zastawcy w terminie nie krótszym 7 dni po doręczeniu Zawiadomienia o Dochodzeniu Zaspokojenia.

7.3.4. Zastawca jest zobowiązany do natychmiastowego wydania Aktywów przejmowanych na własność przez Administratora Zastawu i do udostępnienia ich do odbioru przez Zastawnika lub jego przedstawicieli w dniu, w którym Przejęcie odniesie skutek.

7.4. Procedura po przejęciu tytułu własności do Aktywów

7.4.1. Jeżeli w terminie dwunastu miesięcy po przejęciu tytułu własności do Aktywów Administrator Zastawu sprzeda przejęte Aktywa (lub jakąkolwiek ich część) przeznaczy środki uzyskane ze sprzedaży Aktywów na spłatę Zabezpieczonych Wierzytelności w kwocie stanowiącej nadwyżkę powyżej kwoty będącej sumą:

- (a) Wartości Przejęcia;
- (b) wartości wszystkich kosztów sprzedaży i wszystkich kosztów związanych z tytułem własności Aktywów, poniesionych przez Administrator Zastawu od dnia przejęcia tytułu własności Aktywów do dnia ich sprzedaży; oraz
- (c) wszystkich podatków obciążających Administrator Zastawu w związku z dochodzeniem zaspokojenia z Zastawów lub sprzedażą Aktywów.

7.4.2. Po przejściu tytułu własności do Aktywów Zastawca może wskazać Administratorowi Zastawu podmioty, które są potencjalnie zainteresowane nabyciem Aktywów od Administratora Zastawu. Każdy taki podmiot wskazany przez Zastawcę zostanie zaproszony przez Administratora Zastawu do udziału w procesie sprzedaży Aktywów. Jednak żadnemu podmiotowi nie będzie przysługiwało prawo pierwokupu w związku z nabyciem Aktywów lub prawo do innego preferencyjnego traktowania.

7.5. Sprzedaż

7.5.1. Jeśli Administrator Zastawu przystąpi do dochodzenia zaspokojenia z Zastawu Rejestrowego w drodze Sprzedaży, przetarg publiczny zostanie przeprowadzony przez notariusza lub komornika zgodnie z artykułem 24 Ustawy o Zastawie Rejestrowym i Rozporządzeniem w ciągu 14 dni od złożenia przez Administratora Zastawu wniosku o przeprowadzenie takiego przetargu i, o ile przepisy prawa nie wymagają inaczej:

- (a) Miejsce: przetarg publiczny odbędzie się w Warszawie lub w innej miejscowości wskazanej przez Administratora Zastawu;
- (b) Koszty: koszty przetargu publicznego poniesie w całości Zastawca;
- (c) Wycena szacunkowa: szacunkowa wartość Aktywów zostanie uzgodniona między Zastawcą i Administratorem Zastawu w terminie siedmiu dni od dnia doręczenia Zastawcy Zawiadomienia o Dochodzeniu Zaspokojenia wskazującego Sprzedaż jako metodę egzekucji w stosunku do niektórych lub wszystkich Aktywów. Jeśli w tym terminie Zastawca i Zastawnik nie osiągną porozumienia co do szacunkowej wyceny, wówczas zostanie ona określona na koszt Zastawcy przez Rzeczoznawcę lub innego renomowanego rzeczoznawcę wyznaczonego przez notariusza lub komornika w porozumieniu z Administratorem Zastawu;
- (d) Sprzedaż Aktywów oddzielnie lub jako zbiór: Administrator Zastawu zleci notariuszowi lub komornikowi dokonanie sprzedaży Aktywów jako zbioru (w ramach pojedynczego przetargu) albo też sprzedaż Aktywów oddzielnie (a w tym przypadku kilka przetargów może być zorganizowanych dla poszczególnych Aktywów lub grup Aktywów);
- (e) Oferowana cena przetargowa: oferowana cena przetargowa Aktywów równa będzie 75% szacunkowej kwoty wyceny, o której mowa w punkcie (c) powyżej w pierwszym przetargu oraz co najmniej 50% szacunkowej kwoty wyceny, o której mowa w punkcie (c) powyżej w każdym kolejnym przetargu; oraz
- (f) Warunki płatności: Administrator Zastawu będzie uprawniony do określenia, według własnego uznania, metody i warunków płatności ceny nabycia Aktywów.

8. PRZEZNACZENIE ŚRODKÓW

Wszelkie środki uzyskane przez Administratora Zastawu w wyniku jakichkolwiek czynności podjętych w celu dokonania egzekucji z Zastawu Rejestrowego zgodnie z niniejszą Umową zostaną uznane zgodnie z kolejnością określoną w Punkcie 7 (Przeznaczenie Środków) Umowy w Sprawie Powołania Administratora.

9. OGRANICZENIE ODPOWIEDZIALNOŚCI

Zastawnik nie ponosi odpowiedzialności za (a) dokonanie czynności dozwolonej na podstawie niniejszej Umowy lub (b) egzekucję z zabezpieczenia ustanowionego na podstawie niniejszej Umowy lub jego części, chyba, że szkoda powstała wskutek rażącego niedbalstwa bądź winy umyślnej Zastawnika.

10. NIESKUTECZNA ZAPŁATA

Z zastrzeżeniem art. 18a Ustawy o Zastawie Rejestrowym Administrator Zastawu nie jest zobowiązany do złożenia oświadczenia o wygaśnięciu Zastawu Rejestrowego, jeśli zaspokojenie Zabezpieczonych Wierzytelności mogłoby zostać zasadnie uznane za nieskuteczne lub nieważne

na podstawie art. 127 i kolejne Prawa Upadłościowego, art. 304 Prawa Restrukturyzacyjnego lub na podstawie art. 527 Kodeksu Cywilnego.

11. WYGAŚNIĘCIE ZABEZPIECZENIA

Po wygaśnięciu Okresu Zabezpieczenia, na żądanie i koszt Zastawcy, Administrator Zastawu zobowiązany jest w terminie 14 Dni Roboczych od żądania Zastawcy:

- 11.1.1.** doręczyć Zastawcy pisemne oświadczenie potwierdzające całkowitą spłatę Zabezpieczonych Wierzytelności i wygaśnięcie niniejszej Umowy; lub
- 11.1.2.** przedstawić inny dokument niezbędny w celu udokumentowania faktu wygaśnięcia niniejszej Umowy, w formie, jakiej Zastawca zażąda w granicach rozsądku.

12. DALSZE ZAPEWNIENIA

Zastawca jest zobowiązany (na własny koszt) niezwłocznie podpisać wszelkie dokumenty i podjąć wszelkie czynności, jakich Administrator Zastawu będzie okresowo wymagać w uzasadniony sposób w celu dopełnienia formalności związanych z zabezpieczeniem udzielonym lub zamierzonym na podstawie niniejszej Umowy oraz w celu umożliwienia Administratorowi Zastawu uzyskania pełnych pożytków z tego zabezpieczenia.

13. KOSZTY I WYDATKI

- 13.1.** Zastawca niezwłocznie, na żądanie, pokryje wszystkie udokumentowane koszty i wydatki (w tym koszty obsługi prawnej) poniesione przez Administratora Zastawu, członków jego organów korporacyjnych, doradców, pełnomocników, agentów lub inne osoby działające w imieniu lub na rzecz Administratora Zastawu ("**Osoba Zwolniona z Odpowiedzialności**") zgodnie z niniejszą Umową w zakresie niezbędnym do:

- 13.1.1.** spełnienia obowiązków lub wykonania praw wynikających z niniejszej Umowy, w tym kosztów i wydatków poniesionych przez Administratora Zastawu w związku z czynnościami podjętymi na podstawie punktu 11 niniejszej Umowy; lub
- 13.1.2.** dochodzenia zaspokojenia z przedmiotu dowolnego Zastawu Rejestrowego ustanowionego na podstawie niniejszej Umowy lub jego utrzymania,

z wyłączeniem kosztów lub wydatków poniesionych w wyniku rażącego niedbalstwa lub winy umyślnej takiej osoby.

- 13.2.** Zastawca naprawi wszelkie szkody poniesione przez każdą Osobę Zwolnioną z Odpowiedzialności w wyniku braku zapłaty lub opóźnienia w płatności takich kosztów lub wydatków, z wyłączeniem szkód poniesionych w wyniku rażącego niedbalstwa lub winy umyślnej takiej osoby.

14. ZAWIADOMIENIA

- 14.1.** Wszelkie oświadczenia, zawiadomienia, polecenia i inne informacje wymieniane pomiędzy Stronami, w związku z Umową wymagają formy pisemnej pod rygorem nieważności oraz będą sporządzane w języku polskim i doręczane adresatowi osobiście za pisemnym potwierdzeniem odbioru, bądź za pośrednictwem kuriera (posłańca) za pisemnym potwierdzeniem odbioru lub wysłane przesyłką poleconą lub listem poleconym za zwrotnym potwierdzeniem odbioru na wskazane niżej adresy w Rzeczypospolitej Polskiej:

14.1.1. w przypadku Zastawcy:

HB REAVIS FINANCE PL 3 sp. z o.o.

ul. Postępu 14

02-676 Warszawa

Z kopią do: Peter Andrasina, Marek Buzek, Patryk Wróblewski

E-mail: peter.andrasina@hbreavis.com;

marek.buzek@hbreavis.com;

patryk.wroblewski@hbreavis.com

14.1.2. w przypadku Zastawnika:

mBank S.A.

DFS

ul. Senatorska 18

00-950 Warszawa

(lub ze skutkiem od 20 listopada 2020 r.: ul. Prosta 18, 00-850 Warszawa)

Z kopią do: Tomasz Gałka, Michał Pielasa

E-mail: tomasz.galka@mbank.pl;

michal.pielasa@mbank.pl;

agencydesk@mbank.pl

lub na dowolny zastępczy adres, adres e-mail, numer faksu lub do innego działu lub członka kierownictwa, jaki dana strona może podać do wiadomości Zastawnika lub Zastawcy z wyprzedzeniem co najmniej pięciu Dni Roboczych.

15. CESJA

15.1. Zastawca nie jest uprawniony do dokonania cesji ani przeniesienia swoich praw, pożytków i zobowiązań wynikających z niniejszej Umowy.

15.2. Z zastrzeżeniem postanowień Ustawy o Obligacjach oraz postanowień Warunków Emisji dotyczących zmiany Administratora Zastawu, Zastawnik jest uprawniony do dokonania cesji całości lub części swoich praw wynikających z niniejszej Umowy na osobę trzecią ("**Nowy Zastawnik**"). Na żądanie Zastawnika lub Nowego Zastawnika Zastawca podpisze wszelkie inne dokumenty, jakie mogą być wymagane w celu udokumentowania lub nadania skuteczności cesji i przeniesieniu w związku z niniejszą Umową.

16. PRAWO WŁAŚCIWE

Niniejsza Umowa oraz wszystkie pozaumowne zobowiązania z niej wynikające lub z nią związane podlegają prawu polskiemu.

17. JURYSDYKCJA

Sądy właściwe miejscowo dla Dzielnicy Śródmieście m.st. Warszawy będą właściwe dla rozstrzygania wszelkich sporów wynikających z niniejszej Umowy lub z nią związanych (w tym sporów dotyczących istnienia, ważności lub rozwiązania niniejszej Umowy).

18. JĘZYK, ZMIANY I EGZEMPLARZE UMOWY

18.1. Język niniejszej Umowy

Niniejsza Umowa sporządzona została w angielskiej i w polskiej wersji językowej. Obie wersje językowe mogą być wykorzystywane dla celów interpretacji, ale w przypadku jakiegokolwiek rozbieżności pomiędzy nimi, wiążąca będzie wersja w języku polskim.

18.2. Zmiany

Wszelkie zmiany do niniejszej Umowy wymagają zatwierdzenia przez strony na piśmie, pod rygorem nieważności.

18.3. Egzemplarze

Niniejsza Umowa sporządzona w 3 egzemplarzach w języku polskim i 2 egzemplarzach w języku angielskim, po jednym egzemplarzu dla każdej wersji językowej dla każdej ze stron, raz jeden egzemplarz w języku polskim dla celów wpisania Zastawu Rejestrowego do Rejestru.

ZAŁĄCZNIK 1
WZÓR PEŁNOMOCNICTWA

Do: mBank S.A. („Zastawnik”)

Od: HB REAVIS FINANCE PL 3 sp. z o.o. („Zastawca”)

Data: [...]

Umowa zastawu rejestrowego na aktywach zawarta pomiędzy Zastawnikiem a Zastawcą dnia 19 listopada 2020 r. („Umowa”)

Odnosimy się do Umowy. Niniejsze pełnomocnictwo zostaje udzielone zgodnie z punktem 6 (*Pełnomocnictwo*) Umowy.

Zastawca niniejszym udziela pełnomocnictwa Zastawnikowi i oświadcza, że Zastawnik jest upoważniony do podjęcia w jego imieniu wszelkich czynności faktycznych i prawnych, jakie Zastawca zobowiązany jest podjąć na podstawie Umowy.

Zastawnik ma prawo powoływać pełnomocników substytucyjnych w zakresie niniejszego pełnomocnictwa. Zastawnik może ustanawiać profesjonalnych pełnomocników procesowych w celu rozpoczęcia i prowadzenia postępowań w imieniu Zastawcy.

Zastawnik może być drugą stroną czynności prawnej dokonywanej przez niego w imieniu Zastawcy. Ograniczenia określone w art. 108 Kodeksu Cywilnego nie mają zastosowania.

Zastawnik ma prawo podjąć lub wstrzymać się od podjęcia wszelkich czynności na podstawie niniejszego pełnomocnictwa w sposób, jaki uzna za stosowny. W szczególności, Zastawnik ma prawo określić warunki dowolnego dokumentu, który ma zostać podpisany na podstawie niniejszego pełnomocnictwa.

Zastawca zrzeka się prawa do odwołania niniejszego pełnomocnictwa. Zastawca oświadcza, że nieodwołalność niniejszego pełnomocnictwa uzasadniona jest charakterem stosunku prawnego pomiędzy Zastawcą i Zastawnikiem.

Niniejsze Pełnomocnictwo podlega prawu polskiemu.

Niniejsze Pełnomocnictwo zostało podpisane w języku polskim oraz angielskim. W przypadku jakichkolwiek rozbieżności pomiędzy angielską a polską wersją językową, wiążąca będzie wersja w języku angielskim.

W imieniu HB Reavis Finance PL 3 sp. z o.o.

Imię i Nazwisko:

Stanowisko:

ZAŁĄCZNIK 2
ZAWIADOMIENIE O DOCHODZENIU ZASPOKOJENIA

[Komentarz: do ewentualnego przeniesienia do umowy z administratorem]

Do: HB REAVIS FINANCE PL 3 sp. z o.o. („Zastawca”)

Od: mBank S.A. („Zastawnik”)

Data: [...]

Umowa zastawu rejestrowego na aktywach zawarta pomiędzy Zastawnikiem a Zastawcą dnia 19 listopada 2020 r. („Umowa”)

Szanowni Państwo,

Odnosimy się do Umowy. Terminy zdefiniowane w Umowie mają to samo znaczenie w niniejszym zawiadomieniu.

Niniejsze pismo stanowi Zawiadomienie o Dochodzeniu Zaspokojenia. Zgodnie z punktem 7 (Zaspokojenie z przedmiotu Zastawu Rejestrowego) Umowy, niniejszym zawiadamiamy Państwa o zamiarze wykonania naszych praw z tytułu Umowy.:

Niniejszym zawiadamiamy Państwa, że zamierzamy dokonać egzekucji z Zastawu Rejestrowego

[w drodze sądowego postępowania egzekucyjnego]

/

[zgodnie z punktem 7.1.3(b) (Przejęcie) Umowy i art. 22 Ustawy o Zastawie Rejestrowym, w drodze przejęcia tytułu własności do Aktywów nie wcześniej niż 7 dni po doręczeniu Państwu niniejszego zawiadomienia]

/

[zgodnie z punktem 7.1.3(c) (Sprzedaż) Umowy i art. 24 Ustawy o Zastawie Rejestrowym, w drodze sprzedaży Aktywów w ramach przetargu publicznego prowadzonego przez notariusza lub komornika sądowego 7 dni po doręczeniu Państwu niniejszego zawiadomienia]

[Niniejszym wskazujemy, że zgodnie z art. 25 ust. 5 Ustawy o Zastawie Rejestrowym, bez naszej uprzedniej pisemnej zgody nie mogą Państwo rozporządzać żadnymi Aktywami].

[Na podstawie art. 25 ust. 4 Ustawy o Zastawie Rejestrowym, niniejszym składamy żądanie przeprowadzenia spisu z natury składników majątkowych przedmiotu Zastawu Rejestrowego zgodnie z punktem 3 Umowy.]

Niniejsze zawiadomienie podlega prawu polskiemu.

W imieniu **mBank S.A.**

Imię i nazwisko:

Stanowisko:

Imię i nazwisko:

Stanowisko:

Strony podpisały niniejszą Umowę w dniu wskazanym na wstępie.

Zastawca

Imię i Nazwisko:
Stanowisko:

Imię i Nazwisko:
Stanowisko:

Zastawnik

Imię i Nazwisko:
Stanowisko:

Imię i Nazwisko:
Stanowisko:

9.11 Copy of the Issuer's audited financial statement for the financial year ended 31 December 2019

Sprawozdanie niezależnego biegłego rewidenta z badania

Dla Zgromadzenia Wspólników HB Reavis Finance PL 3 Sp. z o.o. (dawniej: Rainford Sp. z o.o.)

Nasza opinia

Naszym zdaniem, załączone roczne sprawozdanie finansowe HB Reavis Finance PL 3 Sp. z o.o. (dawniej: Rainford Sp. z o.o.) ("Spółka"):

- przedstawia rzetelny i jasny obraz sytuacji majątkowej i finansowej Spółki na dzień 31 grudnia 2019 r. oraz jej wyniku finansowego za rok obrotowy od 6 lipca 2018 r. do 31 grudnia 2019 r. zgodnie z mającymi zastosowanie przepisami ustawy z dnia 29 września 1994 r. o rachunkowości („Ustawa o rachunkowości” – tekst jednolity – Dz. U. z 2019 r., poz. 351 z późn. zm.) oraz przyjętymi zasadami (polityką) rachunkowości;
- jest zgodne co do formy i treści z obowiązującymi Spółkę przepisami prawa oraz jej umową;

- zostało sporządzone na podstawie prawidłowo prowadzonych ksiąg rachunkowych zgodnie z przepisami rozdziału 2 Ustawy o rachunkowości.

Przedmiot naszego badania

Przeprowadziliśmy badanie rocznego sprawozdania finansowego HB Reavis Finance PL 3 (wcześniej Rainford Sp. z o.o.) Sp. z o.o., które zawiera:

- bilans na dzień 31 grudnia 2019 r.;
- oraz sporządzone za rok obrotowy od 6 lipca 2018 do 31 grudnia 2019 r.:
- rachunek zysków i strat, oraz
 - informację dodatkową, obejmującą wprowadzenie do sprawozdania finansowego oraz dodatkowe informacje i objaśnienia.

Podstawa opinii

Podstawa opinii

Nasze badanie przeprowadziliśmy zgodnie z Międzynarodowymi Standardami Badania w wersji przyjętej jako Krajowe Standardy Badania przez Krajową Radę Biegłych Rewidentów („KSB”) oraz stosownie do postanowień ustawy z dnia 11 maja 2017 r. o biegłych rewidentach, firmach audytorskich i nadzorze publicznym („Ustawa o biegłych rewidentach” – Dz. U. z 2019 r., poz. 1421, z późn. zm.). Nasza odpowiedzialność zgodnie z KSB została dalej opisana w sekcji Odpowiedzialność biegłego rewidenta za badanie sprawozdania finansowego.

Uważamy, że dowody badania, które uzyskaliśmy są wystarczające i odpowiednie, aby stanowić podstawę dla naszej opinii.

Niezależność i etyka

Jesteśmy niezależni od Spółki zgodnie z Kodeksem etyki zawodowych księgowych Międzynarodowej Federacji Księgowych („Kodeks IFAC”) przyjętym uchwałami Krajowej Rady Biegłych Rewidentów oraz z innymi wymogami etycznymi, które mają zastosowanie do naszego badania sprawozdań finansowych w Polsce. Wypełniliśmy nasze inne obowiązki etyczne zgodnie z tymi wymogami i Kodeksem IFAC. W trakcie przeprowadzania badania kluczowy biegły rewident oraz firma audytorska pozostali niezależni od Spółki zgodnie z wymogami niezależności określonymi w Ustawie o biegłych rewidentach.

Nasze podejście do badania

Podsumowanie

Zaprojektowaliśmy nasze badanie ustalając istotność i oceniając ryzyko istotnego zniekształcenia sprawozdania finansowego. W szczególności rozważyliśmy gdzie Zarząd Spółki dokonał subiektywnych osądów; na przykład w odniesieniu do znaczących szacunków księgowych, które wymagały przyjęcia założeń oraz rozważenia wystąpienia przyszłych zdarzeń, które z natury są niepewne. Odnieśliśmy się również do ryzyka obejścia przez Zarząd kontroli wewnętrznej, w tym – wśród innych spraw – rozważyliśmy czy wystąpiły dowody na stronniczość Zarządu, która stanowiłaby ryzyko istotnego zniekształcenia spowodowanego oszustwem.

Istotność

Na zakres naszego badania miał wpływ przyjęty poziom istotności. Badanie zaprojektowane zostało w celu uzyskania racjonalnej pewności czy sprawozdanie finansowe jako całość nie zawiera istotnego zniekształcenia. Zniekształcenia mogą powstać na skutek oszustwa lub błędu. Zniekształcenia są uważane za istotne, jeżeli można racjonalnie oczekiwać, że pojedynczo lub łącznie mogłyby wpłynąć na

decyzje ekonomiczne użytkowników podjęte na podstawie sprawozdania finansowego.

Na podstawie naszego zawodowego osądu ustaliliśmy progi ilościowe dla istotności, w tym ogólną istotność w odniesieniu do sprawozdania finansowego jako całości. Progi te, wraz z czynnikami jakościowymi umożliwiły nam określenie zakresu naszego badania oraz rodzaj, czas i zasięg procedur badania, a także ocenę wpływu zniekształceń, zarówno indywidualnie, jak i łącznie na sprawozdanie finansowe jako całość.

Koncepcja istotności stosowana jest przez biegłego rewidenta zarówno przy planowaniu i przeprowadzaniu badania jak i przy ocenie wpływu rozpoznanych podczas badania zniekształceń oraz nieskorygowanych zniekształceń, jeśli występują, na sprawozdanie finansowe, a także przy formułowaniu opinii biegłego rewidenta. W związku z powyższym wszystkie opinie, oświadczenia i stwierdzenia zawarte w sprawozdaniu biegłego rewidenta z badania są wyrażane z uwzględnieniem jakościowego i wartościowego poziomu istotności ustalonego zgodnie ze standardami badania i zawodowym osądem biegłego rewidenta.

Odpowiedzialność Zarządu za sprawozdanie finansowe

Zarząd Spółki jest odpowiedzialny za sporządzenie, na podstawie prawidłowo prowadzonych ksiąg rachunkowych, rocznego sprawozdania finansowego, które przedstawia rzetelny i jasny obraz sytuacji majątkowej i finansowej i wyniku finansowego Spółki zgodnie z przepisami Ustawy o rachunkowości, przyjętymi zasadami (polityką) rachunkowości oraz z obowiązującymi Spółkę przepisami prawa i umową, a także za kontrolę wewnętrzną, którą Zarząd uważa za niezbędną, aby umożliwić sporządzenie sprawozdania finansowego niezawierającego istotnego zniekształcenia spowodowanego oszustwem lub błędem.

Sporządzając sprawozdanie finansowe Zarząd Spółki jest odpowiedzialny za ocenę zdolności Spółki do kontynuowania działalności, ujawnienie, jeżeli ma to zastosowanie, spraw związanych z kontynuacją działalności oraz za przyjęcie zasady kontynuacji działalności jako podstawy rachunkowości, z wyjątkiem sytuacji kiedy Zarząd albo zamierza dokonać likwidacji Spółki, albo zaniechać prowadzenia działalności

albo nie ma żadnej realnej alternatywy dla likwidacji lub zaniechania działalności.

Zarząd Spółki jest zobowiązany do zapewnienia, aby sprawozdanie finansowe spełniało wymagania przewidziane w Ustawie o rachunkowości. Osoby sprawujące nadzór są odpowiedzialne za nadzorowanie procesu sprawozdawczości finansowej.

Odpowiedzialność biegłego rewidenta za badanie sprawozdania finansowego

Naszymi celami są uzyskanie racjonalnej pewności czy sprawozdanie finansowe jako całość nie zawiera istotnego zniekształcenia spowodowanego oszustwem lub błędem oraz wydanie sprawozdania z badania zawierającego naszą opinię. Racjonalna pewność jest wysokim poziomem pewności ale nie gwarantuje, że badanie przeprowadzone zgodnie z KSB zawsze wykryje istniejące istotne zniekształcenie. Zniekształcenia mogą powstawać na skutek oszustwa lub błędu i są uważane za istotne, jeżeli można racjonalnie oczekiwać, że pojedynczo lub łącznie mogłyby wpłynąć na decyzje ekonomiczne użytkowników podjęte na podstawie sprawozdania finansowego.

Zakres badania nie obejmuje zapewnienia co do przyszłej rentowności Spółki ani efektywności lub skuteczności prowadzenia jej spraw przez Zarząd Spółki obecnie lub w przyszłości.

Podczas badania zgodnego z KSB stosujemy zawodowy osąd i zachowujemy zawodowy sceptycyzm, a także:

- identyfikujemy i szacujemy ryzyka istotnego zniekształcenia sprawozdania finansowego spowodowanego oszustwem lub błędem, projektujemy i przeprowadzamy procedury badania odpowiadające tym ryzykom i uzyskujemy dowody badania, które są wystarczające i odpowiednie, aby stanowić podstawę dla naszej opinii. Ryzyko niewykrycia istotnego zniekształcenia wynikającego z oszustwa jest większe niż tego wynikającego z błędu, ponieważ oszustwo może dotyczyć zmywy, fałszerstwa, celowych pominięć, wprowadzenia w błąd lub obejścia kontroli wewnętrznej;
- uzyskujemy zrozumienie kontroli wewnętrznej stosowanej dla badania w celu zaprojektowania procedur badania, które są odpowiednie w danych okolicznościach, ale nie w celu wyrażenia opinii na temat skuteczności kontroli wewnętrznej Spółki;
- oceniamy odpowiedniość zastosowanych zasad (polityki) rachunkowości oraz zasadność szacunków księgowych oraz powiązanych ujawnień dokonanych przez Zarząd Spółki;
- wyciągamy wniosek na temat odpowiedniości zastosowania przez Zarząd Spółki zasady kontynuacji działalności jako podstawy rachunkowości oraz, na podstawie uzyskanych dowodów badania, czy istnieje istotna niepewność związana ze zdarzeniami lub warunkami, które mogą poddawać w znaczącą wątpliwość zdolność Spółki do kontynuacji działalności. Jeżeli dochodzimy do wniosku, że istnieje istotna niepewność, wymagane jest od nas zwrócenie uwagi w sprawozdaniu biegłego rewidenta na powiązane ujawnienia w sprawozdaniu finansowym lub, jeżeli takie ujawnienia są nieadekwatne, modyfikujemy naszą opinię. Nasze wnioski są oparte na dowodach badania uzyskanych do dnia sporządzenia sprawozdania biegłego rewidenta, jednakże przyszłe zdarzenia lub warunki mogą spowodować, że Spółka zaprzestanie kontynuacji działalności;
- oceniamy ogólną prezentację, strukturę i zawartość sprawozdania finansowego, w tym ujawnienia, oraz czy sprawozdanie finansowe przedstawia będące ich podstawą transakcje i zdarzenia w sposób zapewniający rzetelną prezentację.

Komunikujemy się z osobami sprawującymi nadzór odnośnie, między innymi, do planowanego zakresu i czasu przeprowadzenia badania oraz znaczących ustaleń badania, w tym wszelkich znaczących słabości kontroli wewnętrznej, które zidentyfikujemy podczas badania.

Kluczowym biegłym rewidentem odpowiedzialnym za badanie w imieniu PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., spółki wpisanej na listę firm audytorskich pod numerem 144, którego rezultatem jest niniejsze sprawozdanie niezależnego biegłego rewidenta, jest Krzysztof Sieczkowski.

Krzysztof Sieczkowski

Kluczowy Biegły Rewident

Numer w rejestrze 12643

Warszawa, 9 listopada 2020 r.

Nagłówek sprawozdania finansowego	
Data początkowa okresu, za który sporządzono sprawozdanie	2018-07-06
Data końcowa okresu, za który sporządzono sprawozdanie	2019-12-31
Data sporządzenia sprawozdania finansowego	2020-03-31
Kod Sprawozdania: SprFinJednostkaInnaWZłotych	
Kod Systemowy	SFJINZ (1)
Wersja Schemy	1-2
Wariant Sprawozdania	1
Wprowadzenie do sprawozdania finansowego	
Dane identyfikujące jednostkę	
Firma, siedziba albo miejsce zamieszkania	
Nazwa Firmy	Rainford Spółka z ograniczoną odpowiedzialnością
Siedziba podmiotu	
Województwo	mazowieckie
Powiat	M. ST. Warszawa
Gmina	M. ST. Warszawa
Miejscowość	Warszawa
Adres	
Kraj	PL
Województwo	mazowieckie
Powiat	M. ST. Warszawa
Gmina	M. ST. Warszawa
Nazwa ulicy	Postępu
Numer budynku	14

Nazwa miejscowości	Warszawa
Kod pocztowy	02-676
Nazwa urzędu pocztowego	Warszawa
Podstawowy przedmiot działalności jednostki	
Kod P K D	6492Z
Identyfikator podatkowy NIP	5252757202
Numer KRS. Pole obowiązkowe dla jednostek wpisanych do Krajowego Rejestru Sądowego.	0000741386
Wskazanie okresu objętego sprawozdaniem finansowym	
Data od	2018-07-06
Data do	2019-12-31
Wskazanie, że sprawozdanie finansowe zawiera dane łączne, jeżeli w skład jednostki wchodzi wewnętrzne jednostki organizacyjne sporządzające samodzielne sprawozdania finansowe: "Tak" - sprawozdanie finansowe zawiera dane łącznie; "Nie" - sprawozdanie nie zawiera danych łącznych	Nie
Założenie kontynuacji działalności	
Wskazanie, czy sprawozdanie finansowe zostało sporządzone przy założeniu kontynuowania działalności gospodarczej przez jednostkę w dającej się przewidzieć przyszłości	Tak

<p>Wskazanie, czy nie istnieją okoliczności wskazujące na zagrożenie kontynuowania przez nią działalności: "Tak" - Brak okoliczności wskazujących na zagrożenie kontynuowania działalności; "Nie" - Wystąpiły okoliczności wskazujące na zagrożenie kontynuowania działalności</p>	<p>Tak</p>
<p>Zasady (polityka) rachunkowości. Omówienie przyjętych zasad (polityki) rachunkowości, w zakresie w jakim ustawa pozostawia jednostce prawo wyboru, w tym:</p>	
	<p>1. Wartości niematerialne i prawne Wartości niematerialne i prawne są rozpoznawane, jeżeli jest prawdopodobne, że w przyszłości spowodują one wpływ do Spółki korzyści ekonomicznych. Początkowe ujęcie wartości niematerialnych i prawnych następuje według cen nabycia lub kosztu wytworzenia. Po ujęciu początkowym wartości niematerialne i prawne są wyceniane według cen nabycia lub kosztu wytworzenia pomniejszonych o umorzenie i odpisy z tytułu trwałej utraty wartości. Wartości niematerialne i prawne są amortyzowane liniowo w okresie odpowiadającym szacowanemu okresowi ich ekonomicznej użyteczności. Dla wartości niematerialnych i prawnych o wartości początkowej poniżej 10 000 złotych stosuje się amortyzację kwotową w wysokości 100% wartości w m-cu jej wprowadzenia</p>

do ewidencji.,2. Rzeczowe aktywa trwałe\nŚrodki trwałe są wyceniane w cenie nabycia lub koszcie wytworzenia, pomniejszonych o umorzenie oraz o odpisy z tytułu trwałej utraty wartości. W przypadku prawa wieczystego użytkowania gruntu przez cenę nabycia rozumie się cenę nabycia prawa od osoby trzeciej. Grunty wyceniane są w cenie nabycia pomniejszonej o odpisy z tytułu trwałej utraty wartości.\nWartość początkową środka trwałego powiększają koszty jego ulepszenia polegającego na przebudowie, rozbudowie, modernizacji lub rekonstrukcji i powodującego, że wartość użytkowa tego środka po zakończeniu ulepszenia przewyższa posiadaną przy przyjęciu do używania wartość użytkową.\nŚrodki trwałe, z wyjątkiem gruntów, są amortyzowane liniowo w okresie odpowiadającym szacowanemu okresowi ich ekonomicznej użyteczności.\nDla środków trwałych o jednostkowej wartości początkowej poniżej 10 000 złotych stosuje się amortyzację kwotową w wysokości 100% wartości środka w miesiącu jego wprowadzenia do ewidencji.,3. Środki trwałe przeznaczone na potrzeby Spółki w budowie\nŚrodki trwałe w budowie wyceniane są według rzeczywiście poniesionych nakładów, uwzględniając koszt obsługi zobowiązań zaciągniętych w celu ich sfinansowania oraz ewentualne

różnice kursowe pomniejszone o odpisy z tytułu trwałej utraty wartości.

Odpisów aktualizujących wartość dokonuje się w przypadku podjęcia decyzji o częściowym lub całkowitym zaniechaniu ponoszenia nakładów na ich realizację.

Głównym powodem do dokonania odpisów jest prawdopodobieństwo, iż budowany składnik aktywów nie przyniesie w przyszłości korzyści. W wyniku ustania przyczyny powodującej utratę wartości środka trwałego w budowie koryguje się wcześniej dokonany odpis.

Środki trwałe w budowie nie są amortyzowane do momentu zakończenia ich budowy i oddania do użytkowania.

4. Zaliczki na środki trwałe w budowie

Zaliczki na środki trwałe w budowie obejmują wartość środków pieniężnych przekazanych dostawcom materiałów, bezpośrednim wykonawcom realizowanych usług na poczet budowy oraz zaliczki na poczet zakupu gruntu własnego lub prawa wieczystego użytkowania gruntu powiększone o ewentualne koszty finansowania zaliczki, kapitalizowane począwszy od terminu uzyskania finansowania na zapłatę uzgodnionej zaliczki.

Zaliczki na środki trwałe w budowie wycenia się w wartości nominalnej.

5. Należności krótko- i długoterminowe

Należności są wykazywane w kwocie wymaganej zapłaty pomniejszonej o odpisy

aktualizujące. \nWartość należności aktualizuje się uwzględniając stopień prawdopodobieństwa ich zapłaty poprzez dokonanie odpisu aktualizującego. Odpisy aktualizujące wartość należności zalicza się odpowiednio do pozostałych kosztów operacyjnych lub do kosztów finansowych - zależnie od rodzaju należności, której dotyczy odpis aktualizujący. \nNależności umorzone, przedawnione lub nieściągalne zmniejszają dokonane uprzednio odpisy aktualizujące ich wartość. \nJednostka urealnia wartość należności tworząc odpisy aktualizujące na należności wątpliwe od dłużników postawionych w stan likwidacji lub upadłości, kwestionujących należności oraz zalegających na dzień bilansowy z zapłatą dłużej niż przez 6 miesięcy w wysokości 50%, a zalegających na dzień bilansowy dłużej niż 1 rok w wysokości 100%, jeżeli ocena ich sytuacji gospodarczej i finansowej wskazywała, że spłata należności w najbliższym roku nie jest prawdopodobna. \nNależności umorzone, przedawnione lub nieściągalne, od których nie dokonano odpisów aktualizujących ich wartość lub dokonano odpisów w niepełnej wysokości, zalicza się odpowiednio do pozostałych kosztów operacyjnych lub kosztów finansowych. 6. Wycena aktywów i pasywów wyrażonych w walutach obcych na dzień bilansowy \nNa

metod wyceny aktywów i pasywów
(także amortyzacji),

dzień bilansowy aktywa i pasywa
wyrażone w walutach innych niż
polski złoty są przeliczane na złote
polskie przy zastosowaniu
obowiązującego na ten dzień
średniego kursu ustalonego dla
danej waluty przez Narodowy Bank
Polski. Powstałe z przeliczenia
różnice kursowe ujmowane są
odpowiednio w pozycji przychodów
lub kosztów finansowych lub, w
przypadkach określonych
przepisami, kapitalizowane w
wartości aktywów. ,7. Inwestycje
długoterminowe
Nieruchomości
inwestycyjne ujmowane są w
księgach rachunkowych na dzień ich
nabycia albo powstania, według cen
nabycia lub cen zakupu, jeżeli koszty
przeprowadzenia i rozliczenia
transakcji nie są istotne lub według
kosztu wytworzenia. \nDo inwestycji
w nieruchomości zalicza się między
innymi:\n- grunt utrzymywany w
celu osiągnięcia w długim okresie
korzyści wynikających z przyrostu
jego wartości,\n- grunt utrzymywany
bez określonego przeznaczenia,
który z tej przyczyny uznaje się za
inwestycję dokonaną w celu, o
którym mowa w punkcie
poprzednim,\n- budynek w trakcie
budowy, który w przyszłości
zostanie na podstawie jednej lub
więcej umów oddany w najem,\n- budynek posiadany przez Spółkę,
nieużywany na własne potrzeby,
który został na podstawie jednej lub
więcej umów oddany w najem.
\nNieruchomości inwestycyjne oraz

wartości niematerialne i prawne zaliczane do inwestycji wycenia się nie rzadziej niż na dzień bilansowy według zasad, stosowanych do środków trwałych oraz wartości niematerialnych i prawnych, określonych w art. 28 ust. 1 pkt 1 oraz w art. 31, art. 32 ust. 1–5 i art. 33 ust. 1.

Nieruchomości inwestycyjne w budowie wyceniane są według rzeczywiście poniesionych nakładów, uwzględniając koszt obsługi zobowiązań zaciągniętych w celu ich sfinansowania oraz ewentualne różnice kursowe pomniejszone o odpisy z tytułu trwałej utraty wartości i wykazywane są w aktywach Spółki w pozycji inwestycje długoterminowe – nieruchomości.

Odpisów aktualizujących wartość dokonuje się w przypadku podjęcia decyzji o częściowym lub całkowitym zaniechaniu ponoszenia nakładów na realizację inwestycji. Głównym powodem do dokonania odpisów jest prawdopodobieństwo, iż budowany składnik aktywów nie przyniesie w przyszłości korzyści. W wyniku ustania przyczyny powodującej utratę wartości nieruchomości inwestycyjnej w budowie koryguje się wcześniej dokonany odpis.

Zaliczki na nieruchomości inwestycyjne obejmują wartość środków pieniężnych przekazanych dostawcom materiałów, bezpośrednim wykonawcom realizowanych usług na poczet

wizualizacja

budowy nieruchomości oraz zaliczki na poczet zakupu gruntu nabywanego w celu osiągnięcia w długim okresie korzyści wynikających z jego wartości lub gruntu nabywanego bez określonego przeznaczenia lub prawa wieczystego użytkowania takiego gruntu powiększone o ewentualne koszty finansowania zaliczki, kapitalizowane począwszy od terminu uzyskania finansowania na zapłatę uzgodnionej zaliczki. Na dzień bilansowy zaliczki na nieruchomości inwestycyjne przelicza się po obowiązującym na ten dzień średnim kursie ogłoszonym dla danej waluty przez NBP. Skutki wyceny odnosi się:\n- na nieruchomości inwestycyjne w budowie - w przypadku jednoczesnego rozpoczęcia ponoszenia nakładów na nieruchomość inwestycyjną w budowie,\n- koszty/przychody finansowe w przypadku, gdy Spółka nie rozpoczęła jeszcze ponoszenia nakładów na nieruchomość inwestycyjną w budowie\nni wykazuje w aktywach Spółki w pozycji długo lub krótko terminowych rozliczeń międzyokresowych.\nAktywa finansowe zaliczane do inwestycji długoterminowych wycenia się wg ceny nabycia pomniejszonej o odpisy z tytułu trwałej utraty wartości. \nUdzielone pożyczki wycenia się w kwocie wymaganej zapłaty, z zachowaniem zasady ostrożności.\nUdziały i akcje w

wizualizacja

jednostkach nabyte w celu sprawowania nad nimi kontroli, współkontroli lub wywierania znaczącego wpływu wycenia się wg ceny nabycia lub ceny zakupu pomniejszonej o odpisy z tytułu trwałej utraty wartości.,8.

Rozliczenia międzyokresowe

\nSpółka dokonuje czynnych

rozliczeń międzyokresowych

kosztów, jeżeli dotyczą one

przyszłych okresów

sprawozdawczych. Bierne

rozliczenia międzyokresowe

kosztów dokonywane są w

wysokości prawdopodobnych

zobowiązań przypadających na

bieżący okres sprawozdawczy.\n,9.

Kapitał zakładowy \nKapitał

zakładowy wycenia się według

wartości nominalnej. Ujmowany jest

do wysokości określonej w umowie

spółki i wpisanej w rejestrze

sądowym.,10. Rezerwy \nRezerwy

ujmowane są wówczas, gdy na

Spółce ciąży istniejący obowiązek

(prawny lub zwyczajowy) wynikający

ze zdarzeń przeszłych i gdy jest

pewne lub wysoce prawdopodobne,

że wypełnienie tego obowiązku

spowoduje konieczność wypływu

środków uosabiających korzyści

ekonomiczne, oraz gdy można

dokonać wiarygodnego

oszacowania kwoty tego

zobowiązania.,11.

Zobowiązania\nNa dzień bilansowy

zobowiązania wycenia się w kwocie

wymagającej zapłaty z

uwzględnieniem zasady ostrożności.,

	<p>12. Środki pieniężne i inne aktywa pieniężne</p> <p>Środki pieniężne wyceniane są według wartości nominalnej.</p>
ustalenia wyniku finansowego	<p>13. Uznawanie przychodów</p> <p>Przychody uznawane są w takiej wysokości, w jakiej jest prawdopodobne, że Spółka uzyska korzyści ekonomiczne, które można wiarygodnie wycenić.,14.</p> <p>Odsetki</p> <p>Przychody z tytułu odsetek są rozpoznawane w momencie ich naliczenia.</p>
	<p>Sprawozdanie finansowe zostało przygotowane zgodnie z przepisami ustawy z dnia 29 września 1994 roku o rachunkowości (tekst jednolity Dz.U. z dnia 22 lutego 2019 r. poz. 351 z późniejszymi zmianami) – dalej „Ustawa”.</p> <p>Sprawozdanie finansowe Spółki zostało przygotowane z zastosowaniem następujących zwolnień przewidzianych przez Ustawę:</p> <ul style="list-style-type: none"> Spółka odstąpiła od ustalania aktywów i rezerw z tytułu odroczonego podatku dochodowego (zwolnienie z art. 37 ust. 10 Ustawy); Spółka zastosowała uproszczony sposób kwalifikowania umów leasingu (zwolnienie z art. 3 ust. 6 Ustawy); Spółka zastosowała uproszczony sposób prezentacji instrumentów finansowych (zwolnienie z art. 28b ust. 1 Ustawy); Spółka odstąpiła od sporządzania rachunku przepływów pieniężnych oraz zestawienia zmian w kapitale

ustalenia sposobu sporządzenia
sprawozdania finansowego

własnym (zwolnienie z art. 45 ust. 2 i 3 Ustawy).
Ponadto na podstawie podjętej przez organ zatwierdzający decyzji w sprawie sporządzania sprawozdania finansowego:
Spółka nie sporządza sprawozdania z działalności (zgodnie z art. 49 ust. 5).
Zgodnie z Ustawą Kierownik Jednostki jest zobowiązany zapewnić sporządzenie rocznego sprawozdania finansowego dającego rzetelny i jasny obraz sytuacji majątkowej i finansowej Spółki na koniec roku obrotowego oraz wyniku finansowego za ten rok.
Niniejsze sprawozdanie sporządzono za pierwszy rok obrotowy Spółki.
Przy sporządzaniu sprawozdania finansowego przyjęte zostały odpowiednie do działalności jednostki zasady rachunkowości, które stosowane były w sposób ciągły.
Przy wycenie aktywów i pasywów oraz ustalaniu wyniku finansowego przyjęto, że w dającej się przewidzieć przyszłości Spółka będzie kontynuować działalność w niezmnieszonej istotnie zakresie, bez postawienia jej w stan likwidacji lub upadłości.

{NazwaPozycji: Informacja o zmianach w Zarządzie, Opis: Na dzień sporządzenia sprawozdania finansowego skład Zarządu Spółki przedstawiał się następująco:
Peter Pecnik - Prezes Zarządu;
W 2018 i 2019 roku miały miejsce następujące zmiany w składzie Zarządu Spółki:
Henryk Zimmermann- odwołanie z

Informacja uszczegóławiająca,
wynikająca z potrzeb lub specyfiki
jednostki

obowiązków Członka Zarządu w
wyniku sprzedaży udziałów
Blackstones spółka z ograniczoną
odpowiedzialnością Holdings sp.k.,
powołanie do Zarządu Spółki
Stanislava Frnka oraz Yacine Diallo
zgodnie z uchwałą Nadzwyczajnego
Zgromadzenia Wspólników z dnia 13
września 2018 roku,\n- Stanislav
Frnka - odwołanie z funkcji Prezesa
Zarządu uchwałą Nadzwyczajnego
Zgromadzenia Wspólników z dnia 6
listopada 2018 roku,\n- Yacine Diallo
- odwołanie z funkcji Członka
Zarządu uchwałą Nadzwyczajnego
Zgromadzenia Wspólników z dnia 31
lipca 2019 roku,\n- Peter Pecnik -
powołanie na stanowisko Prezesa
Zarządu uchwałą Nadzwyczajnego
Zgromadzenia Wspólników z dnia 6
listopada 2018 roku.},{NazwaPozycji:
Elementy sprawozdania
finansowego;Opis:Załączone
sprawozdanie finansowe zawiera:\n-
Wprowadzenie\n- Bilans
sporządzony na dzień 31 grudnia
2019, który po stronie aktywów i
pasywów wykazuje sumę 166 718,52
PLN\n- Rachunek zysków i strat za
okres od 6 lipca 2018 do 31 grudnia
2019 wykazujący stratę 162 965,75
PLN;\n- Dodatkowe informacje i
objaśnienia\n- Informację o
podatku}

Bilans

opis lub nazwa pozycji	Kwota na dzień kończący bieżący rok obrotowy	Kwota na dzień kończący poprzedni rok obrotowy	Przekształcone dane porównawcze za poprzedni rok obrotowy
Aktywa razem	166718.52	0	-
+Aktywa trwałe	0	0	-
++Wartości niematerialne i prawne	0	0	-
+++Koszty zakończonych prac rozwojowych	0	0	-
+++Wartość firmy	0	0	-
+++Inne wartości niematerialne i prawne	0	0	-
+++Zaliczki na wartości niematerialne i prawne	0	0	-
++Rzeczowe aktywa trwałe	0	0	-
+++Środki trwałe	0	0	-
++++grunty (w tym prawo użytkowania wieczystego gruntu)	0	0	-
++++budynki, lokale, prawa do lokali i obiekty inżynierii lądowej i wodnej	0	0	-

++++urządzenia techniczne i maszyny	0	0	-
++++środki transportu	0	0	-
++++inne środki trwałe	0	0	-
+++Środki trwałe w budowie	0	0	-
+++Zaliczki na środki trwałe w budowie	0	0	-
++Należności długoterminowe	0	0	-
+++Od jednostek powiązanych	0	0	-
+++Od pozostałych jednostek, w których jednostka posiada zaangażowanie w kapitale	0	0	-
+++Od pozostałych jednostek	0	0	-
++Inwestycje długoterminowe	0	0	-
+++Nieruchomości	0	0	-
+++Wartości niematerialne i prawne	0	0	-

+++Długoterminowe aktywa finansowe	0	0	-
++++w jednostkach powiązanych	0	0	-
+++++- udziały lub akcje	0	0	-
+++++- inne papiery wartościowe	0	0	-
+++++- udzielone pożyczki	0	0	-
+++++- inne długoterminowe aktywa finansowe	0	0	-
++++w pozostałych jednostkach, w których jednostka posiada zaangażowanie w kapitale	0	0	-
+++++- udziały lub akcje	0	0	-
+++++- inne papiery wartościowe	0	0	-
+++++- udzielone pożyczki	0	0	-

+++++- inne długoterminowe aktywa finansowe	0	0	-
++++w pozostałych jednostkach	0	0	-
+++++- udziały lub akcje	0	0	-
+++++- inne papiery wartościowe	0	0	-
+++++- udzielone pożyczki	0	0	-
+++++- inne długoterminowe aktywa finansowe	0	0	-
+++Inne inwestycje długoterminowe	0	0	-
++Długotermino we rozliczenia międzyokresowe	0	0	-
+++Aktywa z tytułu odroczonego podatku dochodowego	0	0	-
+++Inne rozliczenia międzyokresowe	0	0	-
+Aktywa obrotowe	166718.52	0	-
++Zapasy	0	0	-

+++Materiały	0	0	-
+++Półprodukty i produkty w toku	0	0	-
+++Produkty gotowe	0	0	-
+++Towary	0	0	-
+++Zaliczki na dostawy i usługi	0	0	-
++Należności krótkoterminowe	0	0	-
+++Należności od jednostek powiązanych	0	0	-
++++z tytułu dostaw i usług, o okresie spłaty:	0	0	-
+++++- do 12 miesięcy	0	0	-
+++++- powyżej 12 miesięcy	0	0	-
++++inne	0	0	-
+++Należności od pozostałych jednostek, w których jednostka posiada zaangażowanie w kapitale	0	0	-
++++z tytułu dostaw i usług, o okresie spłaty:	0	0	-
+++++- do 12 miesięcy	0	0	-

+++++- powyżej 12 miesięcy	0	0	-
++++inne	0	0	-
+++Należności od pozostałych jednostek	0	0	-
++++z tytułu dostaw i usług, o okresie spłaty:	0	0	-
+++++- do 12 miesięcy	0	0	-
+++++- powyżej 12 miesięcy	0	0	-
++++z tytułu podatków, dotacji, ceł, ubezpieczeń społecznych i zdrowotnych oraz innych tytułów publiczno prawnych	0	0	-
++++inne	0	0	-
++++dochodzone na drodze sądowej	0	0	-
++Inwestycje krótkoterminowe	166464.91	0	-
+++Krótkotermin owe aktywa finansowe	166464.91	0	-
++++w jednostkach powiązanych	0	0	-

+++++- udziały lub akcje	0	0	-
+++++- inne papiery wartościowe	0	0	-
+++++- udzielone pożyczki	0	0	-
+++++- inne krót koterminowe aktywa finansowe	0	0	-
++++w pozostałych jednostkach	0	0	-
+++++- udziały lub akcje	0	0	-
+++++- inne papiery wartościowe	0	0	-
+++++- udzielone pożyczki	0	0	-
+++++- inne krót koterminowe aktywa finansowe	0	0	-
++++Środki pieniężne i inne aktywa pieniężne	166464.91	0	-
+++++- środki pieniężne w kasie i na rachunkach	166464.91	0	-
+++++- inne środki pieniężne	0	0	-

+++++- inne aktywa pieniężne	0	0	-
+++Inne inwestycje krótkoterminowe	0	0	-
++Krótkoterminowe rozliczenia międzyokresowe	253.61	0	-
+Należne wpłaty na kapitał (fundusz) podstawowy	0	0	-
+Udziały (akcje) własne	0	0	-
Pasywa razem	166718.52	0	-
+Kapitał (fundusz) własny	56554.25	0	-
++Kapitał (fundusz) podstawowy	10000	0	-
++Kapitał (fundusz) zapasowy, w tym:	209520	0	-
+++- nadwyżka wartości sprzedaży (wartości emisyjnej) nad wartością nominalną udziałów (akcji)	209520	0	-
++Kapitał (fundusz) z aktualizacji wyceny, w tym:	0	0	-

+++– z tytułu aktualizacji wartości godziwej	0	0	-
++Pozostałe kapitały (fundusze) rezerwowe, w tym:	0	0	-
+++– tworzone zgodnie z umową (statutem) spółki	0	0	-
+++– na udziały (akcje) własne	0	0	-
++Zysk (strata) z lat ubiegłych	0	0	-
++Zysk (strata) netto	-162965.75	0	-
++Odpisy z zysku netto w ciągu roku obrotowego (wielkość ujemna)	0	0	-
+Zobowiązania i rezerwy na zobowiązania	110164.27	0	-
++Rezerwy na zobowiązania	0	0	-
+++Rezerwa z tytułu odroczonego podatku dochodowego	0	0	-

+++Rezerwa na świadczenia emerytalne i podobne	0	0	-
++++- długoterminowa	0	0	-
++++- krótkoterminowa	0	0	-
+++Pozostałe rezerwy	0	0	-
++++- długoterminowe	0	0	-
++++- krótkoterminowe	0	0	-
++Zobowiązania długoterminowe	0	0	-
+++Wobec jednostek powiązanych	0	0	-
+++Wobec pozostałych jednostek, w których jednostka posiada zaangażowanie w kapitale	0	0	-
+++Wobec pozostałych jednostek	0	0	-
++++kredyty i pożyczki	0	0	-

++++z tytułu emisji dłużnych papierów wartościowych	0	0	-
++++inne zobowiązania finansowe	0	0	-
++++zobowiązania wekslowe	0	0	-
++++inne	0	0	-
++Zobowiązania krótkoterminowe	110164.27	0	-
+++Zobowiązania wobec jednostek powiązanych	110164.27	0	-
++++z tytułu dostaw i usług, o okresie wymagalności:	110164.27	0	-
+++++- do 12 miesięcy	110164.27	0	-
+++++- powyżej 12 miesięcy	0	0	-
++++inne	0	0	-
+++Zobowiązania wobec pozostałych jednostek, w których jednostka posiada zaangażowanie w kapitale	0	0	-

++++z tytułu dostaw i usług, o okresie wymagalności:	0	0	-
+++++- do 12 miesięcy	0	0	-
+++++- powyżej 12 miesięcy	0	0	-
++++inne	0	0	-
+++Zobowiązania wobec pozostałych jednostek	0	0	-
++++kredyty i pożyczki	0	0	-
++++z tytułu emisji dłużnych papierów wartościowych	0	0	-
++++inne zobowiązania finansowe	0	0	-
++++z tytułu dostaw i usług, o okresie wymagalności:	0	0	-
+++++- do 12 miesięcy	0	0	-
+++++- powyżej 12 miesięcy	0	0	-
++++zaliczki otrzymane na dostawy i usługi	0	0	-

++++zobowiązani a wekslowe	0	0	-
++++z tytułu podatków, ceł, ubezpieczeń społecznych i zdrowotnych oraz innych tytułów publiczno prawnych	0	0	-
++++z tytułu wynagrodzeń	0	0	-
++++inne	0	0	-
+++Fundusze specjalne	0	0	-
++Rozliczenia międzyokresowe	0	0	-
+++Ujemna wartość firmy	0	0	-
+++Inne rozliczenia międzyokresowe	0	0	-
++++- długoterminowe	0	0	-
++++- krótkoterminowe	0	0	-
Rachunek zysków i strat			
Rachunek zysków i strat (wariant porównawczy)			
opis lub nazwa pozycji	Kwota na dzień kończący bieżący rok obrotowy	Kwota na dzień kończący poprzedni rok obrotowy	Przekształcone dane porównawcze za poprzedni rok obrotowy

Przychody netto ze sprzedaży i zrównane z nimi, w tym:	0	0	-
+– od jednostek powiązanych	0	0	-
+Przychody netto ze sprzedaży produktów	0	0	-
+Zmiana stanu produktów (zwiększenie – wartość dodatnia, zmniejszenie – wartość ujemna)	0	0	-
+Koszt wytworzenia produktów na własne potrzeby jednostki	0	0	-
+Przychody netto ze sprzedaży towarów i materiałów	0	0	-
Koszty działalności operacyjnej	161720.87	0	-
+Amortyzacja	0	0	-
+Zużycie materiałów i energii	0	0	-
+Usługi obce	159399.26	0	-

+Podatki i opłaty, w tym:	1974	0	-
++- podatek akcyzowy	0	0	-
+Wynagrodzenia	0	0	-
+Ubezpieczenia społeczne i inne świadczenia, w tym:	0	0	-
++- emerytalne	0	0	-
+Pozostałe koszty rodzajowe	347.61	0	-
+Wartość sprzedanych towarów i materiałów	0	0	-
Zysk (strata) ze sprzedaży (A-B)	-161720.87	0	-
Pozostałe przychody operacyjne	0	0	-
+Zysk z tytułu rozchodu niefinansowych aktywów trwałych	0	0	-
+Dotacje	0	0	-
+Aktualizacja wartości aktywów niefinansowych	0	0	-
+Inne przychody operacyjne	0	0	-
Pozostałe koszty operacyjne	0	0	-

+Strata z tytułu rozchodu niefinansowych aktywów trwałych	0	0	-
+Aktualizacja wartości aktywów niefinansowych	0	0	-
+Inne koszty operacyjne	0	0	-
Zysk (strata) z działalności operacyjnej (C+D-E)	-161720.87	0	-
Przychody finansowe	0	0	-
+Dywidendy i udziały w zyskach, w tym:	0	0	-
++Od jednostek powiązanych, w tym:	0	0	-
+++– w których jednostka posiada zaangażowanie w kapitale	0	0	-
++Od jednostek pozostałych, w tym:	0	0	-
+++– w których jednostka posiada zaangażowanie w kapitale	0	0	-

+Odsetki, w tym:	0	0	-
++- od jednostek powiązanych	0	0	-
+Zysk z tytułu rozchodu aktywów finansowych, w tym:	0	0	-
++- w jednostkach powiązanych	0	0	-
+Aktualizacja wartości aktywów finansowych	0	0	-
+Inne	0	0	-
Koszty finansowe	1244.88	0	-
+Odsetki, w tym:	0	0	-
++- dla jednostek powiązanych	0	0	-
+Strata z tytułu rozchodu aktywów finansowych, w tym:	0	0	-
++- w jednostkach powiązanych	0	0	-
+Aktualizacja wartości aktywów finansowych	0	0	-
+Inne	1244.88	0	-

Zysk (strata) brutto (F+G-H)	-162965.75	0	-	
Podatek dochodowy	0	0	-	
Pozostałe obowiązkowe zmniejszenia zysku (zwiększenia straty)	0	0	-	
Zysk (strata) netto (I-J-K)	-162965.75	0	-	
Dodatkowe informacje i objaśnienia				
Dodatkowe informacje i objaśnienia				
Opis				
Opis	Inf_dod_Rainford_SF_2019_final			
Załączony plik				
Nazwa pliku wraz z rozszerzeniem.	Inf_dod_Rainford_SF_2019_final.pdf			
Rozliczenie różnicy pomiędzy podstawą opodatkowania podatkiem dochodowym a wynikiem finansowym (zyskiem, stratą) brutto. Wypełniają wyłącznie jednostki zobowiązane.				
A. Zysk (strata) brutto za dany rok	Rok bieżący	-162965.75		
	Rok poprzedni	-		
B. Przychody zwolnione z opodatkowania (trwałe różnice pomiędzy zyskiem/stratą dla celów rachunkowych a dochodem /stratą dla celów	Rok bieżący	Wartość łączna	0	
		z zysków kapitałowych	0	
		z innych źródeł przychodów	0	
		Wartość łączna	-	
		z zysków kapitałowych	-	

podatkowych), w tym:	Rok poprzedni	z innych źródeł przychodów	-
C. Przychody niepodlegające opodatkowaniu w roku bieżącym, w tym:	Rok bieżący	Wartość łączna	0
		z zysków kapitałowych	0
		z innych źródeł przychodów	0
	Rok poprzedni	Wartość łączna	-
		z zysków kapitałowych	-
		z innych źródeł przychodów	-
D. Przychody podlegające opodatkowaniu w roku bieżącym, ujęte w księgach rachunkowych lat ubiegłych w tym:	Rok bieżący	Wartość łączna	0
		z zysków kapitałowych	0
		z innych źródeł przychodów	0
	Rok poprzedni	Wartość łączna	-
		z zysków kapitałowych	-
		z innych źródeł przychodów	-
E. Koszty niestanowiące kosztów uzyskania przychodów (trwałe różnice pomiędzy zyskiem/stratą dla celów	Rok bieżący	Wartość łączna	392
		z zysków kapitałowych	0
		z innych źródeł przychodów	392
		Wartość łączna	-

rachunkowych a dochodem /stratą dla celów podatkowych), w tym:	Rok poprzedni	z zysków kapitałowych	-
		z innych źródeł przychodów	-
Pozostałe (możliwość łącznego podania różnic o wartościach niższych niż 20.000 zł)	Rok bieżący	Wartość łączna	392
		z zysków kapitałowych	0
		z innych źródeł przychodów	392
	Rok poprzedni	Wartość łączna	-
		z zysków kapitałowych	-
		z innych źródeł przychodów	-
F. Koszty nieuznawane za koszty uzyskania przychodów w bieżącym roku, w tym:	Rok bieżący	Wartość łączna	1212.2
		z zysków kapitałowych	0
		z innych źródeł przychodów	1212.2
	Rok poprzedni	Wartość łączna	-
		z zysków kapitałowych	-
		z innych źródeł przychodów	-
Pozostałe (możliwość łącznego podania różnic o wartościach	Rok bieżący	Wartość łączna	1212.2
		z zysków kapitałowych	0
		z innych źródeł przychodów	1212.2
		Wartość łączna	-

niższych niż 20.000 zł)	Rok poprzedni	z zysków kapitałowych	-
		z innych źródeł przychodów	-
G. Koszty uznawane za koszty uzyskania przychodów w roku bieżącym ujęte w księgach lat ubiegłych, w tym:	Rok bieżący	Wartość łączna	0
		z zysków kapitałowych	0
		z innych źródeł przychodów	0
	Rok poprzedni	Wartość łączna	-
		z zysków kapitałowych	-
		z innych źródeł przychodów	-
H. Strata z lat ubiegłych, w tym:	Rok bieżący	Wartość łączna	0
		z zysków kapitałowych	0
		z innych źródeł przychodów	0
	Rok poprzedni	Wartość łączna	-
		z zysków kapitałowych	-
		z innych źródeł przychodów	-
I. Inne zmiany podstawy opodatkowania, w tym:	Rok bieżący	Wartość łączna	0
		z zysków kapitałowych	0
		z innych źródeł przychodów	0
		Wartość łączna	-

	Rok poprzedni	z zysków kapitałowych	-
		z innych źródeł przychodów	-
J. Podstawa opodatkowania podatkiem dochodowym	Rok bieżący	-161361.55	
	Rok poprzedni	-	
K. Podatek dochodowy	Rok bieżący	0	
	Rok poprzedni	-	

wizualizacja sprawozdania

9.12 Copy of the Suretyship Provider's audited consolidated financial statements as at and for the financial year ended 31 December 2019

HB Reavis Holding S.A.

**Consolidated Financial Statements
31 December 2019**

Contents

AUDITOR's report

Consolidated financial statements as at and for the year ended 31 december 2019

Consolidated Statement of Financial Position	1
Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Consolidated Statement of Changes in Equity	3
Consolidated Statement of Cash Flows	4

Notes to the Consolidated Financial Statements

1	The HB REAVIS Group and its Operations	5
2	Significant Accounting Policies	6
3	Critical Accounting Estimates and Judgements in Applying Accounting Policies	22
4	Adoption of New or Revised Standards and Interpretations	23
5	New Accounting Pronouncements	24
6	Segment Analysis	25
7	Balances and Transactions with Related Parties	36
8	Property, Plant and Equipment	38
9	Right-of use assets and lease liabilities	39
10	Investment Property	40
11	Investments in Joint Ventures	41
12	Receivables and Loans	41
13	Other Non-Current Assets	42
14	Trade and Other Receivables	42
15	Non-current Assets Held for Sale	44
16	Cash and Cash Equivalents	45
17	Other current assets	45
18	Financial investments	45
19	Share Capital and Share Premium	46
20	Borrowings	46
21	Trade and Other Payables	49
22	Rental and Similar Income from Investment Property	50
23	Direct Operating Expenses arising from Investment Property	50
24	Analysis of Revenue by Category	51
25	Employee Benefits	51
26	Operating Income and Expenses	51
27	Disposals of Subsidiaries	52
28	Income Taxes	52
29	Foreign exchange gains/(losses)	53
30	Contingencies, Commitments and Operating Risks	53
31	Financial Risk Management	54
32	Management of Capital	59
33	Fair Value Estimation	60
34	Reconciliation of Classes of Financial Instruments with Measurement Categories	65
35	Consolidated Structured Entities	66
36	Events after the End of the Reporting Period	66



Audit report

To the Shareholders of
HB Reavis Holding S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of HB Reavis Holding S.A. (the "Company") and its subsidiaries (the "Group") as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

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

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Management Report but does not include the consolidated financial statements and our audit report thereon.

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Management Report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 15 May 2020

□





Electronically signed by:
Isabelle Dauvergne

A handwritten signature in blue ink, appearing to read 'Dauvergne', with a small square mark below it.

Isabelle Dauvergne

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Investment property in use or vacant	10	522.6	622.8
Investment property under development	10	1,880.3	1,043.6
Investment in joint ventures	11	2.2	54.5
Property, plant and equipment	8	4.8	9.3
Right-of-use assets	9	14.1	-
Intangible assets		1.2	0.9
Financial investments	18	27.4	51.8
Receivables and loans	7, 12	3.6	9.2
Deferred income tax asset	28	4.1	11.8
Other non-current assets	13	6.0	9.4
Total non-current assets		2,466.3	1,813.3
Current assets			
Non-current assets classified as held for sale	15	334.3	271.2
Inventories		0.4	0.4
Trade and other receivables	7, 14	78.1	72.4
Other assets	17	46.1	20.3
Cash and cash equivalents	16	115.1	172.3
		239.7	265.4
Total current assets		574.0	536.6
TOTAL ASSETS		3,040.3	2,349.9
EQUITY			
Share capital (30,000 shares at EUR 1.00 each)	19	-	-
Share premium	19	402.5	455.9
Retained earnings		1,198.3	831.8
Revaluation reserve for assets transferred to investment properties at fair value	8	3.8	3.8
Currency translation reserve	2.3	(11.3)	(33.4)
Equity attributable to the Company's owners		1,593.3	1,258.1
Non-controlling interest		0.1	-
TOTAL EQUITY		1,593.4	1,258.1
LIABILITIES			
Non-current liabilities			
Borrowings	20	728.9	614.4
Deferred income tax liability	28	133.4	79.3
Trade and other payables	7, 21	25.2	15.2
Lease liabilities	9	68.8	-
Total non-current liabilities		956.3	708.9
Current liabilities			
Liabilities directly associated with non-current assets classified as held for sale	15	177.7	158.8
Borrowings	20	192.4	133.2
Trade and other payables	7, 21	106.7	85.9
Lease liabilities	9	7.5	-
Deferred income	21	4.5	5.0
Current income tax payable		1.8	-
		312.9	224.1
Total current liabilities		490.6	382.9
TOTAL LIABILITIES		1,446.9	1,091.8
TOTAL LIABILITIES AND EQUITY		3,040.3	2,349.9

These consolidated financial statements have been approved for issue and signed on behalf of the HB Reavis Holding S.A. on 12 May 2020 by the members of the Board of Directors of HB Reavis Holding S.A. Shareholders have the power to amend these consolidated financial statements after issue.

 Melanie Koch Director A	 Joel Cárdenas San Martín Director A	 Isabel Schellenberg Director A	 Marián Herman Director B
---	---	---	--

<i>In millions of EUR</i>	Note	2019	2018
Rental and similar income from investment property	22	60.6	62.1
Direct operating expenses arising from investment property	23	(26.4)	(24.1)
Net operating income from investment property		34.2	38.0
Revaluation gain on investment property	10	519.4	194.8
Share of (loss)/profit of joint ventures	11	(7.7)	10.0
Gain on disposal of subsidiaries	27	3.0	21.8
Gain on disposal of joint venture	11	23.7	-
Other operating income	7, 26	8.7	7.2
Revenue from construction contracts	24	22.8	21.9
Construction services		(19.6)	(22.3)
Employee benefits	7, 25	(25.1)	(25.7)
Depreciation and amortisation		(5.3)	(2.5)
Revaluation of investment in associate	18	(27.1)	-
Other operating expenses	26	(40.2)	(45.3)
Operating profit		486.8	197.9
Interest income calculated using the effective interest method	7	1.9	1.2
Interest expense		(33.3)	(33.2)
Foreign exchange gains/(losses), net	29	0.6	(8.5)
Gains less losses on financial derivatives		6.8	(3.7)
Other finance income		0.4	0.3
Other finance costs		(6.5)	(2.4)
Finance costs, net		(30.1)	(46.3)
Profit before income tax		456.7	151.6
Current income tax expense	28	(7.6)	(2.0)
Deferred income tax expense	28	(82.6)	(29.5)
Income tax expense		(90.2)	(31.5)
Net profit for the year		366.5	120.1
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation of foreign operations to the presentation currency for the year		28.8	(10.6)
Translation of foreign operations reclassified to profit or loss upon loss of control of subsidiary or repayment of subsidiaries' capital	27	4.6	(7.4)
Translation of foreign operations reclassified to profit or loss upon disposal of joint venture		(11.3)	-
Total other comprehensive income/(loss)		22.1	(18.0)
Total comprehensive income for the year		388.6	102.1
Net profit is attributable to:			
- Owners of the Company		366.5	120.1
- Non-controlling interest		-	-
Profit for the year		366.5	120.1
Total comprehensive income is attributable to:			
- Owners of the Company		388.6	102.1
- Non-controlling interest		-	-
Total comprehensive income for the year		388.6	102.1

In millions of EUR	Note	Attributable to owners of the Company					Non-controlling Interest	Total equity
		Share capital (Note 19)	Share premium (Note 19)	Retained earnings	Translation reserve	Revaluation reserve		
Balance at 1 January 2018		-	494.0	711.7	(15.4)	3.8	1.6	1,195.7
Profit for the year		-	-	120.1	-	-	-	120.1
Other comprehensive loss		-	-	-	(18.0)	-	-	(18.0)
Total comprehensive income / (loss) for 2018		-	-	120.1	(18.0)	-	-	102.1
Distribution to owners	19	-	(38.1)	-	-	-	-	(38.1)
Other		-	-	-	-	-	(1.6)	(1.6)
Balance at 31 December 2018		-	455.9	831.8	(33.4)	3.8	-	1,258.1
Profit for the year		-	-	366.5	-	-	-	366.5
Other comprehensive income		-	-	-	22.1	-	-	22.1
Total comprehensive income / (loss) for 2019		-	-	366.5	22.1	-	-	388.6
Distribution to owners	19	-	(53.4)	-	-	-	-	(53.4)
Other		-	-	-	-	-	0.1	0.1
Balance at 31 December 2019		-	402.5	1,198.3	(11.3)	3.8	0.1	1,593.4

<i>In millions of EUR</i>	Note	2019	2018
Cash flows from operating activities			
Profit before income tax		456.7	151.6
<i>Adjustments for:</i>			
Depreciation and amortisation	8, 9	5.3	2.5
Revaluation gains on investment property	10	(519.4)	(194.8)
Gains less losses on disposals of subsidiaries	27	(3.0)	(21.8)
Share of loss/(profit) or loss of joint ventures		7.7	(10.0)
Result on disposal of joint ventures	11	(23.7)	-
Interest income calculated using the effective interest method		(1.9)	(1.2)
Interest expense		33.3	33.2
Revaluation of investment in associate	18	27.1	-
Unrealised foreign exchange (gains)/losses	29	(10.6)	8.3
Unrealised (gains)/losses from financial derivatives		(4.9)	5.9
Operating cash flows before working capital changes		(33.4)	(26.3)
<i>Working capital changes:</i>			
Decrease/(increase) in trade and other receivables		(34.3)	18.1
Increase/(decrease) in trade and other payables		31.3	(2.5)
Cash generated from/(used in) operations		(36.4)	(10.7)
Interest paid	20	(28.1)	(31.9)
Income taxes paid		(4.4)	(1.8)
Net cash from/(used in) operating activities		(68.9)	(44.4)
Cash flows from investing activities			
Purchases of property, plant and equipment	8	(4.1)	(2.7)
Purchases of investment properties	10	-	(127.1)
Proceeds from sale of joint venture		56.3	-
Loans repaid by related parties	7	-	23.3
Construction costs related to investment properties	10	(420.9)	(223.4)
Proceeds from sales of subsidiaries, net of cash disposed of	27	52.5	169.7
Proceeds from disposal of own use premises and equipment	8	1.0	1.2
Acquisition of financial investments	18	(1.7)	(49.8)
Acquisition of intangible assets		(0.7)	(0.6)
Dividends received from joint ventures	7	-	10.1
Restricted cash	16	(1.3)	(0.6)
Net cash from / (used in) investing activities		(318.9)	(199.9)
Cash flows from financing activities			
Proceeds from borrowings	20	493.2	294.4
Repayment of borrowings	20	(98.9)	(109.1)
Repayment of principal of lease liabilities	9, 20	(5.6)	-
Distributions paid to owners	19	(53.4)	(46.9)
Net cash from/(used in) financing activities		335.3	138.4
Net (decrease) / increase in cash and cash equivalents		(52.5)	(105.9)
Cash and cash equivalents at the beginning of the year		171.0	276.9
Cash and cash equivalents at the end of the year		118.5	171.0
<i>Reconciliation of cash and cash equivalents:</i>			
- Restricted cash	16	4.1	2.8
- Cash within non-current assets classified as held for sale	15	(7.5)	(1.5)
Cash and cash equivalents at the end of the year presented in the statement of financial position	16	115.1	172.3

1 The HB REAVIS Group and its Operations

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "EU") for the year ended 31 December 2019 for HB Reavis Holding S.A. (the "Company") and its subsidiaries (together referred to as the "Group" or "HB REAVIS Group").

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

HB Reavis Holding S.A. is ultimately controlled by Mr. Ivan Chrenko. The Group's immediate parent as of the date of issuance of these consolidated financial statements is Kennesville Holdings Ltd based in Cyprus.

Principal activity. The HB REAVIS Group is a real estate group with major portfolio of investment properties in Slovakia, Poland, Hungary, Germany, United Kingdom and the Czech Republic. It is principally involved in the development of properties for its own portfolio, in leasing out investment properties under operating leases, as well as in asset management and is also active in investment management. The Group develops and manages investment properties to earn rental income or for capital appreciation.

In 2017 the Group made its largest acquisition in HB Reavis history with acquisition of One Waterloo in London, in a prominent South Bank location next to the Waterloo station. In 2019, the project had received a permit enabling development of almost 120,000 sqm of office scheme for the projected Gross Development Value of EUR 2.3 billion. Our aim, after optimising the permit, is to commence construction of the new scheme in 2020 and delivery in 2024-2025, subject to Covid-19 emergency situation development. The Group has also an acquired additional land plot in 2018, in London, UK, aiming to develop a project called Bloom over the course of 2019-2021 with expected Gross Development Value of EUR 265 million. In February 2020 the Group had secured another project for the pipeline in London, called Worship square, with planned completion in 2023 and projected Gross Development Value of EUR 240 million.

With respect to Group's expansion to Germany, two acquisition opportunities have been secured in 2018. In Berlin, District project (Prenzlauer Hoehe) is under construction since 12/2018, with expected delivery by mid-2021; Gross Development Value shall reach about EUR 370 million. A land plot in Dresden, Germany, has been added into the portfolio in 07/2018, the scheme design is under preparation.

One project has been delivered in Bratislava, Slovakia, in 2019: Nivy Tower was completed in 12/2019. As of the date of preparation of these consolidated financial statements, construction of Bloom, London, UK, Forest and Varso projects, both in Warsaw, Poland, District, Berlin, Germany, Stanica Nivy in Bratislava, Slovakia and Agora projects in Budapest, Hungary is ongoing.

The Group divested 7 projects over the course of 2019; Mercuria and Radlická in Prague, Czech Republic, West Station Business Center I and West Station Business Center II in Warsaw, Poland, Twin City C and Twin City Tower in Bratislava, Slovakia and Buda Project in Budapest, Hungary.

HB Reavis Real Estate Fund structure. HB Reavis Real Estate Investment Fund (the "Fund") is an umbrella fund incorporated as a corporate partnership limited by shares (société en commandite par actions or S.C.A.) under the laws of Luxembourg, which is registered as an investment company with fixed capital (société d'investissement à capital fixe) within the meaning of article 461-4 of the law on commercial companies of 10 August 1915, as amended (the 1915 Law) and registered as an undertaking for collective investment governed by Part II (UCI Part II) of the 2010 UCI Law, governed by the present articles of association and by current Luxembourg laws. The Fund was initially set up on 25 May 2011 and was registered as an investment company with variable capital until 27 April 2017. The Fund is registered at the Luxembourg Commercial Register under file R.C.S. Luxembourg B 161.180. Furthermore, the Fund is in the scope of the Alternative Investment Fund Management Law of 12 July 2013 ("AIFM Law") and qualifies as an Alternative Investment Fund ("AIF").

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

CE REIF Sub-Fund. While there is no specific country or real estate segment restrictions posed, the CE REIF Sub-Fund aims to mainly invest in the Central European region as Slovakia, the Czech Republic, Poland and Hungary in commercial real estate assets. The initial CE REIF Sub-Fund's portfolio included investments in prime properties only located in Slovakia. The office segment investments are restricted to A-class properties located in central business districts of capital cities in Slovakia, the Czech Republic and Hungary. In Poland however, both, capital and regional cities are eligible for investments in the office segment. The retail segment investments are aimed to be made in both capital and regional cities in the entire Central European region. Investments in logistic properties are restricted to attractive and strategic locations only. CE REIF Sub-Fund seeks to maximize the value via investing in properties, which in the past proved to bear characteristics of a prime-commercial real estate property, which as such implies to have a top-tier tenants portfolio being located in prime or strategic locations and soundly built from both technical and architectonic point of view. CE REIF Sub-Fund seeks to enhance value of properties by contracting an excellent lease management in order to maximize property income. The Group lost control of the Sub-Fund A in 2017.

1 The HB REAVIS Group and its Operations (Continued)

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

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

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

The Group's strategy is reflected in its cash flow forecast that is regularly monitored by the Board of Directors, including their assessment of appropriateness of preparation of the financial statements on a going concern basis. The cash flow outlook is further described under the description of management of liquidity in Note 31. Valuation of properties of the Group in the less liquid markets necessarily involves an element of judgement. The critical accounting judgments used in valuation of the Group's investment properties are described in Note 3.

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

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

As at 31 December 2019 the Group had offices in Luxembourg, Amsterdam, Bratislava, Warsaw, Prague, Budapest, London, and Berlin.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are described below. Apart from the accounting policy changes resulting from the adoption of IFRS 16 effective from 1 January 2019, these policies have been consistently applied to all the periods presented.

2.1 Basis of Preparation

Statement of compliance. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU"). The Group applies all IFRS standards and interpretations issued by International Accounting Standards Board (hereinafter "IASB") as adopted by the European Union, which were in force as of 31 December 2019.

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

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

The consolidated financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment properties (including those held for sale), financial investment, financial assets (eg earn-out receivables) and derivatives at fair value.

The preparation of these consolidated financial statements in conformity with IFRS as adopted by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. Valuation techniques such as discounted cash flows models or models based on recent arm's length transactions or consideration of financial data of the counterparties are used to fair value certain financial instruments or investment properties for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Refer to Note 33.

2 Significant Accounting Policies (Continued)

2.2 Consolidated Financial Statements

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

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

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

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				31 December 2019	31 December 2018
1	HB Reavis Holding S.A. (Parent Company)	EUR	Luxembourg	N/A	N/A
2	GBC A S.à r.l. ⁴	EUR	Luxembourg	-	100
3	GBC B S.à r.l. ⁴	EUR	Luxembourg	-	100
4	Gdanski A SCSp. ⁴	EUR	Luxembourg	-	100
5	Gdanski B SCSp. ⁴	EUR	Luxembourg	-	100
6	HB Reavis DE1 S.à r.l.	EUR	Luxembourg	100	100
7	HB Reavis DE3 S.à r.l.	EUR	Luxembourg	100	100
8	HB Reavis Finance LUX, Sarl	EUR	Luxembourg	100	100
9	HB Reavis Investment Management S.à r.l.	EUR	Luxembourg	100	100
10	Symbiosy Luxembourg S.a.r.l. (former: HB Reavis Qubes Luxembourg S.a.r.l.; former: Evolution Building Technologies S.à r.l.)	EUR	Luxembourg	100	100
11	HB REAVIS REAL ESTATE INVESTMENT FUND (until 27.4.2017 as HB Reavis Real Estate SICAV-SIF) ⁵	EUR	Luxembourg	100	100
12	HB Reavis Strategic Innovations Investments S.à r.l. (former THREE House S.à r.l.)	EUR	Luxembourg	100	100
13	HBR CE REIF LUX 3 S.à r.l.	EUR	Luxembourg	100	100
14	HBR CE REIF LUX 4 S.à r.l.	EUR	Luxembourg	100	100
15	HubHub Luxembourg S.à r.l. (former Tribazu S.à r.l.)	EUR	Luxembourg	100	100
16	ONE House S.à r.l.	GBP	Luxembourg	100	100
17	SIXTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
18	THIRTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
19	TWENTY House S.à r.l.	GBP	Luxembourg	100	100
20	UBX 2 Objekt Berlin S.à r.l. (former HB Reavis DE2 S.à r.l.) ³	EUR	Luxembourg	100	100
21	HB Reavis CEE B.V. ³	EUR	Netherlands	-	100
22	HB REAVIS Croatia B.V. ⁴	EUR	Netherlands	-	100
23	HB REAVIS GROUP B.V.	EUR	Netherlands	100	100
24	HBRG Invest B.V. ⁴	EUR	Netherlands	-	100
25	Twin City Holding N.V.	EUR	Netherlands	100	100
26	WATERFIELD Management B.V.	EUR	Netherlands	99.5	99.5
27	FILWOOD HOLDINGS LIMITED	EUR	Cyprus	100	100
28	HBR FINANCING LIMITED ¹	EUR	Cyprus	100	-
29	HBR HOLDING LIMITED	EUR	Cyprus	100	100
30	HBR IM HOLDING LTD	EUR	Cyprus	100	100
31	HBR INVESTORS LTD	EUR	Cyprus	100	100
32	10 Leake Street Ltd ⁶	GBP	UK	100	100
33	33 CENTRAL LIMITED	GBP	UK	100	100
34	4th Floor Elizabeth House Limited ⁶	GBP	UK	100	100
35	Elizabeth Property Holdings Ltd ⁶	GBP	UK	100	100
36	Elizabeth Property Nominee (No 1) Ltd ⁶	GBP	UK	100	100
37	Elizabeth Property Nominee (No 2) Ltd ⁶	GBP	UK	100	100
38	Elizabeth Property Nominee (No 3) Ltd ⁶	GBP	UK	100	100
39	Elizabeth Property Nominee (No 4) Ltd ⁶	GBP	UK	100	100
40	HB Reavis Construction UK Ltd.	GBP	UK	100	100
41	HB Reavis UK Ltd.	GBP	UK	100	100
42	HBR Capital Investment LP ⁶	GBP	UK	100	100

2 Significant Accounting Policies (Continued)

2.2. Consolidated Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				31 December 2019	31 December 2018
43	HBR FM LTD ⁶	GBP	UK	100	100
44	HubHub UK Ltd ⁶	GBP	UK	100	100
45	HB REAVIS IM ADVISOR LIMITED	EUR	Jersey	100	100
46	AGORA Budapest Kft. (former HB Reavis Project 2 Kft.)	HUF	Hungary	100	100
47	HB REAVIS Buda Project Kft. ²	HUF	Hungary	-	100
48	HB Reavis Construction Hungary Kft.	HUF	Hungary	100	100
49	HB Reavis Hungary Szolgáltató Kft.	HUF	Hungary	100	100
50	HB REAVIS Ingatlanfejlesztési Alap	HUF	Hungary	100	100
51	HB Reavis Qubes Hungary Kft. ¹	HUF	Hungary	100	-
52	HubHub Hungary Kft.	HUF	Hungary	100	100
53	KM Ingatlanbérbeadási Kft	HUF	Hungary	100	100
54	Symbiosy Hungary Kft. ¹	HUF	Hungary	100	-
55	ALISTON Finance I s. r. o.	EUR	Slovakia	100	100
56	ALISTON Finance II s.r.o.	EUR	Slovakia	100	100
57	ALISTON Finance III s. r. o.	EUR	Slovakia	100	100
58	ALISTON Finance IV s. r. o.	EUR	Slovakia	100	100
59	ALISTON Finance V s.r.o.	EUR	Slovakia	100	100
60	ALISTON Finance VI s. r. o. ¹	EUR	Slovakia	100	-
61	Apollo Business Center III a.s.	EUR	Slovakia	100	100
62	Apollo Business Center V a. s.	EUR	Slovakia	100	100
63	Apollo Property Management, s.r.o.	EUR	Slovakia	100	100
64	Bus Station Services s.r.o.	EUR	Slovakia	100	100
65	BUXTON INVEST a.s.	EUR	Slovakia	100	100
66	DVL Engineering a.s.	EUR	Slovakia	50	50
67	Eurovalley, a.s.	EUR	Slovakia	100	100
68	Evolution Building Technologies a.s.	EUR	Slovakia	100	100
69	FORUM BC II s. r. o.	EUR	Slovakia	100	100
70	FutureNow s. r. o.	EUR	Slovakia	100	100
71	General Property Services, a.s.	EUR	Slovakia	100	100
72	HB REAVIS Consulting k.s.	EUR	Slovakia	100	100
73	HB REAVIS Finance SK II s. r. o.	EUR	Slovakia	100	100
74	HB REAVIS Finance SK III s. r. o.	EUR	Slovakia	100	100
75	HB REAVIS Finance SK IV s.r.o.	EUR	Slovakia	100	100
76	HB REAVIS Finance SK s. r. o.	EUR	Slovakia	100	100
77	HB REAVIS Finance SK V s. r. o.	EUR	Slovakia	100	100
78	HB REAVIS Finance SK VI s.r.o. ¹	EUR	Slovakia	100	-
79	HB REAVIS Finance SK VII s. r. o. ¹	EUR	Slovakia	100	-
80	HB Reavis Group s.r.o. (until 30.11.2017 as HB REAVIS Development s. r. o.)	EUR	Slovakia	100	100
81	HB REAVIS IM Advisor Slovakia s. r. o.	EUR	Slovakia	100	100
82	HB Reavis Investment Management správ. spol., a.s.	EUR	Slovakia	100	100
83	HB REAVIS MANAGEMENT spol. s r.o.	EUR	Slovakia	100	100
84	HB Reavis Media s.r.o. (former Smart City Link s.r.o.)	EUR	Slovakia	100	100
85	Symbiosy s. r. o. (former HB Reavis Qubes Slovakia s.r.o.) ¹	EUR	Slovakia	100	-
86	HB REAVIS Slovakia a. s.	EUR	Slovakia	100	100
87	HB REM, spol. s r.o.	EUR	Slovakia	100	100
88	HBR SFA, s. r. o.	EUR	Slovakia	100	100
89	HubHub Group s.r.o.	EUR	Slovakia	100	100
90	HubHub Slovakia s.r.o.	EUR	Slovakia	100	100
91	INLOGIS IV s. r. o.	EUR	Slovakia	100	100
92	INLOGIS LCR a. s.	EUR	Slovakia	100	100
93	INLOGIS V s. r. o.	EUR	Slovakia	100	100
94	INLOGIS VII s. r. o.	EUR	Slovakia	100	100
95	ISTROCENTRUM a. s.	EUR	Slovakia	100	100
96	Logistické centrum Trnava s.r.o.	EUR	Slovakia	100	100
97	LUGO, s.r.o.	EUR	Slovakia	100	100
98	Nivy Tower s.r.o.	EUR	Slovakia	100	100
99	Pressburg Urban Projects a. s.	EUR	Slovakia	100	100
100	Smart City Bridge s. r. o.	EUR	Slovakia	100	100
101	Smart City Eko s.r.o.	EUR	Slovakia	100	100
102	Smart City Office I s.r.o.	EUR	Slovakia	100	100
103	Smart City Office II s.r.o.	EUR	Slovakia	100	100
104	Smart City Office III s.r.o.	EUR	Slovakia	100	100
105	Smart City Office IV s.r.o.	EUR	Slovakia	100	100
106	Smart City Office s.r.o.	EUR	Slovakia	100	100
107	Smart City Office V s.r.o.	EUR	Slovakia	100	100
108	Smart City Office VI s.r.o.	EUR	Slovakia	100	100

2 Significant Accounting Policies (Continued)

2.2. Consolidated Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				31 December 2019	31 December 2018
109	Smart City Office VII s.r.o.	EUR	Slovakia	100	100
110	Smart City Parking s.r.o.	EUR	Slovakia	100	100
111	Smart City Petržalka s. r. o.	EUR	Slovakia	100	100
112	Smart City s.r.o. (until 10.2.2017 as ALISTON II s. r. o.)	EUR	Slovakia	100	100
113	Smart City Services s.r.o. (until 4.5.2017 as AUPARK Property Management, s. r. o.)	EUR	Slovakia	100	100
114	SPC Property Finance II, s.r.o. v likvidácii	EUR	Slovakia	100	100
115	SPC Property Finance III, s.r.o. v likvidácii	EUR	Slovakia	100	100
116	SPC Property Finance IV, s. r. o. v likvidácii	EUR	Slovakia	100	100
117	SPC Property Finance V, s. r. o. ⁴	EUR	Slovakia	-	100
118	SPC Property Finance, s. r. o. ⁴	EUR	Slovakia	-	100
119	SPC Property I, spol. s r.o.	EUR	Slovakia	100	100
120	SPC Property III, s. r. o.	EUR	Slovakia	100	100
121	SPV Vištuk s. r. o.	EUR	Slovakia	100	100
122	Stanica Nivy s.r.o.	EUR	Slovakia	100	100
123	TC Nivy a. s.	EUR	Slovakia	100	100
124	TC Tower A1 s. r. o. ²	EUR	Slovakia	-	100
125	Tower Nivy a. s.	EUR	Slovakia	100	100
126	Twin City III s.r.o.	EUR	Slovakia	100	100
127	Twin City Infrastructure s. r. o.	EUR	Slovakia	100	100
128	Twin City IV s.r.o. ²	EUR	Slovakia	-	100
129	Twin City V s.r.o.	EUR	Slovakia	100	100
130	Twin City VIII s.r.o.	EUR	Slovakia	100	100
131	ANDAREA s.r.o.	CZK	Czech Rep	100	100
132	AR Consulting, a.s.	CZK	Czech Rep	100	100
133	AUPARK Hradec Králové - KOMUNIKACE, s.r.o.	CZK	Czech Rep	100	100
134	AUPARK Karviná s.r.o.	CZK	Czech Rep	100	100
135	DII Czech s.r.o.	CZK	Czech Rep	100	100
136	DNW Czech s.r.o.	CZK	Czech Rep	100	100
137	GALIM s.r.o.	CZK	Czech Rep	100	100
138	HB Reavis CZ, a.s.	CZK	Czech Rep	100	100
139	HB REAVIS DEVELOPMENT CZ, a.s.	CZK	Czech Rep	100	100
140	HB Reavis Finance CZ, s.r.o.	EUR	Czech Rep	100	100
141	HB REAVIS GROUP CZ, s.r.o.	EUR	Czech Rep	100	100
142	HB Reavis IZ s.r.o.	CZK	Czech Rep	100	100
143	HB REAVIS MANAGEMENT CZ spol. s r.o.	CZK	Czech Rep	100	100
144	HB REAVIS PROPERTY MANAGEMENT CZ, s.r.o.	CZK	Czech Rep	100	100
145	HubHub Czech Republic, s.r.o. (former RECLUN s.r.o.)	CZK	Czech Rep	100	100
146	ISTROCENTRUM CZ, a.s.	CZK	Czech Rep	100	100
147	KELOM s.r.o.	CZK	Czech Rep	100	100
148	MOLDERA, a.s.	CZK	Czech Rep	100	100
149	Multimodální Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
150	Nová Zvonarka s.r.o. (former AUPARK Brno, spol. s r.o.)	CZK	Czech Rep	100	100
151	Phibell s.r.o.	CZK	Czech Rep	100	100
152	Radlice Real Estate, s.r.o. ²	CZK	Czech Rep	-	100
153	Radlická ATA s.r.o. ²	CZK	Czech Rep	-	100
154	Temster, s.r.o. ²	CZK	Czech Rep	-	100
155	Brookline Investments Sp. Z o.o.	PLN	Poland	100	100
156	Emmet Investments Sp. Z o.o. w likwidacji	PLN	Poland	100	100
157	GBC A Polcom Investment XXI Sp. z o.o. (former Polcom Investment VIII Sp. z o. o.) ⁴	PLN	Poland	-	100
158	GBC B Polcom Investment XXII Sp. z o.o. (former Polcom Investment IX Sp. z o.o.) ⁴	PLN	Poland	-	100
159	HB REAVIS CONSTRUCTION PL Sp. z o. o	PLN	Poland	100	100
160	HB Reavis Finance PL 2 Sp. z o.o.	PLN	Poland	100	100
161	HB Reavis JV Spółka Akcyjna	PLN	Poland	100	100
162	HB Reavis Poland Sp. z o.o.	PLN	Poland	100	100
163	HB REAVIS Property Management sp. z o.o. ⁴	PLN	Poland	-	100
164	HB Reavis Qubes Poland Sp. z o.o. (former Polcom Investment XLVII Sp. z o.o.)	PLN	Poland	100	100
165	HubHub Poland Sp. z o.o. (former Polcom Investment XXVI Sp. z o.o.)	PLN	Poland	100	100
166	CHM1 Sp. z o. o.	PLN	Poland	100	100
167	CHM2 Sp. z o. o.	PLN	Poland	100	100
168	CHM3 Sp. z o. o. ⁴	PLN	Poland	-	100
169	Konstruktorska BC Sp. z o.o.	PLN	Poland	100	100
170	Mokoloco Sp. z o.o. (former Polcom Investment XXXVII Sp. z o.o.) ⁴	PLN	Poland	-	100
171	P14 Sp. z o.o.	PLN	Poland	100	100

2 Significant Accounting Policies (Continued)

2.2. Consolidated Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				31 December 2019	31 December 2018
172	Polcom Investment II Sp. z o. o.	PLN	Poland	100	100
173	Polcom Investment III Sp. z o. o.	PLN	Poland	100	100
174	Polcom Investment VI Sp. z o. o.	PLN	Poland	100	100
175	Polcom Investment X sp. z o.o.	PLN	Poland	100	100
176	Polcom Investment XI sp. z o.o.	PLN	Poland	100	100
177	Polcom Investment XLI Sp. z o.o. w likwidacji	PLN	Poland	100	100
178	Polcom Investment XII sp. z o.o. ⁴	PLN	Poland	-	100
179	Polcom Investment XIII sp. z o.o. ⁴	PLN	Poland	-	100
180	Polcom Investment XIX Sp. z o.o. w likwidacji	PLN	Poland	100	100
181	Polcom Investment XL Sp. z o.o. w likwidacji	PLN	Poland	100	100
182	Polcom Investment XLII Sp. z o.o. w likwidacji	PLN	Poland	100	100
183	Polcom Investment XLIII Sp. z o.o.	PLN	Poland	100	100
184	Polcom Investment XLIX Sp. z o.o.	PLN	Poland	100	100
185	Polcom Investment XLVIII Sp. z o.o. ⁴	PLN	Poland	-	100
186	Polcom Investment XVI Sp. z o.o.	PLN	Poland	100	100
187	Polcom Investment XVIII Sp. z o.o.	PLN	Poland	100	100
188	Polcom Investment XXI Sp. z o.o. ⁴	PLN	Poland	-	100
189	Polcom Investment XXII Sp. z o.o. w likwidacji	PLN	Poland	100	100
190	Polcom Investment XXIV Sp. z o.o.	PLN	Poland	100	100
191	Polcom Investment XXIX Sp. z o.o.	PLN	Poland	100	100
192	Polcom Investment XXV Sp. z o.o. w likwidacji	PLN	Poland	100	100
193	Polcom Investment XXVII Sp. z o.o. w likwidacji	PLN	Poland	100	100
194	Polcom Investment XXVIII Sp. z o.o. ⁴	PLN	Poland	-	100
195	Polcom Investment XXX Sp. z o.o.	PLN	Poland	100	100
196	Polcom Investment XXXIII Sp. z o.o.	PLN	Poland	100	100
197	Property Hetman Sp. Z o.o. (former Polcom Investment XXXIV Sp. z o.o. sp. K)	PLN	Poland	100	100
198	PSD Sp. Z o. o.	PLN	Poland	100	100
199	Rainford Sp. Z.o.o	PLN	Poland	100	100
200	Rainhill Sp. z o. o.	PLN	Poland	100	100
201	Elizabeth House GP LLC	GBP	US	100	100
202	Elizabeth House Limited Partnership	GBP	US	100	100
203	HB REAVIS CIC INVESTCO US, LLC	EUR	US	100	100
204	HB Reavis Construction Germany GmbH	EUR	Germany	100	100
205	HB Reavis Germany GmbH	EUR	Germany	100	100
206	HB Reavis Verwaltungs GmbH	EUR	Germany	100	100
207	UBX 2 Objekt Berlin GmbH ³	EUR	Germany	-	100
208	HubHub Austria GmbH	EUR	Austria	100	100

Number	Joint ventures	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				31 December 2019	31 December 2018
209	PHVH SOLUTIONS II, s. r. o.	EUR	Slovakia	50	50
210	TANGERACO INVESTMENTS LIMITED	EUR	Cyprus	50	50
211	West Station Investment Sp. z o. o.	PLN	Poland	-	71
212	West Station Investment 2 Sp. z o. o. (former Polcom Investment XVII Sp. z o.o.)	PLN	Poland	-	72

¹ Entities established / acquired by the Group during the year ended 31 December 2019² Entities disposed of during the year ended 31 December 2019 (refer to Note 27)³ Entities were part of legal mergers or spin off and subsequently renamed during the year ended 31 December 2019⁴ Entities were liquidated during the year ended 31 December 2019.⁵ In January 2017, the Group lost control over HB REAVIS CE Real Estate Investment Fund, a sub-fund of a fully consolidated subsidiary HB Reavis Real Estate Investment Fund.⁶ HBR FM LTD, HBR Capital Investment LP, HubHub UK Ltd, 4th Floor Elizabeth House Limited, 10 Leake Street Ltd, Elizabeth Property Nominee (No 1) Ltd, Elizabeth Property Nominee (No 2) Ltd, Elizabeth Property Nominee (No 3) Ltd, Elizabeth Property Nominee (No 4) Ltd and Elizabeth Property Holdings Ltd, registered in England and Wales, are claiming exemption from the requirements of the UK Companies Act 2006 (the "Act") relating to the audit of annual accounts under section 479A of the Act.

2 Significant Accounting Policies (Continued)

2.2. Consolidated Financial Statements (Continued)

Business combinations. The acquisition method of accounting is used to account for the acquisition of subsidiaries that represent a business, except those acquired from parties under common control. A business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to policyholders or participants. A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Group. Non-controlling interest forms a separate component of the Group's equity. At acquisition date, the Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Acquisitions of subsidiaries holding investment properties. The Group may invest in subsidiaries that hold properties but do not constitute a business. These transactions are therefore treated as asset acquisitions rather than business combinations. The Group allocates the cost of the acquisition to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. These transactions do not give rise to goodwill.

Purchases of subsidiaries from parties under common control. Purchases of subsidiaries from parties under common control are accounted for using the predecessor values method. Under this method, the consolidated financial statements are presented as if the businesses had been consolidated from the beginning of the earliest period presented or, if later, the date when the consolidated entities were first brought under common control. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts. The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these consolidated financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these consolidated financial statements as an adjustment within equity.

Associates. Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as the share of results of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.

When an investment in associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment – linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9. An entity shall make this election separately for each associate or joint venture, at initial recognition of the associate or joint venture.

The Group elected to measure its investment of non-controlling share in The Cambridge Incubator, LLC, a Delaware limited liability company acquired during 2018 at fair value through profit or loss.

2 Significant Accounting Policies (Continued)**2.2. Consolidated Financial Statements (Continued)**

Joint arrangements. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an

impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Disposals of subsidiaries or joint ventures. When the Group ceases to have control or joint control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss, where appropriate.

Purchases and sales of non-controlling interests. The Group applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

2.3 Foreign Currency Transactions and Translation

Functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of all the Group's entities is their local currency, except bonds issuance entities that are considered an extension of the Company and therefore have EUR as their functional currency. The consolidated financial statements are presented in millions of euro (EUR), which is the Group's presentation currency.

Transactions and balances. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair value in a foreign currency, including properties or equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

Group companies. The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet date are translated at the closing rates at the date of that balance sheet;
- income and expenses and movements in equity are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

2 Significant Accounting Policies (Continued)

2.3 Foreign Currency Transactions and Translation (Continued)

Loans between Group entities and related foreign exchange gains or losses are eliminated upon consolidation. However, where the loan is between Group entities that have different functional currencies, the foreign exchange gain or loss cannot be eliminated in full and is recognized in the consolidated profit or loss, unless the loan is not expected to be settled in the foreseeable future and thus forms part of the net investment in foreign operation. In such a case, the foreign exchange gain or loss is recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income/(loss).

When control over a foreign operation is lost, the previously recognised exchange differences on translation to a different presentation currency are reclassified from other comprehensive income to profit or loss for the year as part of the gain or loss on disposal. On partial disposal of a subsidiary without loss of control, the related portion of the accumulated currency translation differences is reclassified to non-controlling interest within equity.

2.4 Property, Plant and Equipment

All property, plant and equipment items are carried at cost less accumulated depreciation and accumulated impairment losses.

Cost. Cost includes expenditure that is directly attributable to the acquisition of the items of property plant and equipment. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation. The depreciation of property, plant and equipment starts in the month when the property, plant and equipment is available for use. Property, plant and equipment is depreciated in line with the approved depreciation plan using the straight-line method. Monthly depreciation charge is determined as the difference between acquisition costs and residual value, divided by estimated useful life of the property, plant and equipment.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The Group allocates the amount initially recognized in respect of an item of property, plant and equipment proportionally to its significant parts and depreciates separately each such part.

Buildings include mainly administrative offices and premises used by the Group management. Equipment, fixtures and fittings include mainly hardware, servers, telephone exchanges, remote control equipment, office furniture and others. Motor vehicles include the Group's passenger cars.

	<u>Useful lives in years</u>
Buildings	30 years
Machinery, equipment, fixtures and fittings	4 to 6 years
Vehicles and other assets	6 to 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the assets were already of the age and in the conditions expected at the end of their useful life. The residual value of an asset is nil or its scrap value if the Group expects to use the asset until the end of its physical life.

Land and assets under construction are not depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Items that are retired or otherwise disposed of are eliminated from the balance sheet, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

2 Significant Accounting Policies (Continued)

2.5 Investment Property

Investment property is property held by the Group to earn rental income or for capital appreciation, or both and which is not occupied by the Group. Investment property includes assets under construction for future use as investment property.

Investment property comprises freehold land, freehold commercial properties (retail, office and logistics) and leased land plots.

Prior to adoption of IFRS 16 land plots held under operating lease were classified and accounted for as investment property when the definition of investment property was met. In such cases the related operating leases were accounted for as if they were finance leases.

Investment property is initially valued at historical cost including related transaction costs. Costs include the works performed, the costs of staff directly related to technical supervision and project management on the basis of time spent up to the date of completion.

After initial recognition at cost, the investment property, including property under construction or development for future use as investment property, is carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on transaction prices from active markets, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Valuation reports as of the balance sheet date are prepared by independent appraisers, who hold a recognized and relevant professional qualification and who have recent experience in valuation of property of similar location and category. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as a liability, including lease liabilities in respect of land classified as investment property; others, including contingent rent payments or future capital expenditure, are not recognized in the consolidated financial statements. Transaction costs, such as estimated agency and legal and accounting fees and transfer taxes are not deducted for the purposes of valuation of investment property in these financial statements irrespective whether or not they form part of the described valuations.

Subsequent expenditures are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with these expenditures will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed to the profit or loss during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recorded in profit or loss as "Revaluation gain/(loss) on investment properties". Investment properties are derecognised when they have been disposed of or classified as Assets held for sale.

If an item of property, plant and equipment becomes an investment property because its use has changed, any revaluation gain resulting from a difference between the carrying amount and the fair value of this item at the date of transfer is recognized in other comprehensive income and accumulated in a revaluation reserve in equity, until the asset's disposal when the revaluation reserve is reclassified to retained earnings.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as investment property and stated at fair value.

Where an investment property undergoes a change in use evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2 Significant Accounting Policies (Continued)

2.5 Investment Property (Continued)

The Group classifies the investment property for the presentation purposes as investment properties in use or vacant and investment properties under development based on the stage of completion of the individual property construction and progress of leasing space to tenants. Consistently with classification for purposes of segmental analysis (see Note 6), the Group classifies a property as "in use or vacant" from the end of the accounting period in which legal requirements have been met. The Group also presents the value of investment properties and related income and expenses by following types of properties – office, retail, and industrial – classified by the prevailing function of the property for its tenants.

Prior to financial year 2019, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset of investment property and a corresponding liability at the date at which the leased asset is available for use by the Group.

2.6 Right-of-use-assets

The Group leases various offices, equipment, vehicles and land. Rental contracts for offices, equipment and vehicles are typically made for periods of 3 to 10 years, but may have extension options. Rental contracts for land are made for period of 70 years. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets arising from a lease are initially measured on a present value basis.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs and restoration costs
- costs to restore the asset to the conditions required by lease agreements.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

	<u>Useful lives in years</u>
Buildings	30 years
Machinery, equipment, fixtures and fittings	4 to 6 years
Vehicles and other assets	6 to 8 years

The Group applies the fair value model to right-of-use assets that meet the definition of investment property in IAS 40. Changes in fair values are recognised as revaluation gains or losses in profit or loss.

2.7 Intangible Assets

Goodwill. See Note 2.2 for the accounting policy on goodwill. Goodwill is not amortised but is tested for impairment at the end of each annual reporting period.

Other intangible assets. All of the Group's other intangible assets have definite useful lives and primarily include externally acquired computer software licences.

Intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Group, and the asset can be measured reliably. After initial recognition, the intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized on the straight-line basis over their useful lives:

	<u>Useful lives in years</u>
Software and software licences	5 years

The amortisation of an intangible asset starts in the month when the intangible asset is available for use. Intangible assets are depreciated in line with the approved depreciation plan using the straight-line method. Amortisation charge is determined as the difference between acquisition costs and residual value, divided by estimated useful life of the intangible assets. If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell.

Residual value of intangible assets is assumed to be zero unless (a) there is a commitment by a third party to purchase the asset at the end of its useful life, or (b) there is an active market for the asset and residual value can be determined by the reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

2 Significant Accounting Policies (Continued)

2.7. Intangible Assets (Continued)

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

2.8 Impairment of Non-Financial Assets

Goodwill and intangible assets not yet available for use are not subject to amortization and are tested for impairment annually. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are individually identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that were impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Financial Instruments

Initial recognition. Financial instruments at fair value through profit and loss ("FVTPL") are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price.

Financial assets - classification and subsequent measurement – measurement categories. The Group classifies financial assets in the following measurement categories: FVTPL, fair value through other comprehensive income ("FVOCI") and amortised cost ("AC"). The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. The Group's financial assets consist of receivables and loans, trade and other receivables and derivatives. Financial assets recognised in the consolidated statement of financial position as trade and other receivables and receivables and loans are recognised initially at fair value and subsequently measured at amortised cost less allowance for expected credit losses ("ECL"). Derivatives are measured at fair value at each end of the reporting period with changes in value recognised in profit or loss.

Financial assets - classification and subsequent measurement – business model. The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows") or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed and how the assets' performance is assessed. Refer to Note 3 for critical judgements applied by the Group in determining the business models for its financial assets.

Debt financial assets - Classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

2 Significant Accounting Policies (Continued)

2.9. Financial Instruments (Continued)

Financial assets – reclassification. Debt financial assets are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The entity did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL (expected credit losses). The Group assesses, on a forward-looking basis, the ECL for financial instruments measured at amortised cost and FVOCI and for the exposures arising from loan commitments, financial guarantee contracts and for contract assets. The Group measures ECL and recognises Net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Financial instruments measured at amortised cost and contract assets are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, if any, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position. For debt instruments at FVOCI, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss and other changes in carrying value are recognised in other comprehensive income ("OCI") as gains less losses on debt instruments at FVOCI.

The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL. Note 29 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

Financial assets - write-off. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – derecognition. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Cash & cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Trade and other receivables. Trade and other receivables are recognised initially at fair value and are subsequently carried at amortised costs using the effective interest method.

The Group calculates ECL on trade receivables using a provision matrix estimation technique. The Group uses its historic credit loss experience adjusted for all reasonable and supportable information that is available without undue cost or effort for trade and other receivables to estimate ECL. The carrying amount of the asset is reduced through use of an allowance account, and the amount of the loss is included in other operating expenses. Any subsequent reversal of an impairment loss is recognised in profit or loss.

Derivative financial instruments. Derivative financial instruments are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year. The Group does not apply hedge accounting.

Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs.

Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

2 Significant Accounting Policies (Continued)

2.9. Financial Instruments (Continued)

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

Loans and borrowings. All loans and borrowings are measured at amortised cost. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (see Note 2.15 for the accounting policy on Borrowings).

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted as its impact would be insignificant.

2.10 Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present values of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of various nature.

2 Significant Accounting Policies (Continued)**2.10. Lease liabilities (Continued)**

Prior to adoption of IFRS 16, where the Group was a lessee in a lease which did not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Group, the total lease payments were charged to profit or loss on a straight-line basis over the lease term with the exception of the operating leases for land classified as investment property; such leases were accounted for as finance leases.

Operating lease. Where the Group is a lessor in a lease which does not transfer substantially all the risks and rewards incidental to ownership to the lessee (i.e. operating lease), lease payments from operating leases are recognised as other income on a straight-line basis.

2.11 Current and Deferred Income Taxes

Income taxes have been provided for in the consolidated financial statements in accordance with applicable legislation enacted or substantively enacted by the financial position date and on entity by entity basis. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss unless it relates to transactions that are recognised, in the same or a different period, directly in equity or in other comprehensive income.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forward and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit or loss. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the respective reporting period and are expected to apply to the period when the temporary differences will reverse or the tax losses carry forward will be utilised. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

The carrying value of Group's investment property is assumed to be realised by sale. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the consolidated statement of financial position regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax considerations arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Inventories

Inventories represent land expected to be developed into residential property in line with the zoning and other regulatory requirements for the Group's projects and land held for disposal in the normal course of business. Inventories are presented as current because of the term of the operating cycle, but their carrying amount is expected to be recovered after 12 months. Inventories are recorded at the lower of cost and net realisable value. The cost of inventories comprises the cost of acquisition, and construction and other development costs incurred. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.13 Share Capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received or receivable over the par value of shares issued is presented as a share premium.

2.14 Dividends and Other Distributions to Owners

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or at the end of the reporting period. Dividends are disclosed when they are declared after the reporting period but before the consolidated financial statements are authorised for issue.

2 Significant Accounting Policies (Continued)

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition, borrowings are carried at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss using the effective interest method. The Group does not capitalise interest related to qualifying assets that are carried at fair value, including investment properties. Accordingly, interest costs on borrowings are expensed as incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.16 Trade and Other Payables

Trade payables are accrued when the counterparty performed its obligations under the contract. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Provisions for Liabilities and Charges

Provisions for liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.18 Uncertain Tax Positions

The Group's uncertain tax positions are reassessed by management at every balance sheet date. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities.

The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the balance sheet date and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the balance sheet date.

2.19 Revenue Recognition

Revenue is income arising in the course of the Group's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties.

- Rental and similar income from investment property
- Construction revenues and
- Other revenues from sale of services.

Rental and similar income from investment property includes rental income from operating leases, service charges and management charges from properties.

Rental income is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. This applies to discounted rent periods and stepped rents. The resulting receivable is recognised within non-current assets or trade and other receivables depending on expected collection pattern. In determining the fair value of the related investment property, the Group does not double-count assets; the fair value of such investment property excludes accrued operating lease income because it is recognised as a separate asset. The contingent payments under lease agreements depending on the agreed level of sales turnover of tenants are recognized as income in the period when earned because the Group is unable to reliably estimate the future sales turnover of tenants in order to be able to recognise such expected contingent rents on a straight-line basis over the lease term.

Sales of services and management charges are recognised in the reporting period in which the services are rendered. Sales are shown net of VAT and discounts. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

2 Significant Accounting Policies (Continued)**2.19. Revenue Recognition (Continued)**

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The Group constructs properties under both long-term and short-term contracts with customers. Under the terms of the long-term contracts, the Group is usually contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from construction of properties is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations. In case of short-term contracts with customers the Group performs the analysis of agreed conditions and revenue is recognized either over time or at a point in time when the subject of contract is delivered.

The Group becomes entitled to invoice customers for construction of properties based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. It is presumed that there is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

Interest income is recognised on a time-proportion basis using the effective interest method.

2.20 Employee Benefits

Wages, salaries, contributions to the state and private pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of the Group.

Certain senior managers are entitled to obtain payments from the Group's shareholders based on the net asset value of the Group. As the obligation was incurred by shareholders and not by the Group, and is unrelated to the entity's share price, the Group did not recognise these employee benefits as its expenses in profit or loss.

2.21 Other Operating Expenses

Expenses include marketing, rental expenses, legal, accounting, auditing and other professional fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

2.22 Non-current Assets Classified as Held for Sale

Non-current assets and disposal groups, which may include both non-current and current assets, are classified in the statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction, including loss of control of a subsidiary holding the assets, within twelve months after the end of the reporting period. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is highly probable and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn. Non-current assets or disposal groups classified as held for sale in the current period's statement of financial position are not reclassified or re-presented in the comparative statement of financial position to reflect the classification at the end of the current period.

A disposal group is a group of assets (current or non-current) to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Non-current assets are assets that include amounts expected to be recovered or collected more than twelve months after the end of the reporting period. If reclassification is required, both the current and non-current portions of an asset are reclassified. Held for sale disposal groups as a whole are measured at the lower of their carrying amount and fair value less costs to sell.

Liabilities directly associated with disposal groups that will be transferred in the disposal transaction are reclassified and presented separately in the statement of financial position.

2.23 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Board of Directors of the Company.

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies

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

Valuation of investment properties. The fair value estimates of 89.6% of investment properties (31 December 2018: 89.3%) were determined by the Group having received valuation advice from international valuation companies which have experience in valuing properties of similar location and characteristics. The remaining properties were valued on a basis of broker quotes or management estimates (which are based on letter of intent purchase price submitted by prospective bidders). The fair value of investment properties is estimated based on the income capitalisation method, where the value is estimated from the expected future benefits to be generated by the property in the form of rental income streams. The method considers net income generated by existing or comparable property, capitalised to determine the value for property which is subject to the valuation. The principal assumptions underlying the estimation of the fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; re-letting incentives; maintenance requirements; appropriate discount rates; and in case of properties under development, future constructions, finance and letting costs and market developers' profits. These valuations are regularly compared to actual market data and actual transactions by the Group and those reported by the market. For further details refer to Note 33.

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

- Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10% the carrying value of investment property would be higher or lower by EUR 308.2 million (2018: EUR 214.2 million).
- The income capitalisation rate (yield) across the portfolio was assumed to be 3.80% to 5.10%, or 4.44% on average (2018: from 4.5% to 4.75%, or 4.67% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 43.8 million lower or EUR 49.1 million higher (2018: EUR 23.6 million lower or EUR 26.3 million higher).

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

- Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10% the carrying value of investment property would be higher or lower by EUR 483.9 million (2018: EUR 407.8 million)
- The income capitalisation rate (yield) across the portfolio was assumed to be from 4.25% to 8.5%, or 5.27% on average (2018: from 4.76% to 8.5%, or 5.92% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 84.8 million lower or EUR 93.3 million higher (2018: EUR 59.9 million lower or EUR 65.2 million higher).

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

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

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

Expected credit losses (ECL) measurement. Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 31

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

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

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

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

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

4 Adoption of New or Revised Standards and Interpretations

The Group has applied the following standards and amendments for the first time for its reporting period commencing on 1 January 2019:

- IFRS 16 Leases (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 9: Prepayments Features with Negative Compensation (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019).
- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019).
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019).

IFRS 16 Leases

The Group has adopted IFRS 16 from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.9% p.a..

For leases previously classified as finance leases the Group recognised the carrying amount of the leased asset and finance lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application of IFRS 16. The measurement principles of IFRS 16 are only applied after that date.

The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- application of a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

4 Adoption of New or Revised Standards and Interpretations (Continued)

A reconciliation of the operating lease commitments disclosed in Note 29 to the recognised liability is as follows:

Measurement of lease liabilities

<i>In millions of EUR</i>	1 January 2019
Total future minimum lease payments for non-cancellable* operating leases as at 31 December 2018 (Note 29)	93.0
Discounted total minimum lease payments for non-cancellable operating leases using the lessee's incremental borrowing rate of at the date of initial application	39.7
Finance lease liabilities recognised as at 31 December 2018	31.3
Total lease liability at 1 January 2019	71.0
<i>of which are:</i>	
Current lease liabilities	4.9
Non-current lease liabilities	66.1

* Non-cancellable leases include those cancellable only: (a) upon the occurrence of some remote contingency, (b) with the permission of the lessor, (c) if the lessee enters into a new lease for the same or an equivalent asset with the same lessor; or (d) upon payment by the lessee of such an additional amount that, at inception of the lease, continuation of the lease is reasonably certain.

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued operating lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

<i>In millions of EUR</i>	1 January 2019
Property Plant and Equipment (Note 8) <i>increase / (decreased)</i>	(0.3)
Right-of-use-asset (Note 9) <i>increase / (decreased)</i>	9.1
Investment property (Note 10) <i>increase / (decreased)</i>	30.9
Borrowings (Note 20) <i>(increase) / decreased</i>	31.3
Lease liabilities (Note 9) <i>(increase) / decreased</i>	(71.0)

As IFRS 16 substantially carried forward the lessor accounting requirements in IAS 17, the Group did not recognise any significant impact on the consolidated financial statements in respect of the Group's activities as a lessor.

5 New Accounting Pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for reporting period commencing on 1 January 2019 and have not been early adopted by the Group:

- Amendment to IFRS 3 Business Combinations* (issued on 22 October 2018 and effective for annual periods beginning on or after 1 January 2020)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2020)
- IFRS 17 Insurance Contracts* (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021)
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020)
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020) New Accounting Pronouncements (Continued)
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).

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

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

6 Segment Analysis

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

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

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

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

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

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

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

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

HUB HUB – representing management of activities related to management of Group’s co-working platform, providing flexible work space and business events.

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

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

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

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

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

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

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities**

The segment profit and loss information for the year ended 31 December 2019 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Rental income from investment property	22									
- Office		27.7	0.6	0.4	-	0.1	6.1	-	-	34.9
- Retail		1.4	-	-	-	-	-	-	-	1.4
- Industrial		-	-	-	-	-	-	-	-	-
		29.1	0.6	0.4	-	0.1	6.1	-	-	36.3
Service charges income from investment properties	22									
- Office		17.5	-	0.2	-	-	-	-	-	17.7
- Retail		0.8	-	-	-	-	-	-	-	0.8
- Industrial		-	-	-	-	-	-	-	-	-
		18.3	-	0.2	-	-	-	-	-	18.5
Management charges income from investment properties	22									
- Office		4.6	-	-	-	-	0.7	-	-	5.3
- Retail		0.3	-	-	-	-	-	-	-	0.3
- Industrial		-	0.2	-	-	-	-	-	-	0.2
		4.9	0.2	-	-	-	0.7	-	-	5.8
Direct operating expenses arising from investment property	23									
- Office		(20.0)	(0.1)	(0.3)	(3.9)	-	(1.8)	-	-	(26.1)
- Retail		(0.1)	-	-	-	-	-	-	-	(0.1)
- Industrial		-	-	-	-	(0.2)	-	-	-	(0.2)
		(20.1)	(0.1)	(0.3)	(3.9)	(0.2)	(1.8)	-	-	(26.4)
Net operating income from investment property		32.2	0.7	0.3	(3.9)	(0.1)	5.0	-	-	34.2
Revaluation gain/(loss) on investment property	10									
- Office		71.7	377.4	57.4	-	-	0.5	-	-	507.0
- Retail		-	12.6	-	-	0.8	-	-	-	13.4
- Industrial		-	-	-	-	(1.0)	-	-	-	(1.0)
Share of profit or loss of joint ventures	11	(7.7)	-	-	-	-	-	-	-	(7.7)
		64.0	390.0	57.4	-	(0.2)	0.5	-	-	511.7
Interest expense - third parties		(6.9)	(22.5)	(0.5)	-	-	(0.4)	-	(3.0)	(33.3)
		89.3	368.2	57.2	(3.9)	(0.3)	5.1	-	(3.0)	512.6

Table continued on next page

6 Segment Analysis (Continued)

The segment information on segment assets and liabilities as of 31 December 2019 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Investment property	10									
- Office		490.1	1 428.3	200.2	-	-	32.3	-	-	2,150.9
- Retail		0.9	219.7	-	-	0.8	-	-	-	221.4
- Industrial		-	-	-	-	30.6	-	-	-	30.6
- Investment property held for sale	15	297.7	-	-	-	5.0	-	-	-	302.7
Investment in joint ventures	11	2.2	-	-	-	-	-	-	-	2.2
Deferred tax asset	28	-	-	-	-	-	-	-	4.1	4.1
Other unallocated assets		-	-	-	-	-	-	115.1	213.3	328.4
Total assets		790.9	1,648.0	200.2	-	36.4	32.3	115.1	217.4	3,040.3
Borrowings										
- non-current	20	(70.7)	(648.9)	-	-	-	-	-	(9.3)	(728.9)
- current	7,20	(3.8)	(97.6)	(5.9)	-	-	-	-	(85.1)	(192.4)
- included as held for sale	15	(152.3)	-	-	-	-	-	-	-	(152.3)
Leasing										
- non-current	9	(0.1)	(56.6)	(0.4)	-	-	(11.2)	-	-	(68.3)
- current	9	(0.2)	(4.1)	-	-	-	(3.2)	-	-	(7.5)
Deferred tax liability	28	-	-	-	-	-	-	-	(133.4)	(133.4)
Other unallocated liabilities		-	-	-	-	-	-	-	(164.1)	(164.1)
Total liabilities		(227.1)	(807.2)	(6.3)	-	-	(14.4)	-	(391.9)	(1,446.9)
Segment net asset value		563.8	840.8	193.9	-	36.4	17.9	115.1	(174.5)	1,593.4

6 Segment Analysis (Continued)**Geographical information.** Revenue, expenses and assets analysed by country for the year ended 31 December 2019 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Rental income	22	20.5	1.9	5.8	1.4	6.7	-	-	-	36.3
Service charges	22	11.1	0.2	1.7	-	5.5	-	-	-	18.5
Management charges	22	4.1	1.4	0.3	0.1	(0.1)	-	-	-	5.8
Direct operating expenses	22	(17.7)	(0.9)	(1.8)	(0.3)	(5.6)	(0.1)	-	-	(26.4)
Net operating income from investment properties		18.0	2.6	6.0	1.2	6.5	(0.1)	-	-	34.2
Revaluation gain	10	111.1	27.5	150.1	82.2	99.6	48.9	-	-	519.4
Revenue from construction contracts	24	6.8	2.4	6.3	3.9	3.4	-	-	-	22.8
Construction contract costs		(7.7)	(2.6)	(7.6)	(0.2)	(1.5)	-	-	-	(19.6)
Share of profit or loss of joint ventures	11	(0.2)	-	(7.5)	-	-	-	-	-	(7.7)
Interest expense		(18.4)	(3.8)	(8.5)	(0.5)	(1.6)	(0.5)	-	-	(33.3)
Investment management fee		-	-	-	-	-	-	2.0	-	2.0
Other (expenses)/revenues		(13.6)	(9.4)	19.2	(7.5)	(22.1)	(0.9)	(26.8)	-	(61.1)
Profit before tax		96.0	16.7	158.0	79.1	84.3	47.4	(24.8)	-	456.7
Investment property in use or vacant	10	142.1	11.1	4.1	13.7	352.4	-	-	-	523.4
Investment property under development	10	480.0	58.4	747.4	270.4	151.0	172.3	-	-	1,879.5
Investment in joint venture	11	2.2	-	-	-	-	-	-	-	2.2
Other non-current assets		13.1	1.1	3.1	2.5	8.4	0.8	27.9	4.3	61.2
Total non-current assets		637.4	70.6	754.6	286.6	511.8	173.1	27.9	4.3	2,466.3
Non-current assets classified as held-for-sale	15	86.6	-	96.9	-	150.8	-	-	-	334.3
Total non-current assets and assets held for sale		724.0	70.6	851.5	286.6	662.6	173.1	27.9	4.3	2,800.6
Cash and cash equivalents	16	18.8	4.4	23.9	9.7	12.4	9.5	36.4	-	115.1
Other unallocated assets		-	-	-	-	-	-	-	124.6	124.6
Total assets		742.8	75.0	875.4	296.3	675.0	182.6	64.3	128.9	3,040.3

6 Segment Analysis (Continued)**Geographical information.** Liabilities and capital expenditures analysed by country for the year ended 31 December 2019 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Borrowings	20									
- non-current		(452.9)	(49.2)	(198.3)	(24.1)	-	-	(4.4)	-	(728.9)
- current		(102.4)	(6.7)	(31.0)	(0.2)	-	(52.0)	(0.1)	-	(192.4)
Leasing	9									
- non-current		(9.7)	(6.0)	(15.2)	(1.0)	(36.5)	(0.4)	-	-	(68.8)
- current		(2.3)	(1.3)	(1.6)	(0.6)	(1.5)	(0.2)	-	-	(7.5)
Liabilities directly associated with non-current assets classified as held for sale	15	(49.6)	-	(71.5)	-	(56.6)	-	-	-	(177.7)
Deferred income tax liability	28	-	-	-	-	-	-	-	(133.4)	(133.4)
Other unallocated liabilities		-	-	-	-	-	-	-	(138.2)	(138.2)
Total liabilities		(616.9)	(63.2)	(317.6)	(25.9)	(94.6)	(52.6)	(4.5)	(271.6)	(1,446.9)
Net asset value		125.9	11.8	557.8	270.4	580.4	130.0	59.8	(142.7)	(1,593.4)
Purchases of investment property (including non-cash)	10	-	-	-	-	-	-	-	-	-
Construction costs related to investment property	10	134.4	4.7	133.8	90.3	51.6	31.1	-	-	445.9
Construction costs related to joint ventures		-	-	1.0	-	-	-	-	-	1.0
Construction costs related to construction work		7.7	2.6	6.6	0.2	1.5	-	-	-	18.6
Total investments		142.1	7.3	141.4	90.5	53.1	31.1	-	-	465.5
Sale of investment property	10,27	(198.3)	(35.0)	-	(13.3)	-	-	-	-	(246.6)
Sale of joint venture investment property		-	-	(130.2)	-	-	-	-	-	(130.2)
Total divestments		(198.3)	(35.0)	(130.2)	(13.3)	-	-	-	-	(376.8)

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities**

The segment profit and loss information for the year ended 31 December 2018 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Rental income from investment property	22									
- Office		35.6	2.2	0.9	-	-	1.3	-	-	40.0
- Retail		1.4	-	-	-	-	-	-	-	1.4
- Industrial		-	-	-	-	-	-	-	-	-
		37.0	2.2	0.9	-	-	1.3	-	-	41.4
Service charges income from investment properties	22									
- Office		14.4	0.1	0.4	-	-	-	-	-	14.9
- Retail		0.6	-	-	-	0.1	-	-	-	0.7
- Industrial		-	-	-	-	-	-	-	-	-
		15.0	0.1	0.4	-	0.1	-	-	-	15.6
Management charges income from investment properties	22									
- Office		3.8	-	-	-	-	0.6	-	-	4.4
- Retail		0.3	-	-	-	-	-	-	-	0.3
- Industrial		-	0.4	-	-	-	-	-	-	0.4
		4.1	0.4	-	-	-	0.6	-	-	5.1
Direct operating expenses arising from investment property	23									
- Office		(20.6)	-	(0.7)	(0.1)	-	(2.2)	-	-	(23.6)
- Retail		(0.3)	-	-	-	-	-	-	-	(0.3)
- Industrial		-	-	-	-	(0.2)	-	-	-	(0.2)
		(20.9)	-	(0.7)	(0.1)	(0.2)	(2.2)	-	-	(24.1)
Net operating income from investment property		35.2	2.7	0.6	(0.1)	(0.1)	(0.3)	-	-	38.0
Revaluation gain/(loss) on investment property	10									
- Office		7.5	176.8	2.3	-	-	0.1	-	-	186.7
- Retail		-	8.7	-	-	(0.1)	-	-	-	8.6
- Industrial		-	-	(0.2)	-	(0.3)	-	-	-	(0.5)
Share of profit or loss of joint ventures	11	10.0	-	-	-	-	-	-	-	10.0
		17.5	185.5	2.1	-	(0.4)	0.1	-	-	204.8
Interest expense - third parties		(8.0)	(21.0)	(2.5)	-	(0.1)	-	-	(1.6)	(33.2)
		44.7	167.2	0.2	(0.1)	(0.6)	(0.2)	-	(1.6)	209.6

table continued on next page

The segment profit and loss information for the year ended 31 December 2018 is as follows:

In millions of EUR

[illegible]

6 Segment Analysis (Continued)

The segment information on segment assets and liabilities as of 31 December 2018 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Investment property	10									
- Office		616.8	663.2	227.1	-	-	8.2	-	-	1,515.3
- Retail		-	120.4	-	-	-	-	-	-	120.4
- Industrial		-	-	-	-	30.7	-	-	-	30.7
- Investment property held for sale	15	224.1	-	13.3	-	5.0	-	-	-	242.4
Investment in joint ventures	11	54.5	-	-	-	-	-	-	-	54.5
Deferred tax asset	28	-	-	-	-	-	-	-	11.8	11.8
Other unallocated assets		-	-	-	-	-	-	172.3	202.5	374.8
Total assets		895.4	783.6	240.4	-	35.7	8.2	172.3	214.3	2,349.9
Borrowings										
- non-current	20	(165.7)	(376.8)	(37.2)	-	-	-	-	(34.7)	(614.4)
- current	20, 7	(5.0)	(57.7)	(7.3)	-	-	-	-	(63.2)	(133.2)
- included as held for sale	15	(143.9)	-	-	-	-	-	-	-	(143.9)
Deferred tax liability	28	-	-	-	-	-	-	-	(79.3)	(79.3)
Other unallocated liabilities		-	-	-	-	-	-	-	(121.0)	(121.0)
Total liabilities		(314.6)	(434.5)	(44.5)	-	-	-	-	(298.2)	(1,091.8)
Segment net asset value		580.8	349.1	195.9	-	35.7	8.2	172.3	(83.9)	1,258.1

6 Segment Analysis (Continued)**Geographical information.** Revenue, expenses and assets analysed by country for the year ended 31 December 2018 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Rental income	22	17.0	3.4	11.5	0.3	9.2	-	-	-	41.4
Service charges	22	9.0	1.1	2.8	-	2.7	-	-	-	15.6
Management charges	22	4.0	1.2	0.2	-	(0.3)	-	-	-	5.1
Direct operating expenses	23	(13.2)	(1.4)	(4.1)	(0.2)	(4.9)	(0.2)	(0.1)	-	(24.1)
Net operating income from investment properties		16.8	4.3	10.4	0.1	6.7	(0.2)	(0.1)	-	38.0
Revaluation gain	10	39.9	5.3	81.9	19.8	47.9	-	-	-	194.8
Revenue from construction contracts	24	3.6	5.4	11.9	0.1	0.9	-	-	-	21.9
Construction contract costs		(3.8)	(5.2)	(12.9)	-	(0.4)	-	-	-	(22.3)
Share of profit or loss of joint ventures	11	-	-	10.0	-	-	-	-	-	10.0
Interest expense		(16.5)	(3.7)	(9.9)	(1.3)	(1.4)	(0.1)	(0.3)	-	(33.2)
Investment management fee		-	-	-	-	-	-	1.6	-	1.6
Other (expenses)/revenues		(25.3)	1.4	(0.8)	(7.0)	(5.0)	(1.4)	(21.1)	-	(59.2)
Profit before tax		14.7	7.5	90.6	11.7	48.7	(1.7)	(19.9)	-	151.6
Investment property in use or vacant	10	132.4	1.5	74.7	11.0	403.2	-	-	-	622.8
Investment property under development	10	276.7	62.0	447.8	105.0	59.9	92.2	-	-	1,043.6
Investment in joint venture	11	2.3	-	52.2	-	-	-	-	-	54.5
Other non-current assets		3.5	1.2	19.3	0.6	3.8	-	52.0	12.0	92.4
Total non-current assets		414.9	64.7	594.0	116.6	466.9	92.2	52.0	12.0	1,813.3
Non-current assets classified as held-for-sale	15	257.4	-	-	13.8	-	-	-	-	271.2
Total non-current assets and assets held for sale		672.3	64.7	594.0	130.4	466.9	92.2	52.0	12.0	2,084.5
Cash and cash equivalents	16	39.2	4.0	52.3	9.8	11.9	7.3	47.8	-	172.3
Other unallocated assets		-	-	-	-	-	-	-	93.1	93.1
Total assets		711.5	68.7	646.3	140.2	478.8	99.5	99.8	105.1	2,349.9

6 Segment Analysis (Continued)

Geographical information. Liabilities and capital expenditures analysed by country for the year ended 31 December 2018 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Borrowings	20									
- non-current		(300.9)	(54.3)	(174.5)	(5.5)	(79.2)	-	-	-	(614.4)
- current		(81.2)	(8.0)	(2.8)	(0.2)	(0.3)	(22.2)	(18.5)	-	(133.2)
Liabilities directly associated with non-current assets classified as held for sale	15	(158.2)	-	-	(0.6)	-	-	-	-	(158.8)
Deferred income tax liability	28	-	-	-	-	-	-	-	(79.3)	(79.3)
Other unallocated liabilities		-	-	-	-	-	-	-	(106.1)	(106.1)
Total liabilities		(540.3)	(62.3)	(177.3)	(6.3)	(79.5)	(22.2)	(18.5)	(185.4)	(1,091.8)
Net asset value		171.2	6.4	469.0	133.9	399.3	77.3	81.3	(80.3)	1,258.1
Purchases of investment property (including non-cash)	10	-	-	3.6	8.1	58.7	87.4	-	-	157.8
Construction costs related to investment property	10	95.9	4.7	66.0	24.0	28.1	4.7	-	-	223.4
Construction costs related to joint ventures		-	-	8.9	-	-	-	-	-	8.9
Construction costs related to construction work		3.8	5.2	4.0	-	0.4	-	-	-	13.4
Total investments		99.7	9.9	82.5	32.1	87.2	92.1	-	-	403.5
Sale of investment property	27	-	(88.5)	(188.6)	-	(108.2)	-	-	-	(385.3)
Total divestments		-	(88.5)	(188.6)	-	(108.2)	-	-	-	(385.3)

7 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or has joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's immediate parent and ultimate controlling party are disclosed in Note 1. Transactions are generally entered into on an arm's length basis.

Key management of the Group consists of 7 senior managers (2018: 19). Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December 2019 are detailed below.

At 31 December 2019, the outstanding balances with related parties are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Joint ventures	Total
Trade and other receivables (Note 14)	10.8	1.7	0.2	12.7
ECL allowance for trade receivables to related party	(2.9)	-	-	(2.9)
Other current assets (Note 17)	1.3	-	-	1.3
Financial assets (Note 12)	0.1	0.5	-	0.6
Loans (Note 14)	1.4	-	-	1.4
ECL allowance for loans to related party (Note 14)	(1.4)	-	-	(1.4)
Borrowings (Note 20)	-	-	-	-
Other non-current assets (Note 13)	-	-	-	-
Trade and other payables current (Note 21)	(3.7)	(0.8)	-	(4.5)
Trade and other payables non - current (Note 21)	(13.1)	-	-	(13.1)
Other payables non-current (Note 21)	(0.6)	-	-	(0.6)

The income and expense items with related parties for the year ended 31 December 2019 are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Joint ventures	Total
Revenue from services rendered	4.9	-	-	4.9
Revenue from construction contracts	1.4	2.9	0.1	4.4
Rental income	3.2	-	0.2	3.4
Rental expenses	(1.4)	-	-	(1.4)
Other services	(10.2)	(1.2)	-	(11.4)
Short-term employee benefits (salaries)	-	(2.5)	-	(2.5)
Long-term employee benefits (social security costs)	-	(0.5)	-	(0.5)
Interest income	0.2	-	0.1	0.3
Interest expense	(0.6)	-	0.2	(0.4)
Other financial expenses	(0.9)	-	-	(0.9)

At 31 December 2018, the outstanding balances with related parties are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Joint ventures	Total
Trade and other receivables (Note 14)	7.6	0.3	0.2	8.1
ECL allowance for trade receivables to related party	(3.4)	-	-	(3.4)
Financial assets (Note 12)	0.3	-	-	0.3
Loans (Note 14)	1.2	-	13.3	14.5
Borrowings (Note 20)	(14.0)	-	-	(14.0)
Other non-current assets (Note 13)	-	-	5.7	5.7
Trade and other payables current (Note 21)	(9.1)	(0.8)	(0.3)	(10.2)
Trade and other payables non - current (Note 21)	(6.4)	-	-	(6.4)
Other payables non-current (Note 21)	(0.7)	-	-	(0.7)

7 Balances and Transactions with Related Parties (Continued)

The income and expense items with related parties for the year ended 31 December 2018 are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Joint ventures	Total
Revenue from services rendered	4.3	-	-	4.3
Revenue from construction contracts	-	2.2	7.0	9.2
Rental income	2.4	-	0.3	2.7
Rental expenses	(1.2)	-	-	(1.2)
Other services	(9.0)	(0.6)	(0.1)	(9.7)
Short-term employee benefits (salaries)	-	(2.9)	-	(2.9)
Long-term employee benefits (social security costs)	-	(0.5)	-	(0.5)
Interest income	0.1	-	1.1	1.2
Interest expense	(0.2)	-	(0.1)	(0.3)
Other financial income	0.1	-	-	0.1

A shareholder entity has made an undertaking to pay to the senior managers of the Group an amount under a profit sharing scheme based on increase in Net Asset Value (adjusted) of the Group. As the amount is payable by the shareholder, and does not constitute a share based payment under IFRS, it has not been expensed by the Group. The amount paid or accrued with respect to 2018 and/or 2019 are not material in the context of the consolidated financial statements. The compensation of the Board of Directors of the Parent Company amounted to EUR 0.9 million in 2019 (2018: EUR 0.8 million).

The Group had no outstanding loans receivable from the members of the Board of Directors of the Group as at 31 December 2019 (2018: nil).

Distributions to owners paid by Group in 2019 and 2018 respectively are described in Note 19.

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

8 Property, Plant and Equipment

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

<i>In millions of EUR</i>	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
At 1 January 2018					
Cost	14.1	6.4	28.4	0.2	49.1
Accumulated depreciation and impairment charges	(7.7)	(5.5)	(26.4)	-	(39.6)
Net book value	6.4	0.9	2.0	0.2	9.5
Year ended 31 December 2018					
Additions	-	0.1	-	2.6	2.7
Transfers	0.1	0.1	-	(0.2)	-
Disposals	-	(0.1)	(0.8)	(0.3)	(1.2)
Depreciation charge	(0.1)	(0.9)	(0.8)	-	(1.8)
Closing net book value	6.4	0.2	0.4	2.3	9.3
At December 2018					
Cost	14.2	6.6	27.6	2.3	50.6
Accumulated depreciation	(7.8)	(6.4)	(27.2)	-	(41.4)
Net book value	6.4	0.2	0.4	2.3	9.3
Year ended 31 December 2019					
Additions	0.4	0.1	0.2	3.4	4.1
Transfers	0.7	1.1	-	(1.8)	-
Disposals	(0.9)	(0.1)	-	-	(1.0)
Transfer to assets held for sale	(4.8)	-	-	-	(4.8)
Transfer to right-of-use assets	-	-	(0.3)	-	(0.3)
Depreciation charge	(1.3)	(1.2)	-	-	(2.5)
Closing net book value	0.5	0.1	0.3	3.9	4.8
At December 2019					
Cost	9.6	7.7	27.5	3.9	48.7
Accumulated depreciation	(9.1)	(7.6)	(27.2)	-	(43.9)
Net Book Value	0.5	0.1	0.3	3.9	4.8

As at 31 December 2018, the Group did not lease any significant property, plant and equipment under finance leases (where the Group is the lessee). From 2019 leased assets are presented as a separate line item in the balance sheet, see Note 9.

At 31 December 2019, property, plant and equipment carried at EUR nil million (at 31 December 2018: EUR 4.9 million) has been pledged to third parties as collateral with respect to borrowings.

9 Right-of use assets and lease liabilities

Until 31 December 2018 leases of property, plant and equipment were classified as either finance leases or operating leases. Until then, the Group only recognised leased assets and lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17, Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings. For adjustments recognised on adoption of IFRS 16 on 1 January 2019, please refer to Note 4.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability from the date when the leased asset becomes available for use by the Group. Right-of-use assets that are subleased under an operating lease or otherwise meet definition of investment property are presented within investment properties rather than separately in the statement of financial position.

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

<i>In millions of EUR</i>	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
Carrying amount at 1 January 2019 upon adoption of IFRS 16	7.1	-	2.0	-	9.1
Additions	8.4	-	-	-	8.4
Disposals	(1.0)	-	-	-	(1.0)
Depreciation charge	(1.9)	-	(0.5)	-	(2.4)
Carrying amount at 31 December 2019	12.6	-	1.5	-	14.1

The Group recognised lease liabilities as follows:

<i>In millions of EUR</i>	31 December 2019	1 January 2019
Lease liabilities:		
Current	7.5	4.9
Non-current	68.8	66.1
Total lease liabilities**	76.3	71.0

The Group has included EUR 30.6 million right-of-use assets in investment properties as of 31 December 2019 – see Note 10.

As at 31 December 2019, current lease liabilities of EUR 0.3 million and non-current lease liabilities of EUR 4.7 million associated with Postepu property have been classified as Non-current assets held for sale.

**Non-current lease liabilities include:

- EUR 32.9 million liability (equivalent of GBP 28.0 million) that the Group has agreed to pay in return for becoming a leasehold owner of the premises at Farringdon West, London, UK, which is payable upon the completion of the project, and
- the liabilities associated with right-of-use assets presented in the above table, and
- the right-of-use assets classified as investment property.

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

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

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Depreciation of right-of-use asset		
Land and buildings	1.9	-
Vehicles and other assets	0.5	-
Total depreciation of right-of-use asset	2.4	-
Other (income)/expense related to Leases		
Revaluation (gain) / loss on investment property	(0.5)	-
Interest expense	1.8	-

Expenses relating to short-term leases and to leases of low-value assets that are not shown as short-term leases were EUR nil.

Total cash outflow for leases in 2019 was EUR 5.6 million.

Extension and termination options are included in a number of property and equipment leases across the Group. As at 31 December 2019, potential future cash outflows of EUR 17.7 million (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group. During the current reporting year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in recognised lease liabilities and right-of-use assets of EUR 1.0 million.

The Group leases certain landplots in Poland which are presented within Investment property. Under an agreement with the local government unit in Poland the right to use the landplot is transferred to the Group in exchange for remuneration in the form of fees that are subject to indexation. The lease liability is based on the current level of the fees at 31 December 2019. The Group remeasures the lease liability to reflect changes to the lease payments when necessary.

10 Investment Property

<i>In millions of EUR</i>	Year ended 31 December 2019					Year ended 31 December 2018				
	Under development		In use or vacant		Total	Under development		In use or vacant		Total
	Owned	Leased	Owned	Leased		Owned	Leased	Owned	Leased	
Fair value at 1 January	1,034.5	9.1	622.8	-	1,666.4	852.7	9.1	545.6	-	1,407.4
Right-of-use assets recognised on 1 January 2019 due to IFRS 16 adoption	-	11.7	-	19.2	30.9	-	-	-	-	-
Acquisitions of investment property	-	-	-	-	-	149.7	-	8.1	-	157.8
Subsequent expenditure on investment property	407.2	1.7	34.6	2.4	445.9	192.6	-	30.8	-	223.4
Transfers from disposal groups classified as held for sale	-	-	-	-	-	19.9	-	-	-	19.9
Transfers from under development to in use	(5.3)	-	5.3	-	-	(226.7)	-	226.7	-	-
Transfers to disposal groups classified as held for sale (Note 15)	-	-	(228.4)	(4.9)	(233.3)	(18.3)	-	(177.6)	-	(195.9)
Disposals	(34.7)	-	(23.5)	-	(58.2)	(107.4)	-	(14.4)	-	(121.8)
Fair value gains/(losses) – properties completed during the year	-	-	-	-	-	62.7	-	-	-	62.7
Fair value gains/(losses)	447.4	-	71.5	0.5	519.4	124.5	-	7.6	-	132.1
Effect of translation to presentation currency	8.7	-	23.1	-	31.8	(15.2)	-	(4.0)	-	(19.2)
Fair value at 31 December	1,857.8	22.5	505.4	17.2	2,402.9	1,034.5	9.1	622.8	-	1,666.4

10 Investment Property (Continued)

The Group classified certain leases as investment properties. The carrying value of such investment property as of 31 December 2019 was EUR 39.7 million (2018: EUR 9.1 million). The increase from prior reporting period has been caused by adoption of IFRS 16 Leases as described in Note 4.

At 31 December 2019, investment properties carried at EUR 1,786.9 million (at 31 December 2018: EUR 1,101.7 million) have been pledged to third parties as collateral with respect to borrowings.

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

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Valuations obtained		2,693.6	1,943.3
Add: right-of-use assets classified as investment property		35.5	-
Less: property classified as property plant and equipment (own use)		-	(5.7)
Less: management adjustments to consider subsequent non binding offers, results of prospective purchaser due diligence and other factors		-	3.3
Less: lease incentive receivables	12(a)	(2.5)	(8.7)
Less: transfers to disposal groups classified as held for sale	15	(250.0)	(193.8)
Less: transfers to disposal groups classified as held for sale in previous year	15	(73.7)	(72.0)
Fair value at 31 December		2,402.9	1,666.4

11 Investments in Joint Ventures

In 2014, the Group entered into a joint venture in Poland with 51% economic interest in West Station Investment. In 2015, the Group increased its economic interest in the joint venture to 71%.

The Group sold shares in two (2) joint ventures during the year ended 31 December 2019: West Station Investment Sp. z o. o. and West Station Investment 2 Sp. z o.o.. with net gain on disposal of EUR 23.7 million.

The following amounts represent the assets, liabilities, revenue and results of the joint ventures:

<i>In millions of EUR</i>	2019		2018	
	West Station Investment 1-2	Other Joint Ventures	West Station Investment 1-2	Other Joint Ventures
Revenue	5.8	0.5	12.6	0.6
(Loss)/Profit and total comprehensive income for the year	(10.4)	(0.5)	14.1	0.4
Current assets	-	0.4	28.5	0.4
Non-current assets	-	7.5	199.2	8.2
Current liabilities	-	(3.4)	(16.0)	(3.7)
Non-current liabilities	-	(0.1)	(138.0)	(0.1)
Net assets of the investee	-	4.4	73.7	4.8
Share of other venturers	-	(2.2)	(21.6)	(2.4)
Investments in joint ventures	-	2.2	52.1	2.4

12 Receivables and Loans

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Lease incentives receivables	(a)	2.7	8.7
Loans to related parties – non-current (Note 7)	(b)	0.6	0.3
Loans to third parties		0.3	0.2
Total receivables and loans		3.6	9.2

12 Receivables and Loans (Continued)

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

- (a) Lease incentive receivables of EUR 2.7 million (31 December 2018: EUR 8.7 million) represent cost of incentives recognised over the lease term, on a straight-line basis – see Note 2.10 and 2.19. These receivables are neither past due nor impaired. They are not secured and they are due from a wide variety of tenants and the Group has the ability to evict non-paying tenants.
- (b) The Group has provided loans to its related parties amounting to EUR 0.6 million as of 31 December 2019 (31 December 2018: EUR 0.3 million).

13 Other Non-Current Assets

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Other non-current assets	(a)	6.0	3.7
Construction contracts retention due from joint ventures	(b)	-	5.7
Total other non-current assets		6.0	9.4

- (a) As at 31 December 2019, EUR 1.8 million related to projects in Hungary and EUR 1.6 related to projects in Poland. The remaining balance consists of many non-material items. As at 31 December 2018, EUR 1.2 million related to projects in Poland. The remaining balance consists of many non-material items.
- (b) Refer to Note 7, *Balances and Transactions with Related Parties*.

14 Trade and Other Receivables

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Trade receivables		14.5	14.5
Trade receivables and advances to joint ventures	7	0.2	0.2
Derivatives and other financial assets		8.2	4.6
Accrued rental income		0.7	1.5
Unbilled receivables from service charges		3.5	5.3
Other financial receivables		11.5	1.7
Trade and other receivables from related parties	7	12.5	7.9
Less expected credit loss allowance for trade receivables		(5.5)	(5.0)
Loans to related parties	7 (a)	1.4	14.5
Less expected credit loss allowance for loans to related parties	7	(1.4)	-
Total financial assets / receivables		45.6	45.2
VAT receivable		26.5	15.7
Prepayments		6.0	10.1
Current income tax refund receivable		-	1.4
Total trade and other receivables		78.1	72.4

- (a) Loans are provided under the following conditions – interest rate 8.16% (2018: 2.68-8.16%).

14 Trade and Other receivables (Continued)

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

<i>In thousands of EUR</i>	31 December 2019				31 December 2018			
	Loss rate	Gross carrying amount	ECL	Net carrying amount	Loss rate	Gross carrying amount	ECL	Net carrying amount
Trade and other receivables								
- current	0.0%	24.9	-	24.9	0.5%	18.0	(0.1)	17.9
- less than 30 days overdue	2.5%	3.9	(0.1)	3.8	3.0%	2.6	(0.1)	2.5
- 30 to 90 days overdue	5.0%	1.8	(0.1)	1.7	5.0%	0.6	-	.6
- 91 to 180 days overdue	10.0%	1.2	(0.1)	1.1	10.0%	2.6	(0.3)	2.3
- 181 to 360 days overdue	15.0%	4.5	(0.7)	3.8	25.0%	2.0	(0.5)	1.5
- over 360 days overdue	70.0%	6.6	(4.5)	2.1	75.0%	5.3	(4.0)	1.3
Total		42.9	(5.5)	37.4		31.1	(5.0)	26.1
Loans to related parties		1.4	(1.4)	-		14.5	-	14.5
Derivatives / other at fair value				8.2				4.6
Total financial assets				45.6				45.2

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

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

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

<i>In millions of EUR</i>	2019	2018
Expected credit loss allowance at 1 January	5.0	5.3
Expected credit loss charge to profit or loss for the period	2.8	-
Write-offs	(0.9)	(0.3)
Expected credit loss allowance at 31 December	6.9	5.0

Receivables subject to credit enhancements are as follows at 31 December:

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Trade receivables collateralised by:		
- bank guarantees	0.7	0.9
- tenant deposits	0.9	0.7
Total	1.6	1.6

The financial effect of collateral is presented by disclosing collateral or credit enhancement values separately for (i) those receivables where collateral and other credit enhancements are equal to or exceed carrying value of the receivable ("over-collateralised assets") and (ii) those receivables where collateral and other credit enhancements are less than the carrying value of the receivable ("under-collateralised assets").

14 Trade and Other receivables (Continued)

Financial effect of collateral at 31 December 2019 is as follows:

<i>In millions of EUR</i>	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Trade and other receivables	0.2	5.8	9.0	0.8

Financial effect of collateral at 31 December 2018 is as follows:

<i>In millions of EUR</i>	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Trade and other receivables	1.0	6.1	10.8	0.6

Collateral will be utilized to settle any receivables in case of customer's default.

The Group has pledged the receivables of EUR 1.0 million as collateral for the borrowings as at 31 December 2019 (2018: EUR 2.1 million).

15 Non-current Assets Held for Sale

Major classes of assets classified as held for sale:

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Property, plant and equipment	4.8	15.8
Investment property	302.7	242.4
Trade and other receivables	19.3	11.5
Cash and cash equivalents	7.5	1.5
Total assets classified as held for sale	334.3	271.2

As of 31 December 2019, the Group classified assets and liabilities of four (4) subsidiaries (P14 Sp. z o.o., Twin City III s. r. o., SPV Vištuk s. r. o., TWENTY House S.à r.l.) as held for sale.

As of 31 December 2018, the Group classified assets and liabilities of the five (5) subsidiaries (HB REAVIS Buda Project Kft., TC Tower A1 s. r. o., Twin City III s. r. o., Twin City IV s. r. o. and SPV Vištuk s. r. o.) as held for sale.

The investment properties are valued annually on 31 December at fair value, with the benefit of advice by an independent, professionally qualified valuation expert who has recent experience in valuing similar properties in similar locations. The methods and significant assumptions applied in determining the fair value are described in Notes 3 and 33.

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

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Deferred income tax liability	16.0	10.5
Borrowings	152.3	143.9
Trade and other payables	4.4	4.4
Lease liabilities long-term	4.7	-
Lease liabilities short-term	0.3	-
Total liabilities directly associated with assets classified as held for sale	177.7	158.8

At 31 December 2019, investment properties held for sale carried at EUR 302.7 million (at 31 December 2018: EUR 242.4 million), property, plant and equipment of EUR 4.8 million (at 31 December 2018: EUR 15.8 million) and the receivables of EUR 19.3 million (at 31 December 2018: EUR 11.5 million) have been pledged to third parties as collateral with respect to borrowings.

15 Non-current Assets Held for Sale (Continued)

Three (HB REAVIS Buda Project Kft., TC Tower A1 s. r. o., Twin City IV s. r. o.) out of five subsidiaries classified held for sale as at 31 December 2018 were sold during the year 2019 (Note 27). Remaining two subsidiaries classified as held for sale as at 31 December 2018 are actively marketed for sale and the Group is committed to complete the sale during 2020.

16 Cash and Cash Equivalents

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Cash at bank and in hand	115.1	172.3
Total cash and cash equivalents	115.1	172.3

At 31 December 2019, cash and cash equivalents were available for the Group's use, except for restricted cash in the amount of EUR 4.1 million (2018: EUR 2.8 million).

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 31 December 2019. Refer to Note 31 for the description of the Group's credit risk grading system.

<i>In millions of EUR</i>	31 December 2019	31 December 2018
- Excellent	86.1	131.0
- Good	28.7	41.0
- Satisfactory	0.3	0.3
Total cash and cash equivalents	115.1	172.3

The Company classifies banks based on ratings as follows:

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

The carrying amounts of cash and cash equivalents as of 31 December 2019 and 31 December 2018 are not substantially different from their fair value. The maximum exposure to credit risk relating to cash and cash equivalents is limited to the carrying value of cash and cash equivalents.

17 Other current assets

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Prepayments to trustee	(a)	22.6	-
Money market fund		5.1	5.1
Other Current Assets		17.1	15.2
Other Current Assets from related parties		1.3	-
Total other current assets		46.1	20.3

- (a) As at 31 December 2019 EUR 22.6 million represent prepayments to trustee of Hungarian Real Estate Development Fund.

18 Financial investments

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Investment in The Cambridge Incubator, LLC	(a)	27.2	51.6
Investment in HB REAVIS CE Real Estate Investment Fund		0.2	0.2
Total financial investments		27.4	51.8

18 Financial investments (Continued)

(a) In February 2018 the Group acquired a non-controlling share in The Cambridge Incubator, LLC, a Delaware limited liability company for a consideration of EUR 49.8 million. As at 31 December 2019, the cumulative amount of investments by the Group totaled EUR 54.3 million, with a carrying amount of EUR 27.2 million (2018: EUR 51.6 million). The change compared to balance as at 31 December 2018 was caused by revaluation loss of EUR 27.1 million partly netted by purchase of shares of EUR 1.7 million during first quarter 2019 and the foreign exchange rates shift of EUR 1 million. The Group recognised that the fair value of The Cambridge Incubator, LLC entire equity decreased to EUR 100.3 million as of 31 December 2019 (2018: EUR 190.9 million), a result obtained by using the comparative method. All financial investments are measured at fair value through profit or loss (Note 2.2). The measurement is level 3 in fair value hierarchy.

19 Share Capital and Share Premium

	Number of shares	Ordinary shares in EUR	Share premium in EUR	Total in EUR
At 1 January 2018	12,500	12,500	494,002,499	494,014,999
At 31 December 2018	30,000	30,000	455,852,721	455,882,721
At 31 December 2019	30,000	30,000	402,465,609	402,495,609

The total authorised number of ordinary shares is 30,000 shares with a par value of EUR 1 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote. 12,500 shares were issued on 20 October 2010 and additional 17,500 shares were issued on 4 September 2018 due to change of legal form of the company from a private limited liability company into a public limited liability company.

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

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

<i>In millions of EUR, except dividends per share amount</i>	Note	2019	2018
Distributions to owners payable at 1 January	21	-	8.8
Distributions declared during the year (from share premium)		53.4	38.1
Distributions paid during the year		(53.4)	(46.9)
Distributions to owners payable at 31 December	21	-	-
Amount per share declared during the year in EUR		1,778.8	1,271.7

20 Borrowings

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Non-current			
Bank borrowings		381.8	289.3
Issued bonds	(a)	347.1	293.8
Finance lease liabilities	(b)	-	31.3
Total non-current borrowings		728.9	614.4
Current			
Bank borrowings		148.4	84.0
Borrowings from related parties	7	-	14.0
Issued bonds	(a)	44.0	35.2
Total current borrowings		192.4	133.2
Total borrowings		921.3	747.6

20 Borrowings (Continued)

(a) The bonds represent following debt instruments:

- (i) EUR denominated bonds in the amount EUR 40 million, which were issued in Bratislava in March 2015 with maturity March 2020, bearing an interest of 4.25% p.a.;
- (ii) CZK denominated bonds in the amount CZK 1,250 million (EUR 49.2 million), which were issued in Prague in March 2016 with maturity March 2021, bearing an interest of 6M PRIBOR + 4% p.a.;
- (iii) PLN denominated bonds in the amount PLN 100 million (EUR 23.5 million), which were issued in Warsaw in October 2016 with maturity April 2021, bearing an interest of 6M WIBOR + 4.40% p.a.;
- (iv) EUR denominated bonds in the amount EUR 25 million, which were issued in Bratislava in December 2016 with maturity December 2021, bearing an interest of 3.50% p.a.;
- (v) EUR denominated bonds in the amount EUR 12 million, which were issued in Bratislava in March 2017 with maturity March 2022, bearing an interest of 3.50% p.a.;
- (vi) EUR denominated bonds in the amount EUR 20 million, which were issued in Bratislava in June 2017 with maturity June 2022, bearing an interest of 3.35% p.a.;
- (vii) PLN denominated bonds in the amount PLN 220 million (EUR 51.7 million), which were issued in Warsaw in July 2017 with maturity January 2022, bearing an interest of 6M WIBOR + 4.20% p.a.;
- (viii) EUR denominated bonds in the amount EUR 45 million, which were issued in Bratislava in September 2017 with maturity September 2027, bearing an interest of 4.45% p.a.;
- (ix) EUR denominated bonds in the amount EUR 31 million, which were issued in Bratislava in November 2017 with maturity November 2023, bearing an interest of 3.25% p.a.;
- (x) EUR denominated bonds in the amount EUR 15 million, which were issued in Bratislava in February 2019 with maturity February 2028, bearing an interest of 3.25% p.a..
- (xi) EUR denominated bonds in the amount EUR 30 million, which were issued in Bratislava in July 2019 with maturity July 2026, bearing an interest of 2.75% p.a..
- (xii) EUR denominated bonds in the amount EUR 20 million, which were issued in Bratislava in September 2019 with maturity September 2025, bearing an interest of 3.25% p.a..
- (xiii) EUR denominated bonds in the amount EUR 25 million, which were issued in Bratislava in November 2019 with maturity November 2025, bearing an interest of 3.25% p.a..

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

(b) The finance lease liabilities fall due as follows:

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Repayable between 2 and 5 years	-	31.3
Total	-	31.3

As of 31 December 2019, the finance lease liability of EUR 31.3. million was reclassified to Non-current lease liabilities (Note 9) due to adoption of standard IFRS 16.

The finance lease liability of EUR 31.3 million represents a consideration equivalent to GBP 28.0 million the Group agreed to pay in return for becoming a leasehold owner of the premises at Farringdon West, London, UK, which is payable upon the completion of the project.

20 Borrowings (Continued)

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

<i>In millions of EUR</i>	Bank borrowings	Bonds	Lease liabilities (2018 finance leases)	Total
Borrowings as presented in the Statement of financial position as at 1 January 2018	351.0	330.0	-	681.0
Borrowings under liabilities directly associated with non-current assets classified as held for sale as at 1 January 2018 (Note 15)	212.0	-	-	212.0
Total borrowings as at 1 January 2018	563.0	330.0	-	893.0
Proceeds from new drawdowns	294.4	-	-	294.4
Repayments	(109.1)	-	-	(109.1)
Foreign exchange adjustments	2.7	2.6	-	5.3
Non-cash movement due to loss of control in a subsidiary	(218.7)	-	-	(218.7)
Change in accrued interest	2.3	(1.0)	-	1.3
Effect of translation to presentation currency	(3.4)	(2.6)	-	(6.0)
New finance leases	-	-	31.3	31.3
Borrowings as presented in the statement of financial position as at 31 December 2018	387.3	329.0	31.3	747.6
Borrowings under liabilities directly associated with non-current assets classified as held for sale as at 31 December 2018 (Note 15)	143.9	-	-	143.9
Total borrowings as at 31 December 2018	531.2	329.0	31.3	891.5
Recognition of lease liabilities upon adoption of IFRS 16 as at 1.1.2019	-	-	39.7	39.9
New leases	-	-	12.5	12.5
Proceeds from new drawdowns	405.3	90.0	-	495.3
Repayments	(68.9)	(30.0)	(5.6)	(104.5)
Foreign exchange adjustments	0.1	(1.4)	2.5	1.0
Non-cash movement due to loss of control in a subsidiary	(187.9)	-	-	(187.9)
Change in accrued interest	1.3	2.1	1.8	5.2
Change in amortised transaction costs	(2.1)	-	-	(2.1)
Effect of translation to presentation currency	3.5	1.4	-	4.9
Non-cash movement due to derecognition of a lease	-	-	(1.0)	(1.0)
Borrowings and lease liabilities as presented in the Statement of financial position as at 31 December 2019	530.2	391.1	76.3	997.6
Borrowings under liabilities directly associated with non-current assets classified as held for sale as at 31 December 2019 (Note 15)	152.3	-	5.0	157.2
Total borrowings and lease liabilities as at 31 December 2019	682.5	391.1	81.3	1,154.8

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

	Carrying amounts at 31 December		Fair values at 31 December	
<i>In millions of EUR</i>	2019	2018	2019	2018
Bank borrowings	381.8	289.3	393.1	294.6
Issued bonds	347.1	293.8	353.9	330.9
Finance lease liability	-	31.3	-	31.3
Non-current borrowings	728.9	614.4	747.0	656.8

Assumptions used in determining fair value of borrowings are described in Note 33. The carrying values of current borrowings approximate their fair values. The fair value of lease liabilities would be affected by lease extension and termination options and it is thus not disclosed as allowed by IFRS 7 paragraph 29.

20 Borrowings (Continued)

The Group has the following undrawn borrowing facilities:

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Availability:		
- Expiring within one year	0.8	33.6
- Expiring beyond one year	470.6	297.5
Total undrawn facilities	471.4	331.1

Investment properties (Note 10), property, plant and equipment (Note 8) and receivables (Note 14) are pledged as collateral for borrowings of EUR 480.0 million (2018: EUR 364.8 million).

The loan agreements with third party creditors are governed by terms and conditions which include maximum loan to value ratios ranging from 65% to 75% (2018: 55% to 75%) and minimum debt service coverage ratios ranging from 1.10 to 1.20 (2018: 1.00 to 1.20). During 2019 and up to the date of authorisation of these consolidated financial statements for issue, the Group was in compliance with all loan agreement terms and no terms of the loans were renegotiated due to defaults or breaches. Furthermore, after 31 December 2019 and up to date of authorisation of these consolidated financial statements for issue, the Group repaid the loan of EUR 133.1 million including EUR 40 million of bond issue and drawn EUR 92.7 million of new loans.

21 Trade and Other Payables

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Non-current			
Long-term payables		25.2	15.2
Total non-current payables		25.2	15.2
Current			
Trade payables		10.9	13.8
Liabilities for construction of investment properties		64.8	39.8
Accrued liabilities		14.5	15.3
Distribution payable to owners	19	-	-
Derivative financial instruments		1.2	1.8
Other payables		6.2	5.5
Liabilities due to joint ventures		-	0.3
Refund liability		6.0	4.2
Total current financial payables		103.6	80.7
Items that are not financial instruments:			
Deferred rental income		4.5	5.0
Contract liability		2.0	1.7
Accrued employee benefit costs		1.0	1.4
Other taxes payable		0.1	0.6
VAT payable		-	0.7
Prepayments		-	0.8
Total current trade and other payables		111.2	90.9

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

22 Rental and Similar Income from Investment Property

<i>In millions of EUR</i>	2019	2018
Rental income		
Office	28.8	38.7
Retail	1.4	1.4
HubHub	6.1	1.3
Service charges		
Office	17.7	14.9
Retail	0.8	0.7
Management charges		
Office	4.6	3.8
Retail	0.3	0.3
Industrial	0.2	0.4
HubHub	0.7	0.6
Total rental and similar income from investment properties	60.6	62.1

Where the Group is the lessor, the future minimum lease payments receivable under operating leases over the lease term are as follows at 31 December 2019:

<i>In millions of EUR</i>	31 December 2019
Not later than 1 year	23.2
Later than 1 year and not later than 2 years	34.1
Later than 2 years and not later than 3 years	45.8
Later than 3 years and not later than 4 years	47.8
Later than 4 years and not later than 5 years	45.9
Later than 5 years	240.7
Total operating lease payments receivable	437.5

Where the Group is the lessor, the future minimum lease payments receivable under non-cancellable operating leases are as follows at 31 December 2018:

<i>In millions of EUR</i>	31 December 2018
Not later than 1 year	29.0
Later than 1 year and not later than 5 years	126.5
Later than 5 years	209.0
Total operating lease payments receivable	364.5

The Group's rental income includes performance income depending on sales revenue of retail units leased by its tenants. These amounts are not included in the above payments receivable as the Group is unable to estimate them with sufficient certainty. Total variable lease payments receivable recognised as income in 2019 under the Group's operating leases were EUR 0.1 million (2018: EUR 0.1 million).

23 Direct Operating Expenses arising from Investment Property

<i>In millions of EUR</i>	2019	2018
<i>Direct operating expenses arising from investment property that generate rental income:</i>		
Materials consumed	1.0	1.1
Repairs and maintenance services	1.2	1.2
Utilities costs	6.2	5.1
Services relating to investment property	16.7	14.0
Real estate tax	0.6	0.9
Other costs	0.7	1.8
Total	26.4	24.1

24 Analysis of Revenue by Category

<i>In millions of EUR</i>	Note	2019	2018
Rental income	22	36.3	41.4
Service charges	22	18.5	15.6
Management charges	22	5.8	5.1
Total Rental and similar income from investment property		60.6	62.1
Services rendered	26	6.9	5.5
Other	26	1.8	1.7
Total Other operating income		8.7	7.2
Construction revenue		22.8	21.9
Total revenue and other income		92.1	91.2

As at 31 December 2019, the Group has completed all contracts for construction of properties.

25 Employee Benefits

<i>In millions of EUR</i>	2019	2018
Wages and salaries (including social and health insurance)	23.8	24.4
Pension costs – defined contribution plans	1.3	1.3
Total employee benefits	25.1	25.7

The Group had 762 employees in the core real estate operations of the Group (on full time equivalent basis) as at 31 December 2019 (2018: 758 employees).

26 Operating Income and Expenses

Operating expenses comprised the following:

<i>In millions of EUR</i>	2019	2018
Services	27.1	31.5
Rental expense	0.6	3.6
Cost of sold inventories	2.0	1.9
Audit fees	0.8	0.9
Material consumption	1.2	1.4
Energy costs	0.2	0.2
Net impairment losses on financial and contract assets	0.8	-
Other taxes	2.1	(0.3)
Other	5.4	6.1
Total operating expenses	40.2	45.3

Other operating income comprised the following:

<i>In millions of EUR</i>	2019	2018
Sales of services	6.9	5.5
Sales of inventories	1.2	1.1
Other operating income	0.6	0.6
Total other operating income	8.7	7.2

27 Disposals of Subsidiaries

The Group sold shares in six (6) subsidiaries during year 2019: Temster, s.r.o., Radlická ATA s.r.o., Radlice Real Estate, s.r.o. and HB REAVIS Buda Project Kft., TC Tower A1 s. r. o., Twin City IV s. r. o., out of which HB REAVIS Buda Project Kft., TC Tower A1 s. r. o. and Twin City IV s. r. o. were classified as Non-current assets held for sale as of 31 December 2018.

The Group sold shares in eight (8) subsidiaries during year 2018: GBC C Polcom Investment XXIX Sp. z o. sp. k, GBC D Polcom Investment XXX Sp. z o. sp. k, Jamestown Sp. z o.o., Jarow Sp. z o.o., Gdanski C SCSp., Gdanski D SCSp., FORSEA s.r.o. and EIGHT House S.à r.l., of which GBC C Polcom Investment XXIX Sp. z o. sp. k, GBC D Polcom Investment XXX Sp. z o. sp. k and FORSEA s.r.o. were classified as Non-current assets held for sale as of 31 December 2017.

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

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Investment property in use	231.0	385.3
Property, plant and equipment	15.6	-
Other non-current assets	-	12.7
Deferred tax asset/(liability)	(15.1)	(26.5)
Borrowings	(187.9)	(218.7)
Trade and other payables – long term	(0.6)	-
Trade and other payables – short term	(2.6)	(4.1)
Cash and cash equivalents	60.0	4.2
Other working capital	5.5	7.8
Net assets value	105.9	160.7
Gain on divestments of subsidiaries	3.0	21.8
Foreign currency translation differences transferred from other comprehensive income upon loss of control	4.6	(7.4)
Proceeds from sale of subsidiaries	113.5	175.1
Less cash in subsidiaries at the date of transaction	(60.0)	(4.2)
Less receivable from sale of subsidiary	(1.0)	(1.2)
Cash sale proceeds	52.5	169.7

28 Income Taxes

Income tax expense comprises the following:

<i>In millions of EUR</i>	2019	2018
Current tax	(7.6)	(2.0)
Deferred tax	(82.6)	(29.5)
Income tax credit/(expense) for the year	(90.2)	(31.5)

Reconciliation between the expected and the actual taxation charge is provided below.

<i>In millions of EUR</i>	2019	2018
Profit before income tax	456.7	151.6
Theoretical tax charge at applicable rate 19.29% (2018: 19.78%)	(88.1)	(30.0)
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Income exempt from taxation	3.7	6.3
- Non-temporary taxable items	(0.3)	(1.3)
- Change in estimate of prior period income taxes	(0.3)	(0.4)
- Unrecognised deferred tax assets	(5.7)	(6.7)
- Utilisation of previously unrecognised tax loss carry-forwards	0.5	0.6
Income tax credit/(expense) for the year	(90.2)	(31.5)

28 Income Taxes (Continued)

The Group uses 19.29% (2018: 19.78%) as the applicable tax rate to calculate its theoretical tax charge which is calculated as a weighted average of the rates applicable in the Slovak Republic of 21% (2018: 21%), the Czech Republic and Poland of 19% (2018: 19%), Hungary of 9% (2018: 9%), Germany of 16% (2018: 15%) and the UK of 20% (2018: 20%) where majority of the Group's operations are located.

Differences between IFRS and applicable statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

<i>In millions of EUR</i>	1 January 2018	Charged/ (credited) to profit or loss	Divest- ment of subsi- diaries	Transfer to assets held for sale	Currency translation difference	31 Dec 2018	Charged/ (credited) to profit or loss	Divest- ment of subsi- diaries	Transfer to assets held for sale	Currency translation difference	31 Dec 2019
Tax effect of deductible/(taxable) temporary differences											
Investment properties	(54.1)	(32.8)	7.5	7.6	(0.1)	(71.9)	(84.3)	7.7	16.3	-	(132.2)
Unrealized foreign exchange (gains)/losses	-	-	-	-	-	-	-	-	-	-	-
Tax losses carried forward	1.3	2.2	-	-	-	3.5	2.4	-	(4.1)	-	1.8
Property, plant and equipment	0.5	0.4	-	-	-	0.9	(0.1)	-	0.9	-	1.7
Other	(0.7)	0.7	-	-	-	-	(0.6)	-	-	-	(0.6)
Net deferred tax (liability)	(53.0)	(29.5)	7.5	7.6	(0.1)	(67.5)	(82.6)	7.7	13.1	-	(129.3)

In the context of the Group's current structure, tax losses and current tax assets of different Group companies may not be offset against current tax liabilities and taxable profits of other Group companies. Accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

On adoption of IFRS 16, the Group has used modified retrospective approach permitted by the specific transitional provisions in the standard. Recognised lease liability amount is equal to amount of right-of-use asset therefore no deferred tax arises. For future periods there is expected impact of IFRS 16 on Group's balance of deferred tax.

The Group expects that substantially all of the deferred tax liability will crystallise after more than 12 months from the balance sheet date.

29 Foreign exchange gains/(losses)

<i>In millions of EUR</i>	2019	2018
Bank borrowings – unrealised	1.3	(5.3)
Inter-company loans to foreign operations that do not form part of net investment – unrealised	0.8	(4.2)
Trade and other receivables and payables – realised during period	(10.0)	(0.2)
Trade and other receivables and payables – unrealised	8.5	1.2
Foreign exchange (losses)/gains	0.6	(8.5)

30 Contingencies, Commitments and Operating Risks

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

Capital expenditure commitments. Contractual obligations to purchase, construct or develop investment properties totalled EUR 372.0 million at 31 December 2019 (31 December 2018: EUR 169.8 million); this exposure will be partially financed by external loans (committed lines: EUR 471.4 million). The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments.

30 Contingencies, Commitments and Operating Risks (Continued)

Lease commitments. Where the Group is the lessee, the future minimum lease payments under non-cancellable operating leases were as follows at 31 December 2018:

<i>In millions of EUR</i>	2018
Not later than 1 year	5.2
Later than 1 year and not later than 5 years	22.4
Later than 5 years	65.4
Total operating lease commitments at 31 December 2018	93.0

The Group adopted IFRS 16 from 1 January 2019 and since then a lease liability is recognised for the future lease payments.

Contingent deposit. The Group has entered into sale and purchase agreement with a potential buyer to sell shares in TWENTY House S.à r.l. The Buyer has paid the Group a deposit of EUR 22.9 million (equivalent GBP 19.7 million) in October 2019 and the funds have been retained by Groups's solicitors in an escrow account. Upon completion of this transaction the funds will be paid to the Group. Because the deposit is part of the consideration and is contingent to completion of the transaction the Group did not record the deposit nor the liability towards the potential buyer in its balance sheet and thus treats both contingent asset and contingent liability as off-balance sheet items.

31 Financial Risk Management

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

(i) Credit risk

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

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

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

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

31 Financial Risk Management (Continued)

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2019:

<i>In millions of EUR</i>	Gross amounts before offsetting in the statement of financial position a)	Gross amounts set off in the statement of financial position b)	Net amount after offsetting in the statement of financial position c) = a) - b)	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		
				Financial instruments d)	Cash collateral received e)	Net amount of exposure c) - d) - e)
Assets						
Trade receivables	1.6	-	1.6	0.7	0.9	-
Liabilities						
Cash collateral received presented within trade and other payables	0.9	-	0.9	0.9	-	-

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2018:

<i>In millions of EUR</i>	Gross amounts before offsetting in the statement of financial position a)	Gross amounts set off in the statement of financial position b)	Net amount after offsetting in the statement of financial position c) = a) - b)	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		
				Financial instruments d)	Cash collateral received e)	Net amount of exposure c) - d) - e)
Assets						
Trade receivables	1.6	-	1.6	0.9	0.7	-
Liabilities						
Cash collateral received presented within trade and other payables	0.7	-	0.7	0.7	-	-

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

The amounts in columns (d) and (e) in the above table are limited to the exposure reported in column (c) for each individual instrument in order not to understate the ultimate net exposure.

Credit risks concentrations

As for the banks and financial institutions, Group has relationships only with those banks that have high independent rating assessment. The Group's bank deposits are held with 31 banks (2018: 35 banks) but 82.7% (2018: 90.7%) of cash balances as of 31 December 2019 are held with 10 (2018: 10) major banks. The Group's management considers the concentration of credit risk with respect to cash balances with banks as acceptable. The analysis by credit quality (bank rating) is provided in Note 16.

As at 31 December 2019, the Group receivables from joint ventures amounted to EUR 0.2 million (2018: EUR 0.2 million). The Group's management considers the concentration of credit risk with respect to receivables balances to joint ventures.

31 Financial Risk Management (Continued)***Expected credit loss (ECL) measurement***

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

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

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk. The assumptions used reflect the situation at the end of the reporting period and thus do not consider the situation around COVID-19 that developed after the reporting period. Refer to Note 36.

Significant increase in credit risk (SICR)

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

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

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

The level of ECL that is recognised in these consolidated financial statements depends on whether the credit risk of the debtor has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Group monitors whether that indicator continues to exist or has changed.

The Group has two approaches for ECL measurement: (i) assessment on an individual basis and (ii) assessment on a portfolio basis. The Group performs an assessment on a portfolio basis for trade receivables. The Group performs an assessment on an individual basis for all receivables overdue more than 365 days taking into consideration the fact whether the receivable under the review is secured by a bank guarantee/cash deposit or not. Generally, the bank guarantee is deemed to provide a sufficient assurance that the receivable will not become illiquid and therefore provisions for receivables secured by a bank guarantee are not created.

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

Forward-looking information incorporated in the ECL models

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

31 Financial Risk Management (Continued)

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

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes. The assumptions used reflect the situation at the end of the reporting period and thus do not consider the situation around COVID-19 that developed after the reporting period. Refer to Note 36. The Group regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit.

(ii) Market risk

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

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

Had the foreign exchange rates been by one tenth lower than they have been throughout the year ended 31 December 2019 with all other variables constant, profit for the year would have been approximately EUR 45.8 million lower (2018: EUR 49.4 million lower). Equity, after allowing for the tax effects, would have been EUR 36.2 million lower (2018: EUR 39.0 million lower). Had the foreign exchange rates been by one tenth higher than they have been throughout the year ended 31 December 2019 with all other variables constant, profit for the year would have been EUR 45.8 million higher (2018: EUR 49.4 million higher). Equity, after allowing for the tax effects, would have been EUR 36.2 million higher (2018: EUR 39.0 million higher).

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

<i>In millions of EUR</i>	Less than 12 months	Over 12 months	Total
31 December 2019			
Total monetary financial assets	206.8	0.9	207.7
Total monetary financial liabilities	(303.5)	(822.9)	(1,156.4)
Net interest sensitivity gap at 31 December 2019	(96.7)	(822.0)	(948.7)
31 December 2018			
Total monetary financial assets	237.8	6.3	244.1
Total monetary financial liabilities	(213.9)	(629.7)	(843.6)
Net interest sensitivity gap at 31 December 2018	23.9	(623.4)	(599.5)

Had the interest rates on the Group's variable interest rate loans (generally the third-party borrowings) been by one tenth lower than they have been throughout the year ended 31 December 2019 with all other variables constant, profit before tax for the year would have been higher by approximately EUR 1.1 million (2018: EUR 0.6 million higher). Equity, after allowing for the tax effects, would have been higher by approximately EUR 0.8 million higher (2018: higher by EUR 0.5 million).

31 Financial Risk Management (Continued)

Had the interest rates on the Group's variable interest rate loans (generally the third-party borrowings) been by one tenth higher than they have been throughout the year ended 31 December 2019 with all other variables constant, profit before tax for the year would have been lower by approximately EUR 1.1 million (2018: EUR 0.6 million lower). Equity, after allowing for the tax effects, would have been lower by approximately EUR 0.8 million (2018: lower by EUR 0.5 million).

The Group's interest rate risk principally arises from long-term borrowings (Note 20). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

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

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

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

Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

(iii) Liquidity risk

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

The table below shows liabilities at 31 December 2019 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the consolidated balance sheet because the carrying amount is based on discounted cash flows.

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

The maturity analysis of financial liabilities as at 31 December 2019 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal repayments)	187.0	107.2	325.4	301.4	921.0
Borrowings (future interest payments)	28.2	24.8	50.1	27.5	130.6
Financial payables - current (Note 21)	102.4	-	-	-	102.4
Lease liabilities – principal (Note 9)	7.5	7.6	47.9	69.0	132.1
Lease liabilities – future interest payments	1.8	1.6	3.8	50.7	57.9
Derivatives and other financial instruments (Note 21)	1.2	-	-	-	1.2
Total future payments, including future principal and interest payments	328.1	141.2	427.2	448.6	1,345.2

31 Financial Risk Management (Continued)

The maturity analysis of financial liabilities as at 31 December 2018 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal repayments)	120.0	133.7	401.6	58.8	714.1
Borrowings (future interest payments)	22.5	18.1	30.1	8.6	79.3
Financial payables - current (Note 21)	78.9	-	-	-	78.9
Finance lease liability (Note 9)	-	-	31.3	-	31.3
Derivatives and other financial instruments (Note 21)	1.8	-	-	-	1.8
Total future payments, including future principal and interest payments	223.2	151.8	463.0	67.4	905.4

On an ongoing basis the Board of Directors reviews a rolling cash flow forecast prepared on a consolidated basis. As of the date of preparation of these financial statements and based on our funding capacity the Board has considered cash flow scenarios, including a stress case, and concluded that it is appropriate to use the going concern assumption in preparation of the financial statements (see also note 36).

32 Management of Capital

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

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

<i>In millions of EUR</i>	Note	31 December 2019	31 December 2018
Equity attributable to the owners of HB Reavis Holding S.A.		1,593.3	1,258.1
Adjusted for			
Add: Deferred income tax liabilities (including joint ventures)	15, 28	145.3	86.0
Net Asset Value (adjusted) as monitored by management		1,738.6	1,344.1

The Group also manages the net debt leverage ratio. This ratio is defined as a ratio between interest bearing liabilities from third parties less Cash and Group total assets. During 2019, the Group's strategy was to steer the net debt leverage ratio up to 35% (2018: up to 35%). As is shown in the table below, the Group's ratio was below the targeted level as at 31 December 2019 and at the end of 2018. The Group management believe that this position places the Group conservatively in their pursuit of new development opportunities.

<i>In millions of EUR</i>	31 December 2019	31 December 2018
Bank borrowings and finance leases* less cash including those classified as held for sale	984.2	717.7
Total assets	3,040.3	2,349.9
Net debt leverage ratio	32.37%	30.54%

* Of the total lease liability recognised as at 31 December 2019, EUR 33.2 million represents finance lease liabilities as defined by IAS 17 (31 December 2018: EUR 31.3 million).

33 Fair Value Estimation

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

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

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

i) Investment properties

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

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Investment property – valuations obtained at 31 December 2019 (Note 10)	-	-	2,693.6	2,693.6
Investment property – valuations obtained at 31 December 2018 (Note 10)	-	-	1,943.3	1,943.3

Level 3 investment properties are fair valued using discounted cash flow method, yield method, residual method, comparative method and fair value at acquisition/divestment (cost) for assets which were either acquired/held for sale close to the balance sheet date or where reliable comparable information is unavailable and management used its judgement and experience to assess the fair value. The valuation techniques for level 3 are further described in Note 10.

33 Fair Value Estimation (Continued)

Quantitative information about fair value measurements using unobservable inputs:

Asset Management and Investment Management

Segment	Valuation technique	Fair value 31 Dec 2019 (in millions of EUR)	Fair value 31 Dec 2018 (in millions of EUR)	Input	Range 31 Dec 2019	Range 31 Dec 2018
Slovakia						
Office	Discounted cash flow	118.8	120.3	Average annual rent in EUR per sqm	189-200	189 - 200
				Discount rate p.a.	6.85%	7.65%
				Capitalisation rate for terminal value	6.85%	6.9%
Office	Direct capitalisation method	79.0	254.2	Average annual rent in EUR per sqm	185	138 – 200
				Capitalisation rate	5.4%	5.8% - 8.2%
Office	Residual method	16.0	-	Capitalised net revenues less cost to completion	30.16	-
				Capitalisation rate	5.75%	-
Total		213.8	374.5			
Poland						
Office	Discounted cash flow	88.5	85.5	Average annual rent in EUR per sqm	192.3	190.4
				Discount rate p.a.	7.3%	6.5%
				Capitalisation rate for terminal value	7.3%	7.5%
Office	At cost	0.2	0.2	-		-
Total		88.7	85.7			

33 Fair Value Estimation (Continued)

Segment	Valuation technique	Fair value 31 Dec 2019 (in millions of EUR)	Fair value 31 Dec 2018 (in millions of EUR)	Input	Range 31 Dec 2019	Range 31 Dec 2018
Asset Management and Investment Management (Continued)						
Hungary						
Office	Direct capitalisation method	9.7	9.5	Average annual rent in EUR per sqm Capitalisation rate	82.0 7.0%	90.8 7.0%
Total		9.7	9.5			
United Kingdom						
Office	Residual value	337.3	281.7	Capitalised net revenues less cost to completion Capitalisation rate	879.45 4.75%	619.5 4.75%
Office	Direct capitalisation method	146.3	123.1	Average annual rent in EUR per sqm Capitalisation rate	133.5 4.5%	791.0 4.5%
Office	At cost	9.7	-	-		
Total		493.3	404.8			
Total for segment		805.5	874.5			
Development in realisation and in preparation						
Slovakia						
Office, Office/Retail	Residual Method	229.1	125.5	Capitalised net revenues less cost to completion Capitalisation rate	304.4 5.45% - 6.5%	231.7 6.2% - 6.5%
Retail	Residual Method	219.7	120.5	Capitalised net revenues less cost to completion Capitalisation rate	47.6 5.8%	69.8 5.5%
Total		448.8	246.0			

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

33 Fair Value Estimation (Continued)

Segment	Valuation technique	Fair value 31 Dec 2019 (in millions of EUR)	Fair value 31 Dec 2018 (in millions of EUR)	Input	Range 31 Dec 2019	Range 31 Dec 2018
Development in realisation and in preparation (Continued)						
Czech Republic						
Office	Residual Method	57.4	61.8	Capitalised net revenues less cost to completion Capitalisation rate	146.6 4.25% - 6.25%	130.4 5.8% - 6.5%
Logistics	At cost	-	0.2	-		
Office	At cost	1.0	-	-		
Total		58.4	62.0			
Poland						
Office	Residual Method	326.6	431.8	Capitalised net revenues less cost to completion Capitalisation rate	160.4 4.5% - 5.5%	261.0 4.8% - 5.8%
Office	Direct capitalisation method	389.3	-	Average annual rent in EUR per sqm Capitalisation rate	274.8 4.26% - 4.3%	- -
Office	Comparative method	14.0	-	Price in EUR per sqm	195.7	-
Office	At cost	1.0	16.7	-	-	-
Total		730.9	448.4			
United Kingdom						
Office	Residual method	151.0	-	Capitalised net revenues less cost to completion Capitalisation rate	59.3 4.5%	- -
Office	At cost	-	57.8	-		-
Total		151.0	57.8			

33 Fair Value Estimation (Continued)

Segment	Valuation technique	Fair value 31 Dec 2019 (in millions of EUR)	Fair value 31 Dec 2018 (in millions of EUR)	Input	Range 31 Dec 2019	Range 31 Dec 2018
Development in realisation and in preparation (Continued)						
Hungary						
Office	Residual method	54.2	105.0	Capitalised net revenues less cost to completion	61.4	90.9
				Capitalisation rate	5.25%	6.0%
Office	Discounted cash flow	216.4	-	Average annual rent in EUR per sqm	226.1	-
				Discount rate p.a.	6.0%	-
				Capitalisation rate for terminal value	5.25%	-
Office	At cost	-	13.3	-		
Total		270.6	118.3			
Germany						
Office	At cost	4.8	92.2	-		-
Office	Residual method	167.5	-	Capitalised net revenues less cost to completion	114.2	
				Capitalisation rate	3.5%	
Total		172.3	92.2			
Total for segment		1,832.0	1,024.7			
None - core						
Logistics	Comparative method	33.1	29.5	Price in EUR per sqm	4.7 – 2,847.2	4.7 – 26.2
Retail	At cost	7.4	6.4	-	-	-
HubHub	At cost	15.6	8.2	-	-	-
Total for segment		56.1	44.1			

33 Fair Value Estimation (Continued)

Sensitivity of measurement to variance of significant unobservable inputs

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

There are interrelationships between these rates as they are partially determined by market rate conditions. Please refer to Note 3 for the quantitative sensitivity analysis.

Valuation process

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

These reports are based on both:

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

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

ii) Financial Instruments

Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price. The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies as described below. However, judgement is necessarily required to interpret market data to determine the estimated fair value.

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

Liabilities carried at amortised cost. Considering that most borrowings have variable rate of interest and that own credit risk of the Group did not materially change, the amortised cost carrying value approximates fair value. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid. The discount rate was 2.37% p.a. (2018: 2.25% p.a.). Refer to Note 20 for the estimated fair values of borrowings (for current borrowings Level 2 inputs are used, for non-current borrowings Level 3 inputs are used). Carrying amounts of trade and other payables approximate fair values.

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

34 Reconciliation of Classes of Financial Instruments with Measurement Categories

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

All of the Group's financial assets belong to the category financial assets at amortised cost except for financial derivatives that are classified as financial assets at FVTPL. All of the Group's financial liabilities are carried at amortised cost except for financial derivatives that are classified as financial liabilities at FVTPL (Note 20).

35 Consolidated Structured Entities

The Group issued 2 tranches of bonds through HB Reavis Finance PL 2 Sp. z o.o. incorporated in Poland, 1 tranche of bonds through HB REAVIS Finance SK s. r. o., 1 tranche of bonds through HB REAVIS Finance SK II s. r. o., 4 tranches of bonds through HB REAVIS Finance SK III s. r. o., 1 tranche of bonds through HB REAVIS Finance SK IV s. r. o., 3 tranches of bonds through HB REAVIS Finance SK V s. r. o., 1 tranche of bonds through HB REAVIS Finance SK VI s. r. o. all six incorporated in Slovakia and 1 tranche of bonds through HB Reavis Finance CZ, s.r.o., incorporated in Czech Republic. These entities were consolidated as they are wholly owned by the Group, they were specifically set up for the purposes of the Group, and the Group has exposure to substantially all risks and rewards through ownership and outstanding guarantees of the entities' obligations. The Group guarantees all obligations of these entities represented by the bonds issued amounting to PLN 320 million, EUR 263 million and CZK 1.25 billion (Note 20).

36 Events after the End of the Reporting Period

After 31 December 2019 and up to the date of authorization of these condensed consolidated financial statements, the Group has drawn EUR 92.7 million of the facilities undrawn as of 31 December 2019 and repaid loans of EUR 133.1 million including EUR 40 million of bond issue. The Group has secured 499.3 million of new bank financing in the post-reporting period, out of which 152.4 million has been utilized.

In February 2020, the Group completed the sale of 100% shares in its subsidiary Twin City III s. r. o.. The subsidiary owned the office building Twin City B in Bratislava, Slovakia. Carrying value of the investment property disposed of was EUR 79.6 million.

In March 2020, the Group completed the sale of 100% shares in its subsidiary SPV Vištuk s.r.o.. The subsidiary owned the land in Vištuk, Slovakia. Carrying value of the investment property disposed of was EUR 5.0 million.

In February 2020, the Group acquired office building Quick & Tower House in London, UK through share purchase of SHOREDITCH QT HOLDINGS GUERNSEY LIMITED, for consideration of GBP 64.1 million.

Towards the end of 2019, a new virus causing a severe acute respiratory syndrome ("COVID-19") emerged and infections started to occur around the globe. Subsequently, on 11 March, 2020, the World Health Organisation ("WHO") declared it a pandemic and national governments have implemented a range of policies and actions to combat it. As a result, the normal economic activity has almost come to a halt with severe restrictive consequences for the conduct of business.

Albeit the exact long-term impact of COVID-19 on world economies, different industries and the Group in particular, are not known, the management has focused on the following key areas and stress-tested several scenarios to see how the Group is resilient to negative impact of COVID-19:

- Overall liquidity position and access to existing and new credit facilities,
- Ability to meet the covenants of the Group's debt arrangements,
- Declining demand, falling sales and margin pressures experienced by Group's current and future tenants in retail, co-working and hospitality industry,
- Disruptions in domestic and international supply chains, logistics and shortage of construction workers due to restrictive measures protecting health, adversely impacting construction budgets and progress in construction works,

The Management has performed stress-test scenario based on the business plan covering 18 months from the 31 December 2019 to evaluate the Group's cash-flow and financial position. The stress test assumed unavailability of liquid markets with acceptable yields for the Group to sell its investment properties (other than a completion of an ongoing transaction of sale of TWENTY House S.à r.l.) until the end of the second quarter of 2021. Using the same timeframe, the Group assumed ability to raise additional financing using a high value asset with no current leverage and ability to continue raising finance under existing commitments for large projects that are currently fairly late in the development cycle – DSTRCT in Berlin, Agora in Budapest, Varso and Forrest in Warsaw and Nivy Mall in Bratislava. As of the date of preparation of these financial statements all loan utilisation requests related to these projects were fully funded by the financing banks.

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

Since 31 December 2019 the Group has been able to secure EUR 499.3 million of external bank loan financing by revolving and extending the existing credit facilities (€ 10 million) and securing new facilities (€ 489.3 million), while drawing EUR 152.4 million of fresh funds in 2020. In addition, the Group is actively negotiating another facility exceeding EUR 120 million that would be collateralised by a prime London project.

36 Events after the End of the Reporting Period (Continued)

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

In addition, the Management have already taken steps to review existing construction contracts with contractors and have started negotiations that should lead to some 5% savings in the years 2020 and 2021. Slowing down of development projects and thereof resulting operational restructuring that has already started should in addition reduce the operating costs by 25%. In all countries of Group's operation, the Group has either started or is still exploring available options to utilise benefits from government aid programmes designed to support businesses, comprising of measures to compensate business for the lost rental income, deferral of payment in taxes and loan related payments etc. Distributions to owners will be reduced by 70% for 2020 when compared to 2019.

While the impact of the COVID-19 situation cannot be accurately predicted and it is not plausible to assess all possible future implications for the Group, based in this analysis and in the scenarios assessed, the Group believes that it has a solid financial position that will enable it to sustain the current disruptions in the economic environment.

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

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

9.13 Copy of the Suretyship Provider's unaudited consolidated financial statements as at and for the first six months ended 30 June 2020

HB Reavis Holding S.A.

**Condensed Consolidated Interim Financial Statements
30 June 2020**

Contents

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE 6 MONTHS ENDED 30 JUNE 2020

Condensed Consolidated Interim Statement of Financial Position	1
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	2
Condensed Consolidated Interim Statement of Changes in Equity	3
Condensed Consolidated Interim Statement of Cash Flows	4

Notes to the Condensed Consolidated Interim Financial Statements


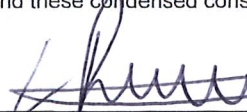
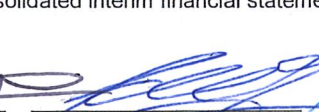
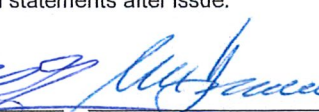
1	The HB REAVIS Group and its Operations	5
2	Significant Accounting Policies	6
3	Critical Accounting Estimates and Judgements in Applying Accounting Policies	12
4	Adoption of New or Revised Standards and Interpretations	13
5	New Accounting Pronouncements	13
6	Segment Analysis	15
7	Balances and Transactions with Related Parties	26
8	Property, Plant and Equipment	27
9	Right-of use assets and lease liabilities	28
10	Investment Property	30
11	Investment in Joint Ventures	31
12	Receivables and Loans	31
13	Other Non-Current Assets	31
14	Trade and Other Receivables	32
15	Non-current Assets Held for Sale	34
16	Cash and Cash Equivalents	34
17	Other current assets	35
18	Financial investments	35
19	Share Capital and Share Premium	35
20	Borrowings	36
21	Trade and Other Payables	38
22	Rental and Similar Income from Investment Property	39
23	Direct Operating Expenses arising from Investment Property	39
24	Analysis of Revenue by Category	40
25	Employee Benefits	40
26	Operating Income and Expenses	41
27	Disposals of Subsidiaries	41
28	Income Taxes	42
29	Foreign exchange gains/(losses)	42
30	Contingencies, Commitments and Operating Risks	42
31	Financial Risk Management	42
32	Management of Capital	47
33	Fair Value Estimation	48
34	Reconciliation of Classes of Financial Instruments with Measurement Categories	53
35	Consolidated Structured Entities	54
36	Events after the Balance Sheet Date	54

HB Reavis Holding S.A.
Condensed Consolidated Interim Statement of Financial Position at 30 June 2020
Prepared in accordance with IAS 34, "Interim financial reporting"

1

<i>In millions of EUR</i>	<i>Note</i>	30 June 2020	31 December 2019
ASSETS			
Non-current assets			
Investment property in use or vacant	10	1,113.4	522.6
Investment property under development	10	1,455.2	1,880.3
Investment in joint ventures	11	2.4	2.2
Property, plant and equipment	8	8.5	4.8
Right-of-use assets	9	13.5	14.1
Intangible assets		1.6	1.2
Financial investments	18	27.4	27.4
Receivables and loans	7, 12	6.3	3.6
Deferred income tax asset	28	-	4.1
Other non-current assets	13	4.6	6.0
Total non-current assets		2,632.9	2,466.3
Current assets			
Non-current assets classified as held for sale	15	-	334.3
Inventories		0.4	0.4
Trade and other receivables	7, 14	72.5	78.1
Other assets	17	30.5	46.1
Cash and cash equivalents	16	189.8	115.1
		293.2	239.7
Total current assets		293.2	574.0
TOTAL ASSETS		2,926.1	3,040.3
EQUITY			
Share capital (30,000 shares at EUR 1.00 each)	19	-	-
Share premium	19	392.4	402.5
Retained earnings		1,054.7	1,198.3
Revaluation reserve for assets transferred to investment properties at fair value	8	3.8	3.8
Currency translation reserve	2.3	(76.3)	(11.3)
Equity attributable to the Company's owners		1,374.6	1,593.3
Non-controlling interest		0.1	0.1
TOTAL EQUITY		1,374.7	1,593.4
LIABILITIES			
Non-current liabilities			
Borrowings	20	986.2	728.9
Deferred income tax liability	28	93.1	133.4
Trade and other payables	7, 21	23.1	25.2
Lease liabilities	9	68.4	68.8
Total non-current liabilities		1,170.8	956.3
Current liabilities			
Liabilities directly associated with non-current assets classified as held for sale	15	-	177.7
Borrowings	20	234.9	192.4
Trade and other payables	7, 21	133.7	106.7
Lease liabilities	9	8.4	7.5
Deferred income	21	3.6	4.5
Current income tax payable		-	1.8
		380.6	312.9
Total current liabilities		380.6	490.6
TOTAL LIABILITIES		1,551.4	1,446.9
TOTAL LIABILITIES AND EQUITY		2,926.1	3,040.3

These condensed consolidated interim financial statements have been approved for issue and signed on behalf of the HB Reavis Holding S.A. on 29 September 2020 by the members of the Board of Managers of HB Reavis Holding S.A.. Partners have the power to amend these condensed consolidated interim financial statements after issue.

			
Melanie Koch Director A	Liviu Constantin Rusu Director A	Isabel Schellenberg Director A	Marián Herman Director B

The accompanying notes on pages 5 to 54 are integral part of these condensed consolidated interim financial statements.

GA

HB Reavis Holding S.A.
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
for the 6 months ended 30 June 2020
Prepared in accordance with IAS 34, "Interim financial reporting"

2

<i>In millions of EUR</i>	Note	6 months ended	
		30 June 2020	30 June 2019
Rental and similar income from investment property	22	23.2	30.9
Direct operating expenses arising from investment property	23	(13.2)	(14.7)
Net operating income from investment property		10.0	16.2
Revaluation gain/(loss) on investment property	10	(103.8)	183.6
Share of profit or (loss) of joint ventures	11	(0.1)	(7.7)
Gain/(loss) on disposal of subsidiaries	27	(7.8)	1.5
Gain on disposal of joint venture	11	-	17.1
Other operating income	7, 26	3.4	4.0
Revenue from construction contracts	24	12.0	11.5
Construction services		(7.1)	(8.9)
Employee benefits	7, 25	(12.3)	(12.1)
Depreciation and amortisation		(2.9)	(2.6)
Other operating expenses	26	(17.1)	(11.1)
Operating profit		(125.7)	191.5
Interest income calculated using the effective interest method	7	0.3	1.0
Interest expense		(18.6)	(15.8)
Foreign exchange gains/(losses), net	29	(22.5)	3.2
Gains less losses on financial derivatives		(12.6)	2.5
Other finance income		0.1	-
Other finance costs		(3.7)	(1.8)
Finance costs, net		(57.0)	(10.9)
Profit before income tax		(182.7)	180.6
Income tax credit/(expense)	28	39.1	(39.3)
Net profit/(loss) for the period		(143.6)	141.3
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation of foreign operations to the presentation currency for the period		(69.3)	2.4
Translation of foreign operations reclassified to profit or loss upon loss of control of subsidiary or repayment of subsidiaries' capital	27	4.3	0.2
Translation of foreign operations reclassified to profit or loss upon disposal of JV		-	(11.3)
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Total other comprehensive income/(loss)		(65.0)	(8.7)
Total comprehensive income/(loss) for the period		(208.6)	132.6
Net profit/(loss) is attributable to:			
- Owners of the Company		(143.6)	141.3
- Non-controlling interest		-	-
Profit/(loss) for the period		(143.6)	141.3
Total comprehensive income/(loss) is attributable to:			
- Owners of the Company		(208.6)	132.6
- Non-controlling Interest		-	-
Total comprehensive income/(loss) for the period		(208.6)	132.6

<i>In millions of EUR</i>	Note	Attributable to owners of the Company					Non-controlling Interest	Total equity
		Share capital (Note 19)	Share premium (Note 19)	Retained earnings	Translation reserve	Revaluation reserve		
Balance at 1 January 2019		-	455.9	831.8	(33.4)	3.8	1,258.1	- 1,258.1
Profit for the period		-	-	141.3	-	-	141.3	- 141.3
Other comprehensive loss		-	-	-	(8.7)	-	(8.7)	- (8.7)
Total comprehensive income for the period		-	-	141.3	(8.7)	-	132.6	- 132.6
Distribution to owners	19	-	(40.0)	-	-	-	(40.0)	- (40.0)
Other		-	-	-	-	-	-	-
Balance at 30 June 2019		-	415.9	973.1	(42.1)	3.8	1,350.7	- 1,350.7
Balance at 1 January 2020		-	402.5	1,198.3	(11.3)	3.8	1,593.3	0.1 1,593.4
Loss for the period		-	-	(143.6)	-	-	(143.6)	- (143.6)
Other comprehensive loss		-	-	-	(65.0)	-	(65.0)	- (65.0)
Total comprehensive loss for the period		-	-	(143.6)	(65.0)	-	(208.6)	- (208.6)
Distribution to owners	19	-	(10.0)	-	-	-	(10.0)	- (10.0)
Other		-	(0.1)	-	-	-	(0.1)	- (0.1)
Balance at 30 June 2020		-	392.4	1,054.7	(76.3)	3.8	1,374.6	0.1 1,374.7

<i>In millions of EUR</i>		6 months ended	
	Note	30 June 2020	30 June 2019
Cash flows from operating activities			
Profit/(loss) before income tax		(182.7)	180.6
<i>Adjustments for:</i>			
Depreciation and amortisation	8,9	2.9	2.6
Revaluation losses/(gains) on investment property	10	103.8	(183.6)
Losses/(gains) on disposals of subsidiaries	27	7.8	(1.5)
Share of loss of joint ventures	11	0.1	7.7
Result on disposal of joint ventures	11	-	(17.1)
Interest income calculated using the effective interest method		(0.3)	(1.0)
Interest expense		18.6	15.8
Unrealised foreign exchange (gains)/losses	29	22.5	(3.4)
Unrealised (gains)/losses from financial derivatives		11.4	(1.0)
Operating cash flows before working capital changes		(15.9)	(0.9)
<i>Working capital changes:</i>			
Decrease/(increase) in trade and other receivables		25.8	3.2
Increase/(decrease) in trade and other payables		25.6	3.1
Cash generated from operations		35.5	5.4
Interest paid	20	(15.0)	(12.0)
Income tax paid		(4.4)	-
Net cash from operating activities		16.1	(6.6)
Cash flows from investing activities			
Purchases of property, plant and equipment	8	(0.2)	(3.5)
Acquisition of right-of-use asset	9	-	(0.2)
Proceeds from sale of joint venture		-	49.7
Purchase of investment property	10	(70.3)	-
Construction costs related to investment properties	10	(233.0)	(184.9)
Proceeds from sales of subsidiaries, net of cash disposed of	27	106.2	40.0
Acquisition of financial investments	18	-	(1.7)
Acquisition of intangible assets		(0.7)	(0.2)
Proceeds from disposal of own use premises and equipment	8	0.2	0.4
Increase in investment of JV	11	(0.3)	-
Restricted cash	16	(2.6)	(4.5)
Net cash (used in)/from investing activities		(200.7)	(104.9)
Cash flows from financing activities			
Proceeds from borrowings	20	312.5	148.9
Repayment of borrowings	20	(54.5)	(16.0)
Repayment of principal of lease liabilities	9,20	(3.2)	-
Distributions paid to owners	19	(5.6)	(29.1)
Net cash from / (used in) financing activities		249.2	103.8
Net (decrease) / increase in cash and cash equivalents		64.6	(7.7)
Cash and cash equivalents at the beginning of the period	16	118.5	173.8
Cash and cash equivalents at the end of the period		183.1	166.1
<i>Reconciliation of cash and cash equivalents:</i>			
- Restricted cash	16	6.7	4.5
- Cash within non-current assets classified as held for sale	15	-	(14.7)
Cash and cash equivalents on the balance sheet at the end of the 6-month period	16	189.8	155.9

1 The HB REAVIS Group and its Operations

These condensed consolidated interim financial statements have been prepared in accordance IAS 34, "Interim financial reporting" for the 6 months ended 30 June 2020 for HB Reavis Holding S.A. (the "Company") and its subsidiaries (together referred to as the "Group" or "HB REAVIS Group").

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

HB Reavis Holding S.A. is ultimately controlled by Mr. Ivan Chrenko. The Group's immediate parent as of the date of issuance of these condensed consolidated interim financial statements is Kennesville Holdings Ltd based in Cyprus.

Principal activity. The HB REAVIS Group is a real estate group with major portfolio of investment properties in Slovakia, Poland, Hungary, Germany, United Kingdom and the Czech Republic. It is principally involved in the development of properties for its own portfolio, in leasing out investment properties under operating leases, as well as in asset management and is also active in investment management. The Group develops and manages investment properties to earn rental income or for capital appreciation.

In 2017 the Group made its largest acquisition in HB Reavis history with acquisition of One Waterloo in London, in a prominent South Bank location next to the Waterloo station. In 2019, the project had received a permit enabling development of almost 120,000 sqm of office scheme for the projected Gross Development Value of EUR 2.3 billion. Our aim, after optimising the permit, is to commence construction of the new scheme in 2021 and delivery in 2026, subject to Covid-19 emergency situation development. The Group has also an acquired additional land plot in 2018, in London, UK, aiming to develop a project called Bloom over the course of 2019-2021 with expected Gross Development Value of EUR 265 million. In February 2020 the Group had secured another project for the pipeline in London, called Worship square, with planned completion in 2023 and projected Gross Development Value of EUR 240 million.

With respect to Group's expansion to Germany, two acquisition opportunities have been secured in 2018. In Berlin, District project (Prenzlauer Hoefe) is under construction since 12/2018, with expected delivery by mid-2021; Gross Development Value shall reach about EUR 370 million. A land plot in Dresden, Germany, has been added into the portfolio in 07/2018, the scheme design is under preparation.

One project has been delivered in Bratislava, Slovakia, in 2019: Nivy Tower was completed in 12/2019. Agora Tower and Hub projects in Budapest, Hungary, have been completed over the summer 2020 and are in the process of being handed over to tenants. As of the date of preparation of these consolidated financial statements, construction of Bloom, London, UK, Forest and Varso projects, both in Warsaw, Poland, District, Berlin, Germany, Stanica Nivy in Bratislava, Slovakia are in progress.

The Group divested from 4 projects over the course of 2020; Twin City III s.r.o. in Bratislava, Slovakia, SPV Vištuk s.r.o., Slovakia, TWENTY House S.à r.l. in London, UK and BUXTON INVEST a.s., Slovakia.

HB Reavis Real Estate Fund structure. HB Reavis Real Estate Investment Fund (the "Fund") is an umbrella fund incorporated as a corporate partnership limited by shares (société en commandite par actions or S.C.A.) under the laws of Luxembourg, which is registered as an investment company with fixed capital (société d'investissement à capital fixe) within the meaning of article 461-4 of the law on commercial companies of 10 August 1915, as amended (the 1915 Law) and registered as an undertaking for collective investment governed by Part II (UCI Part II) of the 2010 UCI Law, governed by the present articles of association and by current Luxembourg laws. The Fund was initially set up on 25 May 2011 and was registered as an investment company with variable capital until 27 April 2017. The Fund is registered at the Luxembourg Commercial Register under file R.C.S. Luxembourg B 161.180. Furthermore, the Fund is in the scope of the Alternative Investment Fund Management Law of 12 July 2013 ("AIFM Law") and qualifies as an Alternative Investment Fund ("AIF").

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

CE REIF Sub-Fund. While there is no specific country or real estate segment restrictions posed, the CE REIF Sub-Fund aims to mainly invest in the Central European region as Slovakia, the Czech Republic, Poland and Hungary in commercial real estate assets. The initial CE REIF Sub-Fund's portfolio included investments in prime properties only located in Slovakia. The office segment investments are restricted to A-class properties located in central business districts of capital cities in Slovakia, the Czech Republic and Hungary. In Poland however, both, capital and regional cities are eligible for investments in the office segment. The retail segment investments are aimed to be made in both capital and regional cities in the entire Central European region. Investments in logistic properties are restricted to attractive and strategic locations only. CE REIF Sub-Fund seeks to maximize the value via investing in properties, which in the past proved to bear characteristics of a prime-commercial real estate property, which as such implies to have a top-tier tenants' portfolio being located in prime or strategic locations and soundly built from both technical and architectural point of view. CE REIF Sub-Fund seeks to enhance value of properties by contracting an excellent lease management in order to maximize property income. The Group lost control of the Sub-Fund A in 2017.

1 The HB REAVIS Group and its Operations (Continued)

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

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

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

The Group's strategy is reflected in its cash flow forecast that is regularly monitored by the Board of Managers, including their assessment of appropriateness of preparation of the financial statements on a going concern basis. The cash flow outlook is further described under the description of management of liquidity in Note 31. Valuation of properties of the Group in the less liquid markets necessarily involves an element of judgement. The critical accounting judgments used in valuation of the Group's investment properties are described in Note 3.

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

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

As at 30 June 2020 the Group has offices in Luxembourg, Amsterdam, Bratislava, Warsaw, Prague, Budapest, London, Nicosia and Berlin.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are described below. These policies have been consistently applied to all the years presented, unless otherwise stated. Minor amendments have been made to the comparative periods to improve the clarity of the information disclosed.

2.1. Basis of Preparation

Statement of compliance. These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU").

Except as described in Note 4, the same accounting policies and methods of computation were followed in the preparation of this consolidated condensed interim financial information as compared with the annual consolidated financial statements for the year ended 31 December 2019.

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

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

The condensed consolidated interim financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment properties (including those held for sale and right-of-use assets classified as investment properties), financial investment, financial assets (eg earn-out receivables) and derivatives at fair value.

Towards the end of 2019, a new virus causing a severe acute respiratory syndrome ("COVID-19") emerged and infections started to occur around the globe. Subsequently, on 11 March, 2020, the World Health Organisation ("WHO") declared it a pandemic and national governments have implemented a range of policies and actions to combat it. As a result, the normal economic activity has almost come to a halt with severe restrictive consequences for the conduct of business.

2 Significant Accounting Policies (Continued)**2.1 Basis of Preparation (Continued)**

Albeit the exact long-term impact of COVID-19 on world economies, different industries and the Group in particular, are not known, the management has focused on the following key areas and stress-tested several scenarios to see how the Group is resilient to negative impact of COVID-19:

- Overall liquidity position and access to existing and new credit facilities,
- Ability to meet the covenants of the Group's debt arrangements,
- Declining demand, falling sales and margin pressures experienced by Group's current and future tenants in retail, co-working and hospitality industry,
- Disruptions in domestic and international supply chains, logistics and shortage of construction workers due to restrictive measures protecting health, adversely impacting construction budgets and progress in construction works,

The Management has performed stress-testing based on the business plan covering 18 months from the 30 June 2020 to evaluate the Group's cash-flow and financial position. The stress test assumed unavailability of liquid markets with acceptable yields for the Group to sell its investment properties until the end of 2021. Using the same timeframe, the Group assumed ability to raise additional financing using a high value asset with no current leverage and ability to continue raising finance under existing commitments for large projects that are currently fairly late in the development cycle – DSTRCT in Berlin, Agora in Budapest, Varso and Forrest in Warsaw and Nivy Mall in Bratislava. As of the date of preparation of these financial statements all loan utilisation requests related to these projects were fully funded by the financing banks.

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

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

In addition, the Management have already taken steps to review existing construction contracts with contractors and have started negotiations that should lead to savings on the cost side. Slowing down of development projects and thereof resulting operational restructuring that has already started should in addition reduce the operating costs. In all countries of Group's operation, the Group has either started or is still exploring available options to utilise benefits from government aid programmes designed to support businesses, comprising of measures to compensate business for the lost rental income, deferral of payment in taxes and loan related payments etc. Distributions to owners will be reduced by 75% for 2020 when compared to 2019.

While the impact of the COVID-19 situation cannot be accurately predicted and it is not plausible to assess all possible future implications for the Group, based in this analysis and in the scenarios assessed, the Group believes that its financial position will enable it to sustain the current disruptions in the economic environment.

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

2 Significant Accounting Policies (Continued)**2.1 Basis of Preparation (Continued)**

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

Valuation techniques such as discounted cash flows models or models based on recent arm's length transactions or consideration of financial data of the counterparties are used to fair value certain financial instruments or investment properties for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Refer to Note 33.

2.2. Condensed Consolidated Interim Financial Statements

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

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

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

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2020	31 December 2019
1	HB Reavis Holding S.A. (Parent Company)	EUR	Luxembourg	N/A	N/A
2	HB Reavis DE1 S.à r.l.	EUR	Luxembourg	100	100
3	HB Reavis DE3 S.à r.l.	EUR	Luxembourg	100	100
4	HB Reavis Investment Management S.à r.l.	EUR	Luxembourg	100	100
5	Symbiosy Luxembourg S.a.r.l. (former: HB Reavis Qubes Luxembourg Sarl; former: Evolution Building Technologies S.à r.l.)	EUR	Luxembourg	100	100
6	HB REAVIS REAL ESTATE INVESTMENT FUND (until 27.4.2017 as HB Reavis Real Estate SICAV-SIF) ⁵	EUR	Luxembourg	100	100
7	HB Reavis Strategic Innovations Investments S.à r.l. (former THREE House S.à r.l.)	EUR	Luxembourg	100	100
8	HBR CE REIF LUX 3 S.à r.l.	EUR	Luxembourg	100	100
9	HBR CE REIF LUX 4 S.à r.l.	EUR	Luxembourg	100	100
10	HubHub Luxembourg S.à r.l. (former Tribazu S.à r.l.)	EUR	Luxembourg	100	100
11	ONE House S.à r.l.	GBP	Luxembourg	100	100
12	SIXTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
13	THIRTYFIVE House S.à r.l.	GBP	Luxembourg	100	100
14	TWENTY House S.à r.l. ²	GBP	Luxembourg	-	100
15	UBX 2 Objekt Berlin S.à r.l. (former HB Reavis DE2 S.à r.l.)	EUR	Luxembourg	100	100
16	FORTYTWO House S.à r.l. ³ (former HB Reavis Finance LUX, S.à r.l.)	GBP	Luxembourg	100	100
17	PropCo DE4 S.à r.l. ¹	EUR	Luxembourg	100	-
18	More Luxembourg S.a.r. l. ¹	EUR	Luxembourg	100	-
19	Qubes Luxembourg S.à r.l. ¹	EUR	Luxembourg	100	-
20	HBR KI GP S.a r.l. ¹	EUR	Luxembourg	100	-
21	HB REAVIS GROUP B.V.	EUR	Netherlands	100	100
22	Twin City Holding N.V.	EUR	Netherlands	100	100
23	WATERFIELD Management B.V.	EUR	Netherlands	100	100

2 Significant Accounting Policies (Continued)

2.2 Condensed Consolidated Interim Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2020	31 December 2019
24	FILWOOD HOLDINGS LIMITED ⁴	EUR	Cyprus	-	100
25	HBR FINANCING LIMITED	EUR	Cyprus	100	100
26	HBR HOLDING LIMITED ⁴	EUR	Cyprus	-	100
27	HBR IM HOLDING LTD	EUR	Cyprus	100	100
28	HBR INVESTORS LTD	EUR	Cyprus	100	100
29	10 Leake Street Ltd ⁶	GBP	UK	100	100
30	33 CENTRAL LIMITED	GBP	UK	100	100
31	4th Floor Elizabeth House Limited ⁶	GBP	UK	100	100
32	Elizabeth Property Holdings Ltd ⁶	GBP	UK	100	100
33	Elizabeth Property Nominee (No 1) Ltd ⁶	GBP	UK	100	100
34	Elizabeth Property Nominee (No 2) Ltd ⁶	GBP	UK	100	100
35	Elizabeth Property Nominee (No 3) Ltd ⁶	GBP	UK	100	100
36	Elizabeth Property Nominee (No 4) Ltd ⁶	GBP	UK	100	100
37	HB Reavis Construction UK Ltd.	GBP	UK	100	100
38	HB Reavis UK Ltd.	GBP	UK	100	100
39	HBR Capital Investment LP ⁶	GBP	UK	100	100
40	HBR FM LTD ⁶	GBP	UK	100	100
41	HubHub UK Ltd ⁶	GBP	UK	100	100
42	HB REAVIS IM ADVISOR LIMITED	EUR	Jersey	100	100
43	AGORA Budapest Kft. (former HB Reavis Project 2 Kft.)	HUF	Hungary	100	100
44	Symbiosy Hungary Kft.	HUF	Hungary	100	100
45	HB Reavis Construction Hungary Kft.	HUF	Hungary	100	100
46	HB Reavis Hungary Szolgáltató Kft.	HUF	Hungary	100	100
47	HB REAVIS Ingatlanfejlesztési Alap	HUF	Hungary	100	100
48	HB Reavis Qubes Hungary Kft	HUF	Hungary	100	100
49	HubHub Hungary Kft.	HUF	Hungary	100	100
50	KM Ingatlanbérbeadási Kft	HUF	Hungary	100	100
51	ALISTON Finance I s. r. o.	EUR	Slovakia	100	100
52	ALISTON Finance II s.r.o.	EUR	Slovakia	100	100
53	ALISTON Finance III s. r. o.	EUR	Slovakia	100	100
54	ALISTON Finance IV s. r. o.	EUR	Slovakia	100	100
55	ALISTON Finance V s.r.o.	EUR	Slovakia	100	100
56	Apollo Business Center III a.s.	EUR	Slovakia	100	100
57	Apollo Business Center V a. s.	EUR	Slovakia	100	100
58	Apollo Property Management, s.r.o.	EUR	Slovakia	100	100
59	Bus Station Services s.r.o.	EUR	Slovakia	100	100
60	BUXTON INVEST a.s. ²	EUR	Slovakia	-	100
61	DVL Engineering a.s.	EUR	Slovakia	100	50
62	Eurovalley, a.s.	EUR	Slovakia	100	100
63	Evolution Building Technologies a.s. ⁴	EUR	Slovakia	-	100
64	FORUM BC II s. r. o.	EUR	Slovakia	100	100
65	FutureNow s. r. o.	EUR	Slovakia	100	100
66	General Property Services, a.s.	EUR	Slovakia	100	100
67	HB REAVIS Consulting k.s.	EUR	Slovakia	100	100
68	HB REAVIS Finance SK II s. r. o.	EUR	Slovakia	100	100
69	HB REAVIS Finance SK III s. r. o.	EUR	Slovakia	100	100
70	HB REAVIS Finance SK IV s.r.o.	EUR	Slovakia	100	100
71	HB REAVIS Finance SK s. r. o.	EUR	Slovakia	100	100
72	HB REAVIS Finance SK V s. r. o.	EUR	Slovakia	100	100
73	HB REAVIS Finance SK VI s.r.o.	EUR	Slovakia	100	100
74	HB REAVIS Finance SK VII s. r. o.	EUR	Slovakia	100	100
75	HB Reavis Group s.r.o. (until 30.11.2017 as HB REAVIS Development s. r. o.)	EUR	Slovakia	100	100
76	HB REAVIS IM Advisor Slovakia s. r. o.	EUR	Slovakia	100	100
77	HB Reavis Investment Management správ. spol., a.s.	EUR	Slovakia	100	100
78	HB REAVIS MANAGEMENT spol. s r.o.	EUR	Slovakia	100	100
79	HB Reavis Media s.r.o. (former Smart City Link s.r.o.)	EUR	Slovakia	100	100
80	Symbiosy s. r. o. (former HB Reavis Qubes Slovakia s.r.o.)	EUR	Slovakia	100	100
81	HB REAVIS Slovakia a. s.	EUR	Slovakia	100	100
82	HB REM, spol. s r.o.	EUR	Slovakia	100	100
83	HBR SFA, s. r. o.	EUR	Slovakia	100	100
84	HubHub Group s.r.o.	EUR	Slovakia	100	100
85	HubHub Slovakia s.r.o.	EUR	Slovakia	100	100
86	INLOGIS IV s. r. o.	EUR	Slovakia	100	100
87	INLOGIS LCR a. s.	EUR	Slovakia	100	100
88	INLOGIS V s. r. o.	EUR	Slovakia	100	100
89	INLOGIS VII s. r. o.	EUR	Slovakia	100	100
90	ISTROCENTRUM a. s.	EUR	Slovakia	100	100
91	Logistické centrum Trnava s.r.o.	EUR	Slovakia	100	100
92	LUGO, s.r.o.	EUR	Slovakia	100	100

2 Significant Accounting Policies (Continued)

2.2 Condensed Consolidated Interim Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2020	31 December 2019
93	Nivy Tower s.r.o.	EUR	Slovakia	100	100
94	Pressburg Urban Projects a. s.	EUR	Slovakia	100	100
95	Smart City Bridge s. r. o.	EUR	Slovakia	100	100
96	Smart City Eko s.r.o.	EUR	Slovakia	100	100
97	Smart City Office I s.r.o.	EUR	Slovakia	100	100
98	Smart City Office II s.r.o.	EUR	Slovakia	100	100
99	Smart City Office III s.r.o.	EUR	Slovakia	100	100
100	Smart City Office IV s.r.o.	EUR	Slovakia	100	100
101	Smart City Office s.r.o.	EUR	Slovakia	100	100
102	Smart City Office V s.r.o.	EUR	Slovakia	100	100
103	Smart City Office VI s.r.o.	EUR	Slovakia	100	100
104	Smart City Office VII s.r.o.	EUR	Slovakia	100	100
105	Smart City Parking s.r.o.	EUR	Slovakia	100	100
106	Smart City Petržalka s. r. o.	EUR	Slovakia	100	100
107	Smart City s.r.o. (until 10.2.2017 as ALISTON II s. r. o.)	EUR	Slovakia	90	100
108	Smart City Services s.r.o. (until 4.5.2017 as AUPARK Property Management, s. r. o.)	EUR	Slovakia	100	100
109	SPC Property Finance II, s. r. o.	EUR	Slovakia	100	100
110	SPC Property Finance III, s.r.o.	EUR	Slovakia	100	100
111	SPC Property Finance IV, s. r. o.	EUR	Slovakia	100	100
112	SPC Property I, spol. s r.o.	EUR	Slovakia	100	100
113	SPC Property III, s. r. o.	EUR	Slovakia	100	100
114	SPV Vištuk s. r. o. ²	EUR	Slovakia	-	100
115	Stanica Nivy s.r.o.	EUR	Slovakia	100	100
116	TC Nivy a. s.	EUR	Slovakia	100	100
117	Tower Nivy a. s.	EUR	Slovakia	100	100
118	Twin City III s.r.o. ²	EUR	Slovakia	-	100
119	Twin City Infrastructure s. r. o.	EUR	Slovakia	100	100
120	Twin City V s.r.o.	EUR	Slovakia	100	100
121	Twin City VIII s.r.o.	EUR	Slovakia	100	100
122	ALISTON Finance VI s. r. o.	EUR	Slovakia	100	100
123	ANDAREA s.r.o.	CZK	Czech Rep	100	100
124	AR Consulting, a.s.	CZK	Czech Rep	100	100
125	Nová Zvonářka s.r.o. (former AUPARK Brno, spol. s r.o.)	CZK	Czech Rep	100	100
126	AUPARK Hradec Králové - KOMUNIKACE, s.r.o.	CZK	Czech Rep	100	100
127	AUPARK Karviná s.r.o.	CZK	Czech Rep	100	100
128	DII Czech s.r.o.	CZK	Czech Rep	100	100
129	DNW Czech s.r.o.	CZK	Czech Rep	100	100
130	GALIM s.r.o.	CZK	Czech Rep	100	100
131	HB Reavis CZ, a.s.	CZK	Czech Rep	100	100
132	HB REAVIS DEVELOPMENT CZ, a.s.	CZK	Czech Rep	100	100
133	HB Reavis Finance CZ, s.r.o.	EUR	Czech Rep	100	100
134	HB REAVIS GROUP CZ, s.r.o.	CZK	Czech Rep	100	100
135	HB Reavis IZ s.r.o.	CZK	Czech Rep	100	100
136	HB REAVIS MANAGEMENT CZ spol. s r.o.	CZK	Czech Rep	100	100
137	HB REAVIS PROPERTY MANAGEMENT CZ, s.r.o.	CZK	Czech Rep	100	100
138	HubHub Czech Republic, s.r.o. (former RECLUN s.r.o.)	CZK	Czech Rep	100	100
139	ISTROCENTRUM CZ, a.s.	CZK	Czech Rep	100	100
140	KELOM s.r.o.	CZK	Czech Rep	100	100
141	MOLDERA, a.s.	CZK	Czech Rep	100	100
142	Multimodální Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
143	Phibell s.r.o.	CZK	Czech Rep	100	100
144	Brookline Investments sp. Z o.o.	PLN	Poland	100	100
145	Emmet Investments sp. Z o.o. w likwidacji	PLN	Poland	100	100
146	HB REAVIS CONSTRUCTION PL Sp. z o. o	PLN	Poland	100	100
147	HB Reavis Finance PL 2 Sp. z o.o.	PLN	Poland	100	100
148	HB Reavis JV Spółka Akcyjna	PLN	Poland	100	100
149	HB Reavis Poland Sp. z o.o.	PLN	Poland	100	100
150	HB Reavis Qubes Poland Sp. z o.o. (former Polcom Investment XLVII Sp. z o.o.)	PLN	Poland	100	100
151	HubHub Poland Sp. z o.o. (former Polcom Investment XXVI Sp. z o.o.)	PLN	Poland	100	100
152	CHM1 Sp. z o. o.	PLN	Poland	100	100
153	CHM2 Sp. z o. o.	PLN	Poland	100	100
154	Konstruktorska BC Sp. z o.o.	PLN	Poland	100	100
155	P14 Sp. z o.o.	PLN	Poland	100	100
156	Polcom Investment II Sp. z o. o.	PLN	Poland	100	100
157	Polcom Investment III Sp. z o. o.	PLN	Poland	100	100
158	Polcom Investment VI Sp. z o. o.	PLN	Poland	100	100

2 Significant Accounting Policies (Continued)

2.2 Condensed Consolidated Interim Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2020	31 December 2019
159	Polcom Investment X sp. z o.o.	PLN	Poland	100	100
160	Polcom Investment XI sp. z o.o.	PLN	Poland	100	100
161	Polcom Investment XIX Sp. z o.o. ⁴	PLN	Poland	-	100
162	Polcom Investment XL Sp. z o.o. ⁴	PLN	Poland	-	100
163	Polcom Investment XLI Sp. z o.o. ⁴	PLN	Poland	-	100
164	Polcom Investment XLII Sp. z o.o. w likwidacji	PLN	Poland	100	100
165	Polcom Investment XLIII Sp. z o.o.	PLN	Poland	100	100
166	Polcom Investment XLIX Sp. z o.o.	PLN	Poland	100	100
167	Polcom Investment XVI Sp. z o.o.	PLN	Poland	100	100
168	Polcom Investment XVIII Sp. z o.o.	PLN	Poland	100	100
169	Polcom Investment XXII Sp. z o.o. ⁴	PLN	Poland	-	100
170	Polcom Investment XXIV Sp. z o.o.	PLN	Poland	100	100
171	Polcom Investment XXIX Sp. z o.o.	PLN	Poland	100	100
172	Polcom Investment XXV Sp. z o.o. w likwidacji	PLN	Poland	100	100
173	Polcom Investment XXVII Sp. z o.o. w likwidacji	PLN	Poland	100	100
174	Polcom Investment XXX Sp. z o.o.	PLN	Poland	100	100
175	Polcom Investment XXXIII Sp. z o.o.	PLN	Poland	100	100
176	Property Hetman Sp. Z o.o. (former Polcom Investment XXXIV Sp. z o.o. sp. K)	PLN	Poland	100	100
177	PSD Sp. Z o. o.	PLN	Poland	100	100
178	Rainford Sp. Z.o.o	PLN	Poland	100	100
179	Rainhill Sp. z o. o.	PLN	Poland	100	100
180	Elizabeth House GP LLC	GBP	US	100	100
181	Elizabeth House Limited Partnership	GBP	US	100	100
182	HB REAVIS CIC INVESTCO US, LLC	EUR	US	100	100
183	HB Reavis Construction Germany GmbH	EUR	Germany	100	100
184	HB Reavis Germany GmbH	EUR	Germany	100	100
185	HB Reavis Verwaltungs GmbH	EUR	Germany	100	100
186	HubHub Austria GmbH	EUR	Austria	100	100
187	Shoreditch QT Guernsey Limited ¹	GBP	Guernsey	100	-

Number	Joint Venture	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2020	31 December 2019
188	PHVH SOLUTIONS II, s. r. o.	EUR	Slovakia	50	50
189	TANGERACO INVESTMENTS LIMITED	EUR	Cyprus	53.62	50

¹ Entities established / acquired by the Group during the 6 months period ended 30 June 2020

² Entities disposed of during the 6 months period ended 30 June 2020 (refer to Note 27)

³ Entities were part of legal mergers or spin off and subsequently renamed during the 6 months period ended 30 June 2020

⁴ Entities were liquidated during the 6 months period ended 30 June 2020

⁵ In January 2017, the Group lost control over HB REAVIS CE Real Estate Investment Fund, a sub-fund of a fully consolidated subsidiary HB Reavis Real Estate Investment Fund.

⁶ HBR FM LTD, HBR Capital Investment LP, HubHub UK Ltd, 4th Floor Elizabeth House Limited, 10 Leake Street Ltd, Elizabeth Property Nominee (No 1) Ltd, Elizabeth Property Nominee (No 2) Ltd, Elizabeth Property Nominee (No 3) Ltd, Elizabeth Property Nominee (No 4) Ltd and Elizabeth Property Holdings Ltd, registered in England and Wales, are claiming exemption from the requirements of the UK Companies Act 2006 (the "Act") relating to the audit of annual accounts under section 479A of the Act.

2 Significant Accounting Policies (Continued)**2.3. Interim Period Tax Measurement**

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

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies

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

Valuation of investment properties. The fair value estimates of 95.3% of investment properties (31 December 2019: 89.6%) were determined by the Group having received valuation advice from international valuation companies which have experience in valuing properties of similar location and characteristics. The remaining properties were valued on a basis of broker quotes or management estimates. The fair value of investment properties is estimated based on the income capitalisation method, where the value is estimated from the expected future benefits to be generated by the property in the form of rental income streams. The method considers net income generated by existing or comparable property, capitalised to determine the value for property which is subject to the valuation. The principal assumptions underlying the estimation of the fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; re-letting incentives; maintenance requirements; appropriate discount rates; and in case of properties under development, future constructions, finance and letting costs and market developers' profits. These valuations are regularly compared to actual market data and actual transactions by the Group and those reported by the market. For further details refer to Note 33.

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

- Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10%, the Gross Development Value (GDV) of the pipeline of EUR 3,162.4 million (31 December 2019: EUR 3,050.5 million) would be higher or lower by EUR 316.2 million (31 December 2019: EUR 308.2 million). The impact on the fair market value of investment property would, however, be limited. The movements in Gross Development Value would to large extent increase/decrease the allowance for future profit, which is a large component of the GDV.
- The income capitalization rate (yield) across the portfolio was assumed to be from 3.5% to 5.1%, or 4.31% on average (31 December 2019: 3.8% to 5.10%, or 4.44% on average). Should this capitalization rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 38.1 million lower or EUR 42.8 million higher (31 December 2019: EUR 43.8 million lower or EUR 49.1 million higher).

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

- Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10%, the Gross Development Value (GDV) of the pipeline of EUR 4,452.3 million (31 December 2019: EUR 4,838.9 million) would be higher or lower by EUR 445.2 million (31 December 2019: EUR 483.9 million). The impact on the fair market value of investment property would, however, be limited. The movements in Gross Development Value would to large extent increase/decrease the allowance for future profit, which is a large component of the GDV.
- The income capitalization rate (yield) across the portfolio was assumed to be from 4.33% to 8.5%, or 5.4% on average (31 December 2019: from 4.25% to 8.5%, or 5.27% on average). Should this capitalization rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 82.0 million lower or EUR 89.9 million higher (31 December 2019: EUR 84.8 million lower or EUR 93.3 million higher).

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

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

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

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

Expected credit losses (ECL) measurement. Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 31.

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

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

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

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

4 Adoption of New or Revised Standards and Interpretations

The Group has applied the following standards and amendments for the first time for its reporting period commencing on 1 January 2020:

- Amendment to IFRS 3 Business Combinations (issued on 22 October 2018 and effective for annual periods beginning on or after 1 January 2020)
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020)
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020)
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).

The above standards and amendments did not have any material impact on the Group.

5 New Accounting Pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for reporting period commencing on 1 January 2020 and have not been early adopted by the Group:

- IFRS 17 Insurance Contracts* (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current and Non-current – Deferral of Effective Date* (issued on 23 January 2020 and 15 July 2020 respectively and effective for annual periods beginning on or after 1 January 2023)
- Amendment to IFRS 3 Business Combinations* (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022)

5 New Accounting Pronouncements (Continued)

- Amendment to IAS 16 Property, Plant and Equipment* (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022)
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets* (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022)
- Annual Improvements 2018-2020* (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022)
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions* (issued on 28 May 2020 and effective for annual periods beginning on or after 1 June 2020)
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9* (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform* (issued on 27 August 2020 and effective for annual periods on or after 1 January 2021)

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

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

6 Segment Analysis

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

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

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

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

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

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

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

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

HUB HUB – representing management of activities related to management of Group's co-working platform, providing flexible work space and business events.

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

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

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

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

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

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

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

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities**

The segment profit and loss information for 6 months ended 30 June 2020 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB	HUB	Symbiosy	Cash	Unallocated	Total
Rental income from investment property	22											
- Office		9.3	0.7	-	-	0.1	4.0	-	-	-	-	14.1
- Retail		0.6	-	-	-	-	-	-	-	-	-	0.6
- Industrial		-	-	-	-	-	-	-	-	-	-	-
		9.9	0.7	-	-	0.1	4.0	-	-	-	-	14.7
Service charges income from investment properties	22											
- Office		3.8	-	-	2.9	-	-	-	-	-	-	6.7
- Retail		-	-	-	0.4	-	-	-	-	-	-	0.4
- Industrial		-	-	-	-	-	-	-	-	-	-	-
		3.8	-	-	3.3	-	-	-	-	-	-	7.1
Management charges income from investment properties	22											
- Office		1.1	-	-	-	-	0.2	-	-	-	-	1.3
- Retail		0.1	-	-	-	-	-	-	-	-	-	0.1
- Industrial		-	-	-	-	-	-	-	-	-	-	-
		1.2	-	-	-	-	0.2	-	-	-	-	1.4
Direct operating expenses arising from investment property	23											
- Office		(8.1)	(0.6)	(0.1)	(1.0)	-	(3.2)	-	-	-	-	(13.0)
- Retail		-	(0.1)	-	-	-	-	-	-	-	-	(0.1)
- Industrial		-	-	-	-	(0.1)	-	-	-	-	-	(0.1)
		(8.1)	(0.7)	(0.1)	(1.0)	(0.1)	(3.2)	-	-	-	-	(13.2)
Net operating income from investment property		6.8	-	(0.1)	2.3	-	1.0	-	-	-	-	10.0
Revaluation gain/(loss) on investment property	10											
- Office		(38.3)	(26.5)	(2.7)	-	-	(2.6)	-	-	-	-	(70.1)
- Retail		-	(33.7)	-	-	-	-	-	-	-	-	(33.7)
- Industrial		-	-	-	-	-	-	-	-	-	-	-
Share of profit/(loss) of joint ventures	11	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
		(38.4)	(60.2)	(2.7)	-	-	(2.6)	-	-	-	-	(103.9)
Interest expense - third parties		(2.4)	(13.2)	(0.1)	-	(1.1)	(0.2)	-	-	-	(1.6)	(18.6)
		(34.0)	(73.4)	(2.9)	2.3	(1.1)	(1.8)	-	-	-	(1.6)	(112.5)

Table continued on next page

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities (Continued)**

The segment profit and loss information for 6 months ended 30 June 2020 is as follows: (Continued)

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Investment management fee		-	-	-	1.2	-	-	-	-	-	1.2
Revenue from construction contracts	24	-	11.6	-	-	-	-	-	-	0.4	12.0
Construction contract costs		-	(6.7)	-	-	-	-	-	-	(0.4)	(7.1)
Other expenses/revenues		(12.9)	(20.7)	(2.6)	(0.8)	1.6	(1.6)	(0.2)	(3.0)	(36.1)	(76.3)
Profit before income tax (segment result)		(46.9)	(89.2)	(5.5)	2.7	0.5	(3.4)	(0.2)	(3.0)	(37.7)	(182.7)
Purchases of investment property	10	70.3	-	-	-	-	-	-	-	-	70.3
Construction costs related to investment property	10	18.9	203.7	1.2	-	-	2.6	-	-	-	226.4
Construction costs related to joint ventures		-	-	-	-	-	-	-	-	-	-
Construction costs related to construction work		-	6.7	-	-	-	-	-	-	0.4	7.1
Total investments		89.2	210.4	1.2	-	-	2.6	-	-	0.4	303.8
Sale of investment property	10,27	(216.1)	-	-	-	(6.0)	-	-	-	-	(221.1)
Sale of joint venture investment property		-	-	-	-	-	-	-	-	-	-
Total divestments		(216.1)	-	-	-	(6.0)	-	-	-	-	(221.1)

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities (Continued)**

The segment information on segment assets and liabilities as of 30 June 2020 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Symbiosy	Cash	Unallocated	Total
Investment property	10										
- Office		1,081.1	997.9	195.1	-	-	31.4	-	-	-	2,305.5
- Retail		0.9	231.8	-	-	0.8	-	-	-	-	233.5
- Industrial		-	-	-	-	29.6	-	-	-	-	29.6
- Investment property held for sale	15	-	-	-	-	-	-	-	-	-	-
Investment in joint ventures	11	2.4	-	-	-	-	-	-	-	-	2.4
Deferred tax asset	28	-	-	-	-	-	-	-	-	-	-
Other unallocated assets		-	-	-	-	-	-	-	189.8	165.3	355.1
Total assets		1,084.4	1,229.7	195.1	-	30.4	31.4	-	189.8	165.3	2,926.1
Borrowings											
- non-current	20	(281.0)	(648.4)	-	-	(31.9)	-	-	-	(24.9)	(986.2)
- current	7,20	(5.3)	(87.3)	-	-	(37.8)	-	-	-	(104.5)	(234.9)
- included as held for sale	15	-	-	-	-	-	-	-	-	-	-
Leasing											
- non-current	9	(11.4)	(46.7)	(0.4)	-	-	(9.9)	-	-	-	(68.4)
- current	9	(1.3)	(3.8)	-	-	-	(3.3)	-	-	-	(8.4)
Deferred tax liability	28	-	-	-	-	-	-	-	-	(93.1)	(93.1)
Other unallocated liabilities		-	-	-	-	-	-	-	-	(160.4)	(160.4)
Total liabilities		(299.0)	(786.2)	(0.4)	-	(69.7)	(13.2)	-	-	(382.9)	(1,551.4)
Segment net asset value		785.4	443.5	194.7	-	(39.3)	18.2	-	189.8	(217.6)	1,374.7

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities (Continued)****Geographical information.** Revenue, expenses and assets analysed by country for 6 months ended 30 June 2020 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Rental income	22	5.5	0.9	3.0	0.5	4.8	-	-	-	14.7
Service charges	22	4.9	-	0.8	-	1.4	-	-	-	7.1
Management charges	22	0.8	0.4	0.1	-	0.1	-	-	-	1.4
Direct operating expenses	23	(6.5)	(0.3)	(1.4)	(0.1)	(4.9)	-	-	-	(13.2)
Net operating income from investment properties		4.7	1.0	2.5	0.4	1.4	-	-	-	10.0
Revaluation gain/(loss)	10	(54.0)	1.2	(8.7)	16.1	(58.9)	0.5	-	-	(103.8)
Revenue from construction contracts	24	4.1	-	5.9	2.0	-	-	-	-	12.0
Construction contract costs		(3.1)	(0.1)	(4.3)	-	0.4	-	-	-	(7.1)
Share of profit or loss of joint ventures	11	(0.1)	-	-	-	-	-	-	-	(0.1)
Interest expense		(10.2)	(2.0)	(4.3)	(0.6)	(0.7)	(0.7)	(0.1)	-	(18.6)
Investment management fee		-	-	-	-	-	-	1.2	-	1.2
Other (expenses)/revenues		(8.4)	(1.1)	(12.2)	(18.3)	(0.9)	(0.7)	(34.7)	-	(76.3)
Profit before tax		(67.0)	(1.0)	(21.1)	(0.4)	(58.7)	(0.9)	(33.6)	-	(182.7)
Investment property in use or vacant	10	237.6	10.0	480.5	13.1	372.2	-	-	-	1,113.4
Investment property under development	10	380.1	58.4	380.0	313.9	127.5	195.3	-	-	1,455.2
Investment in joint venture	11	2.4	-	-	-	-	-	-	-	2.4
Other non-current assets		13.0	1.0	9.8	2.4	7.1	1.0	27.4	0.2	61.9
Total non-current assets		633.1	69.4	870.3	329.4	506.8	196.3	27.4	0.2	2,632.9
Non-current assets classified as held-for-sale	15	-	-	-	-	-	-	-	-	-
Total non-current assets and assets held for sale		633.1	69.4	870.3	329.4	506.8	196.3	27.4	0.2	2,632.9
Cash and cash equivalents	16	17.9	1.6	44.8	12.3	72.6	14.1	26.5	-	189.8
Other unallocated assets		-	-	-	-	-	-	-	103.4	103.4
Total assets		651.0	71.0	915.1	341.7	579.4	210.4	53.9	103.6	2,926.1

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities (Continued)**

Geographical information (Continued). Liabilities and capital expenditures analysed by country for 6 months ended 30 June 2020 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Borrowings	20									
- non-current		(524.0)	-	(289.7)	(80.3)	-	(74.2)	-	-	(986.2)
- current		(120.4)	(47.8)	(63.7)	(0.2)	-	(2.8)	-	-	(234.9)
Leasing	9									
- non-current		(9.1)	(5.6)	(19.3)	(0.9)	(33.0)	(0.5)	-	-	(68.4)
- current		(2.4)	(1.4)	(2.4)	(0.5)	(1.5)	(0.2)	-	-	(8.4)
Liabilities directly associated with non-current assets classified as held for sale	15	-	-	-	-	-	-	-	-	-
Deferred income tax liability	28	-	-	-	-	-	-	-	(93.1)	(93.1)
Other unallocated liabilities		-	-	-	-	-	-	-	(160.4)	(160.4)
Total liabilities		(673.9)	(54.8)	(375.1)	(81.9)	(34.5)	(77.7)	-	(253.5)	(1,551.4)
Net asset value		(22.9)	16.2	540.0	259.8	544.9	132.7	53.9	(149.9)	1,374.7
Purchases of investment property (including non-cash)	10	-	-	-	-	70.3	-	-	-	70.3
Construction costs related to investment property	10	55.0	0.6	71.9	49.4	27.0	22.5	-	-	226.4
Construction costs related to joint ventures		-	-	-	-	-	-	-	-	-
Construction costs related to construction work		3.1	0.1	4.3	-	(0.4)	-	-	-	7.1
Total investments		58.1	0.7	76.2	49.4	96.9	22.5	-	-	303.8
Sale of investment property	10,27	(84.7)	-	-	-	(137.4)	-	-	-	(222.1)
Sale of joint venture investment property		-	-	-	-	-	-	-	-	-
Total divestments		(84.7)	-	-	-	(137.4)	-	-	-	(222.1)

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities (Continued)**

The segment profit and loss information for 6 months ended 30 June 2019 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Rental income from investment property	22									
- Office		13.7	2.0	0.4	-	-	1.9	-	-	18.0
- Retail		0.7	-	-	-	-	-	-	-	0.7
- Industrial		-	-	-	-	-	-	-	-	-
		14.4	2.0	0.4	-	-	1.9	-	-	18.7
Service charges income from investment properties	22									
- Office		6.1	2.8	0.7	-	-	-	-	-	9.6
- Retail		0.4	-	-	-	-	-	-	-	0.4
- Industrial		-	-	-	-	-	-	-	-	-
		6.5	2.8	0.7	-	-	-	-	-	10.0
Management charges income from investment properties	22									
- Office		1.6	-	-	-	-	0.3	-	-	1.9
- Retail		0.1	-	-	-	-	-	-	-	0.1
- Industrial		-	0.2	-	-	-	-	-	-	0.2
		1.7	0.2	-	-	-	0.3	-	-	2.2
Direct operating expenses arising from investment property	23									
- Office		(12.5)	(0.5)	(0.3)	-	-	(1.2)	-	-	(14.5)
- Retail		(0.1)	-	-	-	-	-	-	-	(0.1)
- Industrial		-	-	-	-	(0.1)	-	-	-	(0.1)
		(12.6)	(0.5)	(0.3)	-	(0.1)	(1.2)	-	-	(14.7)
Net operating income from investment property		10.0	4.5	0.8	-	(0.1)	1.0	-	-	16.2
Revaluation gain/(loss) on investment property	10									
- Office		41.7	127.1	15.6	-	-	(0.9)	-	-	183.5
- Retail		-	0.4	-	-	(0.3)	-	-	-	0.1
- Industrial		-	-	-	-	-	-	-	-	-
Share of profit or loss of joint ventures	11	(7.7)	-	-	-	-	-	-	-	(7.7)
		34.0	127.5	15.6	-	(0.3)	(0.9)	-	-	175.9
Interest expense - third parties		(3.7)	(10.2)	(0.3)	-	-	(0.1)	-	(1.5)	(15.8)
		40.3	121.8	16.1	-	(0.4)	-	-	(1.5)	176.3

Table continued on next page

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities (Continued)**

The segment information on segment assets and liabilities as of 31 December 2019 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Realisation	Development in Preparation	Investment Management	Non-Core	HUB HUB	Cash	Unallocated	Total
Investment property	10									
- Office		490.1	1 428.3	200.2	-	-	32.3	-	-	2,150.9
- Retail		0.9	219.7	-	-	0.8	-	-	-	221.4
- Industrial		-	-	-	-	30.6	-	-	-	30.6
- Investment property held for sale	15	297.7	-	-	-	5.0	-	-	-	302.7
Investment in joint ventures	11	2.2	-	-	-	-	-	-	-	2.2
Deferred tax asset	28	-	-	-	-	-	-	-	4.1	4.1
Other unallocated assets		-	-	-	-	-	-	115.1	213.3	328.4
Total assets		790.9	1,648.0	200.2	-	36.4	32.3	115.1	217.4	3,040.3
Borrowings										
- non-current	20	(70.7)	(648.9)	-	-	-	-	-	(9.3)	(728.9)
- current	7,20	(3.8)	(97.6)	(5.9)	-	-	-	-	(85.1)	(192.4)
- included as held for sale	15	(152.3)	-	-	-	-	-	-	-	(152.3)
Leasing										
- non-current	9	(0.1)	(56.6)	(0.4)	-	-	(11.2)	-	-	(68.3)
- current	9	(0.2)	(4.1)	-	-	-	(3.2)	-	-	(7.5)
Deferred tax liability	28	-	-	-	-	-	-	-	(133.4)	(133.4)
Other unallocated liabilities		-	-	-	-	-	-	-	(164.1)	(164.1)
Total liabilities		(227.1)	(807.2)	(6.3)	-	-	(14.4)	-	(391.9)	(1,446.9)
Segment net asset value		563.8	840.8	193.9	-	36.4	17.9	115.1	(174.5)	1,593.4

6 Segment Analysis (Continued)

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

Geographical information. Revenue, expenses analysed by country for 6 months ended 30 June 2019 and assets analysed by country as of 31 December 2019 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Rental income	22	11.1	0.9	2.9	0.6	3.2	-	-	-	18.7
Service charges	22	5.1	0.2	1.0	-	3.7	-	-	-	10.0
Management charges	22	1.4	0.7	0.1	-	-	-	-	-	2.2
Direct operating expenses	23	(10.0)	(0.5)	(1.6)	(0.1)	(2.5)	-	-	-	(14.7)
Net operating income from investment properties		7.6	1.3	2.4	0.5	4.4	-	-	-	16.2
Revaluation gain	10	22.4	15.5	62.1	32.2	35.5	15.9	-	-	183.6
Revenue from construction contracts	24	1.6	2.3	1.7	2.6	3.3	-	-	-	11.5
Construction contract costs		(2.0)	(0.4)	(3.5)	-	(3.0)	-	-	-	(8.9)
Share of profit or loss of joint ventures	11	(0.2)	-	(7.5)	-	-	-	-	-	(7.7)
Interest expense		(8.5)	(1.9)	(4.1)	(0.1)	(0.9)	(0.3)	-	-	(15.8)
Investment management fee		-	-	-	-	-	-	0.9	-	0.9
Other (expenses)/revenues		(11.0)	(0.8)	18.7	(3.2)	(4.0)	(0.4)	1.5	-	0.8
Profit before tax		9.9	16.0	69.8	32.0	35.3	15.2	2.4	-	180.6
Investment property in use or vacant	10	142.1	11.1	4.1	13.7	352.4	-	-	-	523.4
Investment property under development	10	480.0	58.4	747.4	270.4	151.0	172.3	-	-	1,879.5
Investment in joint venture	11	2.2	-	-	-	-	-	-	-	2.2
Other non-current assets		13.1	1.1	3.1	2.5	8.4	0.8	27.9	4.3	61.2
Total non-current assets		637.4	70.6	754.6	286.6	511.8	173.1	27.9	4.3	2,466.3
Non-current assets classified as held-for-sale	15	86.6	-	96.9	-	150.8	-	-	-	334.3
Total non-current assets and assets held for sale		724.0	70.6	851.5	286.6	662.6	173.1	27.9	4.3	2,800.6
Cash and cash equivalents	16	18.8	4.4	23.9	9.7	12.4	9.5	36.4	-	115.1
Other unallocated assets		-	-	-	-	-	-	-	124.6	124.6
Total assets		742.8	75.0	875.4	296.3	675.0	182.6	64.3	128.9	3,040.3

6 Segment Analysis (Continued)**(d) Information about reportable segment profit or loss, assets and liabilities (Continued)**

Geographical information (Continued). Liabilities analysed by country as of 31 December 2019 and capital expenditures analysed by country for 6 months ended 30 June 2019 are as follows:

<i>In millions of EUR</i>	Note	Slovakia	Czech Republic	Poland	Hungary	UK	Germany	Other countries	Unallocated	Total
Borrowings	20									
- non-current		(452.9)	(49.2)	(198.3)	(24.1)	-	-	(4.4)	-	(728.9)
- current		(102.4)	(6.7)	(31.0)	(0.2)	-	(52.0)	(0.1)	-	(192.4)
Leasing	9									
- non-current		(9.7)	(6.0)	(15.2)	(1.0)	(36.5)	(0.4)	-	-	(68.8)
- current		(2.3)	(1.3)	(1.6)	(0.6)	(1.5)	(0.2)	-	-	(7.5)
Liabilities directly associated with non-current assets classified as held for sale	15	(49.6)	-	(71.5)	-	(56.6)	-	-	-	(177.7)
Deferred income tax liability	28	-	-	-	-	-	-	-	(133.4)	(133.4)
Other unallocated liabilities		-	-	-	-	-	-	-	(138.2)	(138.2)
Total liabilities		(616.9)	(63.2)	(317.6)	(25.9)	(94.6)	(52.6)	(4.5)	(271.6)	(1,446.9)
Net asset value		125.9	11.8	557.8	270.4	580.4	130.0	59.8	(142.7)	(1,593.4)
Purchases of investment property (including non-cash)	10	-	-	-	-	-	-	-	-	-
Construction costs related to investment property	10	62.0	5.8	45.7	26.9	28.0	16.5	-	-	184.9
Construction costs related to joint ventures		-	-	0.6	-	-	-	-	-	0.6
Construction costs related to construction work		2.0	0.4	2.9	-	0.3	0.0	-	-	5.6
Total investments		64.0	6.2	49.2	26.9	28.3	16.5	-	-	191.1
Sale of investment property	10,27	-	(35.0)	-	(13.3)	-	-	-	-	(48.3)
Sale of joint venture investment property		-	-	(130.2)	-	-	-	-	-	(130.2)
Total divestments		-	(35.0)	(130.2)	(13.3)	-	-	-	-	(178.5)

7 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or has joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's immediate parent and ultimate controlling party are disclosed in Note 1. Transactions are generally entered into on an arm's length basis.

Key management of the Group consists of 6 senior managers (31 December 2019: 7). Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 30 June 2020 are detailed below.

At 30 June 2020, the outstanding balances with related parties are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Joint ventures	Total
Trade and other receivables (Note 14)	13.6	1.9	-	15.5
ECL allowance for trade receivables to related party	(3.2)	-	-	(3.2)
Other current assets (Note 17)	1.0	-	-	1.0
Financial assets (Note 12)	0.1	0.5	-	0.6
Loans (Note 14)	1.4	-	-	1.4
ECL allowance for loans to related party (Note 14)	(1.4)	-	-	(1.4)
Trade and other payables current (Note 21)	(3.9)	(0.5)	-	(4.4)
Trade and other payables non - current (Note 21)	(13.4)	-	-	(13.4)
Other payables non-current (Note 21)	(0.6)	-	-	(0.6)

The income and expense items with related parties for the 6 months ended 30 June 2020 are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Senior management	Joint ventures	Total
Revenue from services rendered	2.7	-	-	-	2.7
Revenue from construction contracts	1.8	0.4	-	-	2.2
Rental income	1.5	-	-	-	1.5
Rental expenses	(0.8)	-	-	-	(0.8)
Other services	(1.7)	(0.1)	(0.1)	-	(1.9)
Short-term employee benefits (salaries)	-	(0.9)	-	-	(0.9)
Long-term employee benefits (social security costs)	-	(0.3)	-	-	(0.3)
Interest income	0.2	-	-	-	0.2
Interest expense	(0.1)	-	-	-	(0.1)
Depreciation and amortisation	-	-	-	-	-

At 31 December 2019, the outstanding balances with related parties are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Joint ventures	Total
Trade and other receivables (Note 14)	10.8	1.7	0.2	12.7
ECL allowance for trade receivables to related party	(2.9)	-	-	(2.9)
Other current assets (Note 17)	1.3	-	-	1.3
Financial assets (Note 12)	0.1	0.5	-	0.6
Loans (Note 14)	1.4	-	-	1.4
ECL allowance for loans to related party (Note 14)	(1.4)	-	-	(1.4)
Trade and other payables current (Note 21)	(3.7)	(0.8)	-	(4.5)
Trade and other payables non - current (Note 21)	(13.1)	-	-	(13.1)
Other payables non-current (Note 21)	(0.6)	-	-	(0.6)

7 Balances and Transactions with Related Parties (Continued)

The income and expense items with related parties for the 6 months ended 30 June 2019 are as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Senior management	Joint ventures	Total
Revenue from services rendered	2.5	-	-	-	2.5
Revenue from construction contracts	-	0.8	-	0.1	0.9
Rental income	1.2	-	-	0.1	1.3
Rental expenses	(0.5)	-	-	-	(0.5)
Other services	(0.8)	(0.3)	(0.3)	-	(1.4)
Short-term employee benefits (salaries)	-	(1.9)	-	-	(1.9)
Long-term employee benefits (social security costs)	-	(0.4)	-	-	(0.4)
Interest income	0.1	-	-	0.1	0.2
Interest expense	-	-	-	(0.2)	(0.2)
Depreciation and amortisation	-	(0.1)	-	-	(0.1)

A shareholder entity has made an undertaking to pay to the senior managers of the Group an amount under a profit sharing scheme based on increase in Net Asset Value (adjusted) of the Group. As the amount is payable by the shareholder, and does not constitute a share based payment under IFRS, it has not been expensed by the Group. The amount paid or accrued with respect to 2019 and/or 2020 are not material in the context of the consolidated financial statements. The compensation of the Board of Directors of the Parent Company amounted to EUR 0.5 million during 6 months ended 30 June 2020 (during 6 months ended 30 June 2019: EUR 0.5 million).

The Group had no outstanding loans receivable from the members of the Board of Directors of the Group as at 30 June 2020 (31 December 2019: nil).

Distributions to owners paid by Group in 2020 and 2019 respectively are described in Note 19.

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

8 Property, Plant and Equipment

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

<i>In millions of EUR</i>	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
At 1 January 2019					
Cost	14.2	6.6	27.6	2.3	50.6
Accumulated depreciation and impairment charges	(7.8)	(6.4)	(27.2)	-	(41.4)
Net book value	6.4	0.2	0.4	2.3	9.3
Year ended 31 December 2019					
Additions	0.4	0.1	0.2	3.4	4.1
Transfers	0.7	1.1	-	(1.8)	-
Disposals	(0.9)	(0.1)	-	-	(1.0)
Transfer to assets held for sale	(4.8)	-	-	-	(4.8)
Transfer to right-of-use assets	-	-	(0.3)	-	(0.3)
Depreciation charge	(1.3)	(1.2)	-	-	(2.5)
Closing net book value	0.5	0.1	0.3	3.9	4.8
At 31 December 2019					
Cost	9.6	7.7	27.5	3.9	48.7
Accumulated depreciation and impairment charges	(9.1)	(7.6)	(27.2)	-	(43.9)
Net book value	0.5	0.1	0.3	3.9	4.8

8 Property, Plant and Equipment (Continued)

<i>In millions of EUR</i>	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
6 months period ended 30 June 2020					
Additions	-	0.1	-	0.1	0.2
Transfers	-	0.3	-	(0.3)	-
Disposals	-	(0.1)	(0.1)	-	(0.2)
Transfer from assets held for sale	4.8	-	-	-	4.8
Transfer to right-of-use assets	-	-	-	-	-
Depreciation charge	(0.7)	(0.3)	(0.1)	-	(1.1)
Closing net book value	4.6	0.1	0.1	3.7	8.5
At 30 June 2020					
Cost	14.4	8.0	27.4	3.7	53.5
Accumulated depreciation and impairment charges	(9.8)	(7.9)	(27.3)	-	(45.0)
Net book value	4.6	0.1	0.1	3.7	8.5

As at 30 June 2020, property, plant and equipment carried at EUR 4.8 million (at 31 December 2019: EUR nil million) has been pledged to third parties as collateral with respect to borrowings.

9 Right-of use assets and lease liabilities

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

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

<i>In millions of EUR</i>	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
Carrying amount at 1 January 2019 upon adoption of IFRS 16	7.1	-	2.0	-	9.1
Additions	8.4	-	-	-	8.4
Disposals	(1.0)	-	-	-	(1.0)
Depreciation charge	(1.9)	-	(0.5)	-	(2.4)
Carrying amount at 31 December 2019	12.6	-	1.5	-	14.1
6 months period ended 30 June 2020					
Additions	0.9	-	-	-	0.9
Disposals	-	-	-	-	-
Depreciation charge	(1.3)	-	(0.2)	-	(1.5)
Carrying amount at 30 June 2020	12.2	-	1.3	-	13.5

9 Right of use assets and lease liabilities (Continued)

The Group recognised lease liabilities as follows:

<i>In millions of EUR</i>	30 June 2019	31 December 2019
Lease liabilities:		
Current	8.4	7.5
Non-current	68.4	68.8
Total lease liabilities**	76.8	76.3

The Group has included EUR 32.8 million right-of-use assets in investment properties as of 30 June 2020 (at 31 December 2019: EUR 30.6 million) – see Note 10.

As at 31 December 2019, current lease liabilities of EUR 0.3 million and non-current lease liabilities of EUR 4.7 million associated with Postepu property have been classified as Non-current assets held for sale.

**Non-current lease liabilities include:

- EUR 30.7 million liability (equivalent of GBP 28.0 million) that the Group has agreed to pay in return for becoming a leasehold owner of the premises at Farringdon West, London, UK, which is payable upon the completion of the project, and
- the liabilities associated with right-of-use assets presented in the above table, and
- the liabilities associated with the right-of-use assets classified as investment property.

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

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
Depreciation of right-of-use asset		
Land and buildings	1.3	1.0
Vehicles and other assets	0.3	0.2
Total depreciation of right-of-use asset	1.6	1.2
Other (income) / expense related to Leases		
Revaluation (gain) / loss on investment property	2.7	1.0
Interest expense	0.9	0.8

Expenses relating to short-term leases and to leases of low-value assets that are not shown as short-term leases were EUR nil as at 30 June 2020 (30 June 2019: nil).

Total cash outflow for leases during the 6 months period ended 30 June 2020 was EUR 3.2 million (6 months period ended 30 June 2019: EUR 1.5 million).

Extension and termination options are included in a number of property and equipment leases across the Group. As at 30 June 2020, potential future cash outflows of EUR 17.6 million (at 31 December 2019: EUR 17.7 million) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group. During the reporting period ended 30 June 2020, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil (at 31 December 2019: EUR 1.0 million decrease in recognised lease liabilities and right-of-use assets).

The Group leases certain landplots in Poland which are presented within Investment property. Under an agreement with the local government unit in Poland the right to use the landplot is transferred to the Group in exchange for remuneration in the form of fees that are subject to indexation. The lease liability is based on the current level of the fees at 30 June 2020. The Group remeasures the lease liability to reflect changes to the lease payments when necessary.

10 Investment Property

<i>In millions of EUR</i>	6 months ended 30 June 2020					12 months ended 31 December 2019				
	Under development		In use or vacant		Total	Under development		In use or vacant		Total
	Owned	Leased	Owned	Leased		Owned	Leased	Owned	Leased	
Fair value at 1 January	1,857.8	22.5	505.4	17.2	2,402.9	1,034.5	9.1	622.8	-	1,666.4
Right-of-use assets recognised on 1 January 2019 due to IFRS 16 adoption	-	-	-	-	-	-	11.7	-	19.2	30.9
Acquisitions of investment property	-	-	70.3	-	70.3	-	-	-	-	-
Subsequent expenditure on investment property	204.9	-	21.5	-	226.4	407.2	1.7	34.6	2.4	445.9
Transfers from disposal groups classified as held for sale	-	-	77.8	4.9	82.7	-	-	-	-	-
Transfers from under development to in use	(491.8)	(6.1)	491.8	6.1	-	(5.3)	-	5.3	-	-
Transfers to disposal groups classified as held for sale (Note 15)	-	-	-	-	-	-	-	(228.4)	(4.9)	(233.3)
Disposals	(1.0)	-	(0.7)	-	(1.7)	(34.7)	-	(23.5)	-	(58.2)
Fair value gains/(losses) – properties completed during the year	(18.6)	-	-	-	(18.6)	-	-	-	-	-
Fair value gains/(losses)	(44.2)	-	(38.3)	(2.7)	(85.2)	447.4	-	71.5	0.5	519.4
Effect of translation to presentation currency	(68.3)	-	(39.9)	-	(108.2)	8.7	-	23.1	-	31.8
Fair value at 30 June	1,438.8	16.4	1,087.9	25.5	2,568.6	1,857.8	22.5	505.4	17.2	2,402.9

The Group classified certain leases as investment properties. The carrying value of such investment property as of 30 June 2020 was EUR 41.9 million (31 December 2019: EUR 39.7 million).

At 30 June 2020, investment properties carried at 2,027.4 million (31 December 2019: EUR 1,786.9 million, 30 June 2019 EUR: 956.9 million) have been pledged to third parties as collateral with respect to borrowings.

Valuations obtained for investment properties were adjusted for the purpose of the financial statements to avoid double-counting of assets or liabilities that are recognised as separate assets and liabilities and with respect to non-binding offers, results of prospective purchaser due diligence and other factors.

Reconciliation between the valuations obtained and the adjusted valuation included in the financial statements is as follows:

<i>In millions of EUR</i>	Note	30 June 2020	31 December 2019
Valuations obtained		2,547.9	2,693.6
Add: right-of-use assets classified as investment property		32.8	35.5
Less: property classified as property plant and equipment (own use)		(5.7)	-
Less: lease incentive receivables	12(a)	(5.4)	(2.5)
Less: FX adjustments on lease incentive receivables		(1.0)	-
Less: transfers to disposal groups classified as held for sale	15	-	(250.0)
Less: transfers to disposal groups classified as held for sale in previous year	15	-	(73.7)
Fair value at the end of the period		2,568.6	2,402.9

11 Investment in Joint Ventures

In 2014, the Group entered into a joint venture in Poland with 51% economic interest in West Station Investment. In 2015, the Group increased its economic interest in the joint venture to 71%.

The Group sold shares in two (2) joint ventures during the six months period ended 30 June 2019: West Station Investment Sp. z o. o. and West Station Investment 2 Sp. z o.o..

The following amounts represent the assets, liabilities, revenue and results of the joint ventures:

<i>In millions of EUR</i>	6 months ended 30 June 2020		6 months ended 30 June 2019	
	West Station Investment 1-2	Other Joint Ventures	West Station Investment 1-2	Other Joint Ventures
Revenue	-	0.2	5.8	0.3
Profit and total comprehensive income for the year	-	(0.2)	(10.7)	(0.4)

<i>In millions of EUR</i>	30 June 2020		31 December 2019	
	West Station Investment 1-2	Other Joint Ventures	West Station Investment 1-2	Other Joint Ventures
Current assets	-	0.4	-	0.4
Non-current assets	-	7.2	-	7.5
Current liabilities	-	(3.0)	-	(3.4)
Non-current liabilities	-	(0.1)	-	(0.1)
Net assets of the investee	-	4.5	-	4.4
Share of other ventures	-	(2.1)	-	(2.2)
Investment in joint venture	-	2.4	-	2.2

12 Receivables and Loans

<i>In millions of EUR</i>	Note	30 June 2020	31 December 2019
Lease incentives receivables	(a)	5.4	2.7
Loans to related parties – non-current (Note 7)	b)	0.6	0.6
Loans to third parties		0.3	0.3
Total receivables and loans		6.3	3.6

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

- (a) Lease incentive receivables of EUR 5.4 million (31 December 2019: EUR 2.7 million) represent cost of incentives recognised over the lease term, on a straight-line basis. These receivables are neither past due nor impaired. They are not secured and they are due from a wide variety of tenants and the Group has the ability to evict non-paying tenants.
- (b) The Group has provided loans to its related parties amounting to EUR 0.6 million as of 30 June 2020 (31 December 2019: EUR 0.6 million).

13 Other Non-Current Assets

<i>In millions of EUR</i>	Note	30 June 2020	31 December 2019
Other non-current assets	(a)	4.6	6.0
Total other non-current assets		4.6	6.0

- (a) As at 30 June 2020, EUR 1.7 million related to projects in Hungary, EUR 1.0 million related to projects in Poland. The remaining balance consists of many non-material items. As at 31 December 2019, EUR 1.8 million related to projects in Hungary and EUR 1.6 related to projects in Poland. The remaining balance consists of many non-material items.

14 Trade and Other Receivables

<i>In millions of EUR</i>	Note	30 June 2020	31 December 2019
Trade receivables		21.8	14.5
Trade receivables and advances to joint ventures	7	-	0.2
Derivatives and other financial assets		-	8.2
Accrued rental income		0.7	0.7
Unbilled receivables from service charges		5.0	3.5
Other financial receivables		7.2	11.5
Trade and other receivables from related parties	7	15.5	12.5
Less expected credit loss allowance for trade receivables		(6.7)	(5.5)
Loans to related parties	7 (a)	1.4	1.4
Less expected credit loss allowance for loans to related parties	7	(1.4)	(1.4)
Total financial assets / receivables		43.5	45.6
VAT receivable		22.4	26.5
Prepayments		6.0	6.0
Current income tax refund receivable		0.6	-
Total trade and other receivables		72.5	78.1

(a) Loans are provided under the following conditions – interest rate 8.16% (2019: 8.16%).

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

<i>In thousands of EUR</i>	30 June 2020				31 December 2019			
	Loss rate	Gross carrying amount	ECL	Net carrying amount	Loss rate	Gross carrying amount	ECL	Net carrying amount
Trade and other receivables								
- current	0.0%	27.4	-	27.4	0.0%	24.9	-	24.9
- less than 30 days overdue	2.5%	2.2	(0.1)	2.1	2.5%	3.9	(0.1)	3.8
- 30 to 90 days overdue	5.0%	4.3	(0.2)	4.1	5.0%	1.8	(0.1)	1.7
- 91 to 180 days overdue	10.0%	4.3	(0.4)	3.9	10.0%	1.2	(0.1)	1.1
- 181 to 360 days overdue	15.0%	3.4	(0.5)	2.9	15.0%	4.5	(0.7)	3.8
- over 360 days overdue	65.0%	8.6	(5.5)	3.1	70.0%	6.6	(4.5)	2.1
Total		50.2	(6.7)	43.5		42.9	(5.5)	37.4
Loans to related parties		1.4	(1.4)	-		1.4	(1.4)	-
Derivatives / other at fair value				-				8.2
Total financial assets				43.5				45.6

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

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

14 Trade and Other receivables (Continued)

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

<i>In millions of EUR</i>	30 June 2020	31 December 2019
Expected credit loss allowance at 1 January	6.9	5.0
Expected credit loss charge to profit or loss for the period	1.2	2.8
Write-offs	-	(0.9)
Expected credit loss allowance at 30 June	8.1	6.9

Receivables subject to credit enhancements are as follows at 30 June:

<i>In millions of EUR</i>	30 June 2020	31 December 2019
Trade receivables collateralised by:		
- bank guarantees	2.7	0.7
- tenant deposits	1.2	0.9
Total	3.9	1.6

The financial effect of collateral is presented by disclosing collateral or credit enhancement values separately for (i) those receivables where collateral and other credit enhancements are equal to or exceed carrying value of the receivable ("over-collateralised assets") and (ii) those receivables where collateral and other credit enhancements are less than the carrying value of the receivable ("under-collateralised assets").

Financial effect of collateral at 30 June 2020 is as follows:

<i>In millions of EUR</i>	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Trade and other receivables	1.2	9.3	13.2	1.1

Financial effect of collateral at 31 December 2019 is as follows:

<i>In millions of EUR</i>	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Trade and other receivables	0.2	5.8	9.0	0.8

Collateral will be utilized to settle any receivables in case of customer's default.

The Group has pledged the receivables of EUR 7.0 million as collateral for the borrowings as at 30 June 2020 (2019: EUR 1.0 million).

15 Non-current Assets Held for Sale

Major classes of assets classified as held for sale:

<i>In millions of EUR</i>	30 June 2020	31 December 2019
Property, plant and equipment	-	4.8
Investment property	-	302.7
Trade and other receivables	-	19.3
Cash and cash equivalents	-	7.5
Total assets classified as held for sale	-	334.3

As of 30 June 2020, there are no assets classified as held for sale.

As of 31 December 2019, the Group classified assets and liabilities of four (4) subsidiaries (P14 Sp. z o.o., Twin City III s. r. o., SPV Vištuk s. r. o., TWENTY House S.à r.l.) as held for sale.

The investment properties are valued semi-annually on 31 December and 30 June at fair value, with the benefit of advice by an independent, professionally qualified valuation expert who has recent experience in valuing similar properties in similar locations. The methods and significant assumptions applied in determining the fair value are described in Notes 3 and 33.

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

<i>In millions of EUR</i>	30 June 2020	31 December 2019
Deferred income tax liability	-	16.0
Borrowings	-	152.3
Trade and other payables	-	4.4
Lease liabilities long-term	-	4.7
Lease liabilities short-term	-	0.3
Total liabilities directly associated with assets classified as held for sale	-	177.7

At 30 June 2020, investment properties held for sale carried at EUR nil million (at 31 December 2019: EUR 302.7 million), property, plant and equipment of EUR nil million (at 31 December 2019: EUR 4.8 million) and the receivables of EUR nil million (at 31 December 2019: EUR 19.3 million) have been pledged to third parties as collateral with respect to borrowings.

Three (Twin City III, s.r.o. and SPV Vištuk s.r.o. and TWENTY House S.à r.l.) out of four subsidiaries classified held for sale as at 31 December 2019 were sold during year 2020 (Note 27). Remaining one (P14 Sp. z o.o.) subsidiary classified as held for sale as at 31 December 2019 is not classified as held for sale as at 30 June 2020.

16 Cash and Cash Equivalents

<i>In millions of EUR</i>	30 June 2020	31 December 2019
Cash at bank and in hand	189.8	115.1
Total cash and cash equivalents	189.8	115.1

At 30 June 2020, cash and cash equivalents were available for the Group's use, except for restricted cash in the amount of EUR 6.7 million (2019: EUR 4.1 million).

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 30 June 2020. Refer to Note 31 for the description of the Group's credit risk grading system.

<i>In millions of EUR</i>	30 June 2020	31 December 2019
- Excellent	159.3	86.1
- Good	30.4	28.7
- Satisfactory	0.1	0.3
Total cash and cash equivalents	189.8	115.1

16 Cash and Cash Equivalents (Continued)

The Company classifies banks based on ratings as follows:

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

The carrying amounts of cash and cash equivalents as of 30 June 2020 and 31 December 2019 are not substantially different from their fair value. The maximum exposure to credit risk relating to cash and cash equivalents is limited to the carrying value of cash and cash equivalents.

17 Other current assets

<i>In millions of EUR</i>	Note	30 June 2020	31 December 2019
Prepayments to trustee	(a)	8.6	22.6
Money market fund		-	5.1
Other Current Assets		20.9	17.1
Other Current Assets from related parties		1.0	1.3
Total other current assets		30.5	46.1

(a) As at 30 June 2020 EUR 8.6 million (2019: EUR 22.6 million) represent prepayments to trustee of Hungarian Real Estate Development Fund.

18 Financial investments

<i>In millions of EUR</i>		30 June 2020	31 December 2019
Investment in The Cambridge Incubator, LLC	(a)	27.2	27.2
Investment in HB REAVIS CE Real Estate Investment Fund		0.2	0.2
Total financial investments		27.4	27.4

(a) In February 2018 the Group acquired a non-controlling share in The Cambridge Incubator, LLC, a Delaware limited liability company for a consideration of EUR 49.8 million. As at 30 June 2020, the cumulative amount of investments by the Group totaled EUR 54.4 million, with a carrying amount of EUR 27.2 million (2019: EUR 27.2 million). Using the comparative method, the Group recognised that the fair value of The Cambridge Incubator, LLC entire equity decreased by 50 percent as at 31 December 2019 and has not significantly changed during the first half of the year 2020. All financial investments are measured at fair value through profit or loss (Note 2.2). The measurement is level 3 in fair value hierarchy.

19 Share Capital and Share Premium

	Number of shares	Ordinary shares in EUR	Share premium in EUR	Total in EUR
At 1 January 2019	30,000	30,000	455,852,721	455,882,721
At 31 December 2019	30,000	30,000	402,465,609	402,495,609
At 30 June 2020	30,000	30,000	392,443,699	392,473,699

The total authorised number of ordinary shares is 30,000 shares with a par value of EUR 1 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote. 12,500 shares were issued on 20 October 2010 and additional 17,500 shares were issued on 4 September 2018 due to change of legal form of the company from a private limited liability company into a public limited liability company.

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

19 Share Capital and Share Premium (Continued)

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

<i>In millions of EUR, except dividends per share amount</i>	Note	30 June 2020	31 December 2019
Distributions to owners payable at 1 January	21	-	-
Distributions declared during the year (from share premium)		10.0	53.4
Distributions paid during the year		(5.6)	(53.4)
Distributions to owners payable at 30 June / 31 December	21	4.4	-
Amount per share declared during the year in EUR		333.3	1,778.8

20 Borrowings

<i>In millions of EUR</i>	Note	30 June 2020	31 December 2019
Non-current			
Bank borrowings		715.6	381.8
Issued bonds	(a)	270.6	347.1
Total non-current borrowings		986.2	728.9
Current			
Bank borrowings		160.0	148.4
Issued bonds	(a)	74.9	44.0
Total current borrowings		234.9	192.4
Total borrowings		1,221.1	921.3

(a) The bonds represent following debt instruments:

- (i) CZK denominated bonds in the amount CZK 1,250 million (EUR 46.8 million), which were issued in Prague in March 2016 with maturity March 2021, bearing an interest of 6M PRIBOR + 4% p.a.;
- (ii) PLN denominated bonds in the amount PLN 100 million (EUR 22.4 million), which were issued in Warsaw in October 2016 with maturity April 2021, bearing an interest of 6M WIBOR + 4.40% p.a.;
- (iii) EUR denominated bonds in the amount EUR 25 million, which were issued in Bratislava in December 2016 with maturity December 2021, bearing an interest of 3.50% p.a.;
- (iv) EUR denominated bonds in the amount EUR 12 million, which were issued in Bratislava in March 2017 with maturity March 2022, bearing an interest of 3.50% p.a.;
- (v) EUR denominated bonds in the amount EUR 20 million, which were issued in Bratislava in June 2017 with maturity June 2022, bearing an interest of 3.35% p.a.;
- (vi) PLN denominated bonds in the amount PLN 220 million (EUR 49.4 million), which were issued in Warsaw in July 2017 with maturity January 2022, bearing an interest of 6M WIBOR + 4.20% p.a.;
- (vii) EUR denominated bonds in the amount EUR 45 million, which were issued in Bratislava in September 2017 with maturity September 2027, bearing an interest of 4.45% p.a.;
- (viii) EUR denominated bonds in the amount EUR 31 million, which were issued in Bratislava in November 2017 with maturity November 2023, bearing an interest of 3.25% p.a.;
- (ix) EUR denominated bonds in the amount EUR 15 million, which were issued in Bratislava in February 2019 with maturity February 2028, bearing an interest of 3.25% p.a.;
- (x) EUR denominated bonds in the amount EUR 30 million, which were issued in Bratislava in July 2019 with maturity July 2026, bearing an interest of 2.75% p.a.;
- (xi) EUR denominated bonds in the amount EUR 20 million, which were issued in Bratislava in September 2019 with maturity September 2025, bearing an interest of 3.25% p.a.;
- (xii) EUR denominated bonds in the amount EUR 25 million, which were issued in Bratislava in November 2019 with maturity November 2025, bearing an interest of 3.25% p.a.;

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

20 Borrowings (Continued)**Net debt reconciliation**

The table below sets out an analysis of our debt and the movements in our debt for the 6 months ended 30 June 2020. The debt items are those that are reported as financing in the statement of cash flows.

<i>In millions of EUR</i>	Bank borrowings	Bonds	Lease liabilities	Total
Borrowings and lease liabilities as presented in the Statement of financial position as at 1 January 2019	387.3	329.0	31.3	747.6
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 1 January 2019 (Note 15)	143.9	-	-	143.9
Total borrowings and lease liabilities as at 1 January 2019	531.2	329.0	31.3	891.5
Recognition of lease liabilities upon adoption of IFRS 16 as at 1.1.2019	-	-	39.7	39.9
New leases	-	-	12.5	12.5
Proceeds from new drawdowns	405.3	90.0	-	495.3
Repayments	(68.9)	(30.0)	(5.6)	(104.5)
Foreign exchange adjustments	0.1	(1.4)	2.5	1.0
Non-cash movement due to loss of control in a subsidiary	(187.9)	-	-	(187.9)
Change in accrued interest	1.3	2.1	1.8	5.2
Change in amortised transaction costs	(2.1)	-	-	(2.1)
Effect of translation to presentation currency	3.5	1.4	-	4.9
Non-cash movement due to derecognition of a lease	-	-	(1.0)	(1.0)
Borrowings and lease liabilities as presented in the statement of financial position as at 31 December 2019	530.2	391.1	76.3	997.6
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 31 December 2019 (Note 15)	152.3	-	5.0	157.3
Total borrowings and lease liabilities as at 31 December 2019	682.5	391.1	81.3	1,154.9
New leases	-	-	1.0	1.0
Proceeds from new drawdowns	312.5	-	-	312.5
Repayments	(14.5)	(40.0)	(3.2)	(57.7)
Foreign exchange adjustments	6.5	-	(0.9)	5.6
Non-cash movement due to loss of control in a subsidiary	(99.4)	-	-	(99.4)
Change in accrued interest	3.3	0.3	0.9	4.5
Change in amortised transaction costs	-	-	-	-
Effect of translation to presentation currency	(15.3)	(5.9)	(2.3)	(23.5)
Borrowings and lease liabilities as presented in the Statement of financial position as at 30 June 2020	875.6	345.5	76.8	1,297.9
Borrowings and lease liabilities under liabilities directly associated with non-current assets classified as held for sale as at 30 June 2020 (Note 15)	-	-	-	-
Total borrowings and lease liabilities as at 30 June 2020	875.6	345.5	76.8	1,297.9

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

<i>In millions of EUR</i>	Carrying amounts		Fair values	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Bank borrowings	715.6	381.8	722.7	393.1
Issued bonds	270.6	347.1	278.0	353.9
Non-current borrowings	986.2	728.9	1,000.7	747.0

Assumptions used in determining fair value of borrowings are described in Note 33. The carrying values of current borrowings approximate their fair values. The fair value of lease liabilities would be affected by lease extension and termination options and it is thus not disclosed as allowed by IFRS 7 paragraph 29.

20 Borrowings (Continued)

The Group has the following undrawn borrowing facilities:

<i>In millions of EUR</i>	30 June 2020	31 December 2019
Availability:		
- Expiring within one year	302.2	0.8
- Expiring beyond one year	336.0	470.6
Total undrawn facilities	638.2	471.4

Investment properties (Note 10), property, plant and equipment (Note 8) and receivables (Note 14) are pledged as collateral for borrowings of EUR 787.6. million (31 December 2019: EUR 480.0 million).

The loan agreements with third party creditors are governed by terms and conditions which include maximum loan to value ratios ranging from 50% to 70% (2019: 65% to 75%) and minimum debt service coverage ratios ranging from 1.00 to 1.25 (2019: 1.10 to 1.20). During the half year period 2020 and up to the date of authorisation of these consolidated financial statements for issue, the Group was in compliance with all loan agreement terms and no terms of the loans were renegotiated due to defaults or breaches. Furthermore, after 30 June 2020 and up to the date of authorization of these condensed consolidated financial statements, the Group has drawn EUR 45.5 million of the facilities undrawn as of 30 June 2020 and additional EUR 15.0 million of new facilities and repaid the loans of EUR 32.4 million. The Group also issued new tranche of bonds in the amount of EUR 15 million.

21 Trade and Other Payables

<i>In millions of EUR</i>	Note	30 June 2020	31 December 2019
Non – current			
Long-term payables		23.1	25.2
Total non-current payables		23.1	25.2
Current			
Trade payables		6.6	10.9
Liabilities for construction of investment properties		58.2	64.8
Accrued liabilities		46.9	14.5
Distribution payable to owners	19	4.4	-
Derivative financial instruments		4.4	1.2
Other payables		-	6.2
Refund liability		8.6	6.0
Total current financial payables		129.1	103.6
Items that are not financial instruments:			
Deferred rental income		3.6	4.5
Contract liability		1.2	2.0
Accrued employee benefit costs		1.4	1.0
Other taxes payable		0.8	0.1
VAT payable		0.9	-
Prepayments		0.3	-
Total current trade and other payables		137.3	111.2

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

22 Rental and Similar Income from Investment Property

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
Rental income		
Office	10.1	16.1
Retail	0.6	0.7
HubHub	4.0	1.9
Service charges		
Office	6.7	9.6
Retail	0.4	0.4
Management charges		
Office	1.1	1.9
Retail	0.1	0.1
Industrial	-	0.2
HubHub	0.2	-
Total revenue	23.2	30.9

Where the Group is the lessor, the future minimum lease payments receivable under operating leases over the lease term are as follows at 30 June 2020:

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
Not later than 1 year	26.6	31.6
Later than 1 year and not later than 2 years	46.3	30.6
Later than 2 years and not later than 3 years	48.9	41.1
Later than 3 years and not later than 4 years	48.7	41.5
Later than 4 years and not later than 5 years	44.7	40.8
Later than 5 years	237.3	252.4
Total operating lease payments receivable	452.5	438.0

The Group's rental income includes performance income depending on sales revenue of retail units leased by its tenants. These amounts are not included in the above payments receivable as the Group is unable to estimate them with sufficient certainty. Total variable lease payments receivable recognised as income for 6 months period ended 30 June 2020 under the Group's operating leases were EUR nil (6 months period ended 30 June 2019: nil).

23 Direct Operating Expenses arising from Investment Property

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
<i>Direct operating expenses arising from investment property that generate rental income:</i>		
Materials consumed	0.7	0.5
Repairs and maintenance services	0.7	0.5
Utilities costs	4.0	2.9
Services relating to investment property	6.7	8.5
Real estate tax	0.2	0.3
Other costs	0.9	2.0
Total	13.2	14.7

24 Analysis of Revenue by Category

<i>In millions of EUR</i>	Note	6 months ended 30 June 2020	6 months ended 30 June 2019
Rental income	22	14.7	18.7
Service charges	22	7.1	10.0
Management charges	22	1.4	2.2
Total Rental and similar income from investment property		23.2	30.9
Services rendered	26	2.7	3.7
Other	26	0.7	0.3
Total Other operating income		3.4	4.0
Construction revenue		12.0	11.5
Total revenue and other income		38.6	46.4

As at 30 June 2020, the Group has completed all contracts for construction of properties.

25 Employee Benefits

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
Wages and salaries (including social and health insurance)	11.7	11.5
Pension costs – defined contribution plans	0.6	0.6
Total employee benefits	12.3	12.1

Number of employees in the core real estate operations of the Group was as follows (on full time equivalent basis):

	30 June 2020	30 June 2019
Real estate	710	736
Total number of employees	710	736

26 Operating Income and Expenses

Operating expenses comprised the following:

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
Services	9.7	3.6
Rental expense	1.0	1.3
Cost of sold inventories	0.3	0.7
Other taxes	0.7	0.4
Material consumption	0.2	1.2
Audit fees	0.4	0.4
Energy costs	0.2	0.1
Net impairment losses on financial and contract assets	1.2	-
Other	3.4	3.4
Total operating expenses	17.1	11.1

Other operating income comprised the following:

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
Sales of services	2.7	3.7
Sales of inventories	0.1	0.2
Other operating income	0.6	0.1
Total other operating income	3.4	4.0

27 Disposals of Subsidiaries

The Group sold shares in four (4) subsidiaries during the six months period ended 30 June 2020: Twin City III s. r. o., SPV Vištuk s. r. o, TWENTY House S.à r.l. which were classified as Non-current assets held for sale as of 31 December 2019 and BUXTON INVEST a.s..

The Group sold shares in four (4) subsidiaries during the six months period ended 30 June 2019: Temster, s.r.o., Radlická ATA s.r.o., Radlice Real Estate, s.r.o. and HB REAVIS Buda Project Kft., of which HB Reavis Buda Project Kft. was classified as Non-current assets held for sale as of 31 December 2018.

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

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
Investment property in use	222.1	48.3
Non-current assets	3.9	-
Deferred tax liability	(11.5)	(2.7)
Borrowings	(99.4)	(7.5)
Non-current liabilities	(0.1)	-
Trade and other payables	(12.2)	(0.1)
Cash and cash equivalents	1.8	0.3
Other working capital	6.9	0.3
Net assets value	111.5	38.6
(Loss)/Gain on divestments of subsidiaries	(7.8)	1.5
Foreign currency translation differences transferred from other comprehensive income upon loss of control	4.3	0.2
Proceeds from sale of subsidiaries	108.0	40.3
Less cash in subsidiaries at the date of transaction	(1.8)	(0.3)
Cash sale proceeds	106.2	40.0

28 Income Taxes

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

The Group's consolidated effective tax rate for the six months ended 30 June 2020 was 22.6% (six months ended 30 June 2019: 23.1%).

29 Foreign exchange gains/(losses)

<i>In millions of EUR</i>	6 months ended 30 June 2020	6 months ended 30 June 2019
Bank borrowings – unrealised as at 30 June	(6.5)	0.5
Lease liabilities– unrealised as at 30 June	0.9	-
Inter-company loans to foreign operations that do not form part of net investment – unrealised as at 30 June	(17.1)	3.0
Trade and other receivables and payables – realised during period	-	(0.2)
Trade and other receivables and payables – unrealised as at 30 June	0.2	(0.1)
Foreign exchange gains/(losses)	(22.5)	3.2

30 Contingencies, Commitments and Operating Risks

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

Capital expenditure commitments. Contractual obligations to purchase, construct or develop investment properties totalled EUR 255.3 million at 30 June 2020 (31 December 2019: EUR 372.0 million); this exposure will be partially financed by external loans (committed lines: EUR 638.2 million). The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments.

31 Financial Risk Management

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

(i) Credit risk

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

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

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

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

31 Financial Risk Management (Continued)

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 30 June 2020:

<i>In millions of EUR</i>	Gross amounts before offsetting in the statement of financial position a)	Gross amounts set off in the statement of financial position b)	Net amount after offsetting in the statement of financial position c) = a) - b)	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		
				Financial instruments d)	Cash collateral received of exposure e)	Net amount c) - d) - e)
Assets						
Trade receivables	3.9	-	3.9	2.7	1.2	-
Liabilities						
Cash collateral received presented within trade and other payables	1.2	-	1.2	1.2	-	-

Financial instruments subject to offsetting, enforceable master netting and similar arrangements were as follows at 31 December 2019:

<i>In millions of EUR</i>	Gross amounts before offsetting in the statement of financial position a)	Gross amounts set off in the statement of financial position b)	Net amount after offsetting in the statement of financial position c) = a) - b)	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		
				Financial instruments d)	Cash collateral received of exposure e)	Net amount c) - d) - e)
Assets						
Trade receivables	1.6	-	1.6	0.7	0.9	-
Liabilities						
Cash collateral received presented within trade and other payables	0.9	-	0.9	0.9	-	-

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

The amounts in columns (d) and (e) in the above table are limited to the exposure reported in column (c) for each individual instrument in order not to understate the ultimate net exposure.

Credit risks concentrations

As for the banks and financial institutions, Group has relationships only with those banks that have high independent rating assessment. The Group's bank deposits are held with 33 banks (2019: 31 banks) but 92.1% (2019: 82.7%) of cash balances as of 30 June 2020 are held with 10 (2019: 10) major banks. The Group's management considers the concentration of credit risk with respect to cash balances with banks as acceptable. The analysis by credit quality (bank rating) is provided in Note 16.

Expected credit loss (ECL) measurement

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

31 Financial Risk Management (Continued)***Expected credit loss (ECL) measurement (Continued)***

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

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

Significant increase in credit risk (SICR)

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

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

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

The level of ECL that is recognised in these consolidated financial statements depends on whether the credit risk of the debtor has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Group monitors whether that indicator continues to exist or has changed.

The Group has two approaches for ECL measurement: (i) assessment on an individual basis and (ii) assessment on a portfolio basis. The Group performs an assessment on a portfolio basis for trade receivables. The Group performs an assessment on an individual basis for all receivables overdue more than 365 days taking into consideration the fact whether the receivable under the review is secured by a bank guarantee/cash deposit or not. Generally, the bank guarantee is deemed to provide a sufficient assurance that the receivable will not become illiquid and therefore provisions for receivables secured by a bank guarantee are not created.

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

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs. Cash flow forecasts are provided by the Board of Directors and provide the best estimate of the expected macro-economic development over the next year. The Group has considered this information and based on the fact that most of the financial assets are current, this did not have significant impact on the consolidated financial statements.

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

31 Financial Risk Management (Continued)**(ii) Market risk**

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

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

Had the foreign exchange rates been by one tenth lower than they have been throughout the period of 6 months ended 30 June 2020 with all other variables constant, profit for the period would have been approximately EUR 48.6 million lower (30 June 2019: EUR 49.2 million lower). Equity, after allowing for the tax effects, would have been EUR 38.4 million lower (30 June 2019: EUR 38.9 million lower).

Had the foreign exchange rates been by one tenth higher than they have been throughout the period of 6 months ended 30 June 2020 with all other variables constant, profit for the period would have been approximately EUR 48.6 million higher (30 June 2019: EUR 49.2 million higher). Equity, after allowing for the tax effects, would have been EUR 38.4 million higher (30 June 2019: EUR 38.9 million higher).

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

<i>In millions of EUR</i>	Less than 12 months	Over 12 months	Total
30 June 2020			
Total monetary financial assets	263.8	0.9	264.7
Total monetary financial liabilities	(372.4)	(1,077.7)	(1,450.1)
Net interest sensitivity gap at 30 June 2020	(108.6)	(1,076.8)	(1,185.4)
31 December 2019			
Total monetary financial assets	206.8	0.9	207.7
Total monetary financial liabilities	(303.5)	(822.9)	(1,156.4)
Net interest sensitivity gap at 31 December 2019	(96.7)	(822.0)	(948.7)

Had the interest rates on the Group's variable interest rate loans (generally the third-party borrowings) been by one tenth lower than they have been throughout the period of 6 months ended 30 June 2020 with all other variables constant, profit before tax for the period would have been higher by approximately EUR 0.6 million (31 December 2019: EUR 1.1 million higher). Equity, after allowing for the tax effects, would have been higher by approximately EUR 0.5 million higher (31 December 2019: higher by EUR 0.8 million).

Had the interest rates on the Group's variable interest rate loans (generally the third-party borrowings) been by one tenth higher than they have been throughout the period of 6 months ended 30 June 2020 with all other variables constant, profit before tax for the period would have been lower by approximately EUR 0.6 million (31 December 2019: EUR 1.1 million lower). Equity, after allowing for the tax effects, would have been lower by approximately EUR 0.5 million (31 December 2019: lower by EUR 0.8 million).

The Group's interest rate risk principally arises from long-term borrowings (Note 20). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

31 Financial Risk Management (Continued)**(ii) Market risk (Continued)**

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

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

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

Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

(iii) Liquidity risk

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

The table below shows liabilities as at 30 June 2020 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the consolidated balance sheet because the carrying amount is based on discounted cash flows.

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

The maturity analysis of financial liabilities as at 30 June 2020 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal repayments)	228.8	293.7	417.7	285.2	1,225.4
Borrowings (future interest payments)	36.4	34.7	60.1	33.8	165.0
Financial payables - current (Note 21)	124.7	-	-	-	124.7
Financial lease liabilities (Note 9)	7.7	38.3	14.7	69.5	130.2
Derivatives and other financial instruments (Note 21)	4.4	-	-	-	4.4
Total future payments, including future principal and interest payments	402.0	366.7	492.5	388.5	1,649.7

The maturity analysis of financial liabilities as at 31 December 2019 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal repayments)	187.0	107.2	325.4	301.4	921.0
Borrowings (future interest payments)	28.2	24.8	50.1	27.5	130.6
Financial payables - current (Note 21)	102.4	-	-	-	102.4
Finance lease liabilities (Note 9)	7.5	7.6	47.9	69.0	132.1
Derivatives and other financial instruments (Note 21)	1.2	-	-	-	1.2
Total future payments, including future principal and interest payments	326.3	139.6	423.4	397.9	1,287.3

On an ongoing basis, the Board of Managers reviews a three year rolling cash flow forecast for the core real estate business on a consolidated basis. The forecast for second half of year 2020 and first half of year 2021 shows positive cash flow of the Group of approximately EUR 55.6 million (30 June 2019: EUR 96.3 million). The Board of Managers is confident that the Group's cash position allows it to keep pursuing new opportunities in its chosen markets.

32 Management of Capital

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

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

<i>In millions of EUR</i>	Note	30 June 2020	31 December 2019
Equity attributable to the owners of HB Reavis Holding S.A.		1,374.6	1,593.3
Adjusted for			
Add: Deferred income tax liabilities (including joint ventures)	15, 28	93.1	145.3
Net Asset Value (adjusted) as monitored by management		1,467.7	1,738.6

The Group also manages the net debt leverage ratio. This ratio is defined as a ratio between interest bearing liabilities from third parties less Cash and Group total assets. During 2020, the Group's strategy was to steer the net debt leverage ratio up to 40% (2019: up to 35%). As is shown in the table below, the Group's ratio was below the targeted level as at 30 June 2020 and at the end of 2019. The Group management believe that this position places the Group conservatively in their pursuit of new development opportunities.

<i>In millions of EUR</i>	30 June 2020	31 December 2019
Bank borrowings and finance leases* less cash including those classified as held for sale	1,062.1	984.2
Total assets	2,926.1	3,040.3
Net debt leverage ratio	36.30%	32.37%

*Of the total lease liability recognised as at 30 June 2020, EUR 30.8 million represents finance lease liabilities as dedined by IAS 17 (31 December 2019: EUR 33.2 million).

33 Fair Value Estimation

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

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

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

i) Investment properties

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

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Investment property – valuations obtained at 30 June 2020 (Note 10)			2,547.9	2,547.9
Investment property – valuations obtained at 31 December 2019 (Note 10)	-	-	2,693.6	2,693.6

Level 3 investment properties are fair valued using discounted cash flow method, yield method, residual method, comparative method and fair value at acquisition/divestment (cost) for assets which were either acquired/held for sale close to the balance sheet date or where reliable comparable information is unavailable and management used its judgement and experience to assess the fair value. The valuation techniques for level 3 are further described in Note 10.

33 Fair Value Estimation (Continued)

Quantitative information about fair value measurements using unobservable inputs:

Asset Management and Investment Management

Segment	Valuation technique	Fair value 30 Jun 2020 (in millions of EUR)	Fair value 31 Dec 2019 (in millions of EUR)	Input	Range 30 Jun 2020	Range 31 Dec 2019
Slovakia						
Office	Discounted cash flow	114.0	118.8	Average annual rent in EUR per sqm	185-193	189-200
				Discount rate p.a.	6.85%	6.85%
				Capitalisation rate for terminal value	6.85%	6.85%
Office	Direct capitalisation method	98.8	79.0	Average annual rent in EUR per sqm Capitalisation rate	230 5.5%	185 5.4%
Office	Residual method	15.7	16.0	Capitalised net revenues less cost to completion	26.54	30.16
				Capitalisation rate	5.75%	5.75%
Total		228.5	213.8			
Poland						
Office	Discounted cash flow	83.1	88.5	Average annual rent in EUR per sqm	189.85	192.3
				Discount rate p.a.	7.5%	7.3%
				Capitalisation rate for terminal value	7.5%	7.3%
Office	Direct capitalisation method	393.7	-	Average annual rent in EUR per sqm Capitalisation rate	244-288 4.3% - 4.5%	- -
Office	At cost	0.1	0.2	-	-	-
Total		476.9	88.7			

33 Fair Value Estimation (Continued)

Segment	Valuation technique	Fair value 30 Jun 2020 (in millions of EUR)	Fair value 31 Dec 2019 (in millions of EUR)	Input	Range 30 Jun 2020	Range 31 Dec 2019
Asset Management and Investment Management (Continued)						
Hungary						
Office	Direct capitalisation method	9.5	9.7	Average annual rent in EUR per sqm Capitalisation rate	93.0 7.0%	82.0 7.0%
Total		9.5	9.7			
United Kingdom						
Office	Residual value	358.1	337.3	Capitalised net revenues less cost to completion Capitalisation rate	856.4 4.75%	879.45 4.75%
Office	Direct capitalisation method	-	146.3	Average annual rent in EUR per sqm Capitalisation rate	- -	133.5 4.5%
Office	At cost	9.0	9.7	-		
Total		367.1	493.3			
Total for segment		1,082.0	805.5			
Development in realisation and in preparation						
Slovakia						
Office, Office/Retail	Residual Method	117.6	229.1	Capitalised net revenues less cost to completion Capitalisation rate	287.9 5.5% - 6.25%	304.4 5.45% - 6.5%
Retail	Residual Method	231.8	219.7	Capitalised net revenues less cost to completion Capitalisation rate	33.2 6.2%	47.6 5.8%
Office	At cost	0.2	-	-	-	-
Total		349.6	448.8			

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

33 Fair Value Estimation (Continued)

Segment	Valuation technique	Fair value 30 Jun 2020 (in millions of EUR)	Fair value 31 Dec 2019 (in millions of EUR)	Input	Range 30 Jun 2020	Range 31 Dec 2019
Development in realisation and in preparation (Continued)						
Czech Republic						
Office	Residual Method	57.4	57.4	Capitalised net revenues less cost to completion Capitalisation rate	125.8 4.5% - 6.25%	146.6 4.25% - 6.25%
Office	At cost	1.0	1.0	-	-	-
Total		58.4	58.4			
Poland						
Office	Residual Method	355.2	326.6	Capitalised net revenues less cost to completion Capitalisation rate	138.5 4.8% - 5.65%	160.4 4.5% - 5.5%
Office	Direct capitalisation method	-	389.3	Average annual rent in EUR per sqm Capitalisation rate	- -	274.8 4.26% - 4.3%
Office	Comparative method	12.9	14.0	Price in EUR per sqm	875.0 – 1,040.0	195.7
Office	At cost	1.0	1.0	-	-	-
Total		369.1	730.9			
United Kingdom						
Office	Residual method	127.6	151.0	Capitalised net revenues less cost to completion Capitalisation rate	73.8 4.5% - 4.75%	59.3 4.5%
Total		127.6	151.0			

33 Fair Value Estimation (Continued)

Segment	Valuation technique	Fair value 30 Jun 2020 (in millions of EUR)	Fair value 31 Dec 2019 (in millions of EUR)	Input	Range 30 Jun 2020	Range 31 Dec 2019
Development in realisation and in preparation (Continued)						
Hungary						
Office	Residual method	54.6	54.2	Capitalised net revenues less cost to completion	40.0	61.4
				Capitalisation rate	5.75%	5.25%
Office	Discounted cash flow	259.4	216.4	Average annual rent in EUR per sqm	210.3	226.1
				Discount rate p.a.	6.0%	6.0%
				Capitalisation rate for terminal value	5.25%	5.25%
Total		314.0	270.6			
Germany						
Office	At cost	4.5	4.8	-	-	-
Office	Residual method	190.8	167.5	Capitalised net revenues less cost to completion	73.9	83.0
				Capitalisation rate	3.5%	3.8%
Total		195.3	172.3			
Total for segment		1,414.0	1,832.0			
None - core						
Logistics	Comparative method	33.1	33.1	Price in EUR per sqm	4.7 – 2,847.2	4.7 – 2,847.2
Retail	At cost	1.4	7.4	-		-
HubHub	At cost	17.4	15.6	-		-
Total for segment		51.9	56.1			

33 Fair Value Estimation (Continued)

Sensitivity of measurement to variance of significant unobservable inputs

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

There are interrelationships between these rates as they are partially determined by market rate conditions. Please refer to Note 3 for the quantitative sensitivity analysis.

Valuation process

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

These reports are based on both:

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

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

ii) Financial Instruments

Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price. The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies as described below. However, judgement is necessarily required to interpret market data to determine the estimated fair value.

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

Liabilities carried at amortised cost. Considering that most borrowings have variable rate of interest and that own credit risk of the Group did not materially change, the amortised cost carrying value approximates fair value. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid. The discount rate was 2.67% p.a. (2019: 2.37% p.a.). Refer to Note 20 for the estimated fair values of borrowings (for current borrowings Level 2 inputs are used, for non-current borrowings Level 3 inputs are used). Carrying amounts of trade and other payables approximate fair values.

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

34 Reconciliation of Classes of Financial Instruments with Measurement Categories

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

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

35 Consolidated Structured Entities

The Group issued 2 tranches of bonds through HB Reavis Finance PL 2 Sp. z o.o. incorporated in Poland, 4 tranches of bonds through HB REAVIS Finance SK III s. r. o., 1 tranche of bonds through HB REAVIS Finance SK IV s. r. o., 3 tranches of bonds through HB REAVIS Finance SK V s. r. o., 1 tranche of bonds through HB REAVIS Finance SK VI s. r. o. all six incorporated in Slovakia and 1 tranche of bonds through HB Reavis Finance CZ, s.r.o., incorporated in Czech Republic. These entities were consolidated as they are wholly owned by the Group, they were specifically set up for the purposes of the Group, and the Group has exposure to substantially all risks and rewards through ownership and outstanding guarantees of the entities' obligations. The Group guarantees all obligations of these entities represented by the bonds issued amounting to PLN 320 million, EUR 223 million and CZK 1.250 billion (Note 20).

36 Events after the Balance Sheet Date

After 30 June 2020 and up to the date of authorization of these condensed consolidated interim financial statements, the Group has drawn EUR 45.5 million of the facilities undrawn as of 30 June 2020 and additional EUR 15 million of new facilities and repaid the loans of EUR 32.4 million. The Group also issued new tranche of bonds in the amount of EUR 15 million.

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