

CPI Property Group

Remuneration Report 2022

This Remuneration Report (the “**Remuneration Report**”) provides detailed information about the remuneration received by the board of directors and the senior management of CPI Property Group S.A. (the “**Company**” or “**we**”, and together with its subsidiaries, excluding IMMOFINANZ AG and S IMMO AG, the “**Group**”) during the financial year 2022.

Highlights summary

With the presentation of the results for the financial year ending 31 December 2022, the Company provided a detailed overview of the relevant facts and developments in the performance and business environment of the Company. Financial statements for the financial year 2022 are available on the Company’s website.

The Group fully consolidates the assets, liabilities, and equity of IMMOFINANZ AG and S IMMO AG. Income-related measures are reported proportionately, reflecting the acquisition timing during 2022.

Highlights of the 2022 financial year include:

- (a) **CPIPG’s property portfolio reached €20.9 billion** (versus €13.1 billion at year-end 2021) as the Group consolidated IMMOFINANZ (€5.3 billion) and S IMMO (€3.4 billion) and made nearly **€900 million of disposals** during 2022. Disposals continued in 2023, with about **€400 million signed in Q1**.
- (b) **Total assets reached €23.5 billion**, and EPRA NRV (NAV) grew to €8.0 billion.
- (c) **Contracted gross rent was €906 million**.
- (d) **Net rental income increased to €632 million** and net business income rose to €676 million.
- (e) **Hotels reported net income of €46 million**, reflecting the recovery of travel across Europe in 2022.
- (f) **Consolidated adjusted EBITDA was €608 million**, while **FFO1 was €355 million**.
- (g) Rental income grew **7.6% on a like-for-like basis**. Rental growth was primarily organic. A high proportion of the Group’s rents are indexed; based on early data, inflation may have an 8%+ positive effect on rents in 2023.
- (h) **Net Loan-to-Value (LTV) increased to 50.9%** at year-end 2022, outside of the Group’s financial policy targets. CPIPG’s **top priority is to reduce leverage through disposals and other measures and we expect a Net LTV of 45-49% by year-end 2023**.
- (i) **Total available liquidity was €2 billion**, including €910 million of undrawn revolving credit facilities, the majority of which mature in early 2026.
- (j) **Unencumbered assets decreased to 54%**, reflecting the high proportion of secured debt at IMMOFINANZ and S IMMO. CPIPG prefers senior unsecured borrowings, but in the current environment secured loan pricing is substantially more attractive. Like CPIPG, IMMOFINANZ and S IMMO have well-established relationships with a broad range of international and regional secured lenders, which we see as an advantage.
- (k) **Net ICR was 3.2x**. The Group **has a low-cost, long-dated debt maturity profile** and sees strong potential to improve the ICR through deleveraging and the expectation of higher rents over time.

Remuneration

During the financial year 2022, the Group paid the following remuneration:

Executive Directors	Aggregate remuneration 2022	Aggregate remuneration 2021
CEO – Martin Němeček	€473,335	€425,867
CFO – David Greenbaum	€524,921	€521,130
Executive Director – Zdeněk Havelka	€405,455	€389,017
Group Finance Director – Pavel Měchura	€385,776	€213,638
Director of CPI Hotels – Jan Kratina	€260,000	€133,438
Director of Acquisitions, Asset Management & Sales – Tomáš Salajka	€410,152	€388,397
Chief Financial Officer for GSG Berlin – Oliver Schlink	€470,000	€430,000
Independent and Non-Executive Directors	Aggregate remuneration 2022	Aggregate remuneration 2021
Independent, non-executive member – Edward Hughes, Chairman of The Board	€36,000	€36,000
Independent, non-executive member – Jonathan Lewis	€51,000	€51,000
Non-executive member – Tim Scoble	€0	€0
Independent, non-executive member – Omar Sattar	€36,000	€36,000
Non-executive member – Philippe Magistretti	€163,287*	€152,513*

The fixed remuneration and the annual Bonus granted or awarded for 2022 are included in the total remuneration above.

As the Executive Directors successfully met the Company's short-term and long-term environmental targets, the annual bonus linked to the environmental targets was awarded by the ESG Committee.

Information on Shareholder vote

This Remuneration Report is being submitted to the advisory vote of the Company's shareholders at the AGM on 31 May 2023.

* The whole remuneration was paid as remuneration for the position of Chairman of the Board of CMA Immobilier SA.