Individual Financial Statements as of 31 December 2024

Annual Financial Statements

Balance Sheet as of 31 December 2024

		31 12 2024 EUR	31 12 2023 TEUR
A. Non-current assets			
I. Intangible assets			
1. Trademarks and software		899,294.57	17
II. Tangible assets			
1. Buildings on land owned by third parties	147,823.32		370
2. Furniture, fixtures and office equipment	1,065,500.90		1,326
		1,213,324.22	1,696
III. Financial assets			
1. Investments in subsidiaries	3,841,573,590.42		3,182,413
2. Loans granted to subsidiaries	243,802,769.37		227,296
3. Investments in associated and jointly controlled entities	1,850,000.00		1,850
4. Non-current securities (rights)	1,000,699.26		1,001
5. Other originated loans	3,641,681.98		3,922
		4,091,868,741.03	3,416,482
		4,093,981,359.82	**3,418,194**
B. Current assets			
I. Receivables			
1. Trade receivables		24,803.37	113
thereof remaining term < 1 year	24,803.37		113
thereof remaining term > 1 year	0.00		0
2. Receivables from subsidiaries		318,437,722.40	302,977
thereof remaining term < 1 year	94,826,492.77		120,504
thereof remaining term > 1 year	223,611,229.63		182,472
3. Other receivables		5,493,979.01	5,290
thereof remaining term < 1 year	5,493,961.01		5,290
thereof remaining term > 1 year	18.00		0
		323,956,504.78	308,380
II. Cash in banks			
1. Bank deposits		52,751,759.50	85,211
		376,708,264.28	**393,591**
C. Prepaid expenses and deferred charges		**2,530,240.08**	**3,442**
D. Deferred tax assets		**32,975,842.00**	**47,537**
		4,506,195,706.18	**3,862,764**

		31 12 2024 EUR	31 12 2023 TEUR
A. Equity			
I. Share capital called and paid in		**137,974,126.00**	**137,974**
Subscribed capital	138,669,711.00		138,670
Par value of treasury shares	–695,585.00		–696
II. Capital reserves			
1. Appropriated		841,763,008.81	841,763
2. Unappropriated		1,690,086,579.00	1,690,087
III. Retained earnings			
1. Reserve for treasury shares		695,585.00	696
IV. Profit (loss) account		**475,541,269.55**	**304,981**
thereof profit carried forward	304,980,982.19		437,363
		3,146,060,568.36	**2,975,500**
B. Provisions			
1. Provisions for termination benefits		0.00	97
2. Provisions for taxes		20,948,857.77	13,115
thereof deferred taxes	0.00		0
thereof miscellaneous tax provisions	20,948,857.77		13,115
3. Other provisions		4,191,104.39	3,947
		25,139,962.16	**17,158**
C. Liabilities			
1. Bonds		239,070,430.78	239,054
thereof with a remaining term < 1 year	1,270,430.78		1,254
thereof with a remaining term > 1 year	237,800,000.00		237,800
2. Trade payables		752,454.56	517
thereof with a remaining term < 1 year	752,454.56		517
thereof with a remaining term > 1 year	0.00		0
3. Liabilities with subsidiaries		1,091,067,930.06	626,392
thereof with a remaining term < 1 year	276,482,267.51		108,437
thereof with a remaining term > 1 year	814,585,662.55		517,955
4. Other liabilities		4,104,360.26	4,142
thereof from taxes	215,172.70		259
thereof from social security	217,416.07		217
thereof with a remaining term < 1 year	4,104,360.26		4,142
thereof with a remaining term > 1 year	0.00		0
		1,334,995,175.66	**870,106**
thereof with a remaining term < 1 year	282,609,513.11		114,351
thereof with a remaining term > 1 year	1,052,385,662.55		755,755
		4,506,195,706.18	**3,862,764**

Income Statement for the 2024 Financial Year

		2024 EUR	2023 TEUR
1. Revenues		19,883,113.06	22,272
2. Other operating income			
a) Income from the disposal of non-current assets, with the exception of financial assets		1.00	0
b) Income from the release of provisions		350,340.96	417
c) Miscellaneous		19,558,205.76	81
		19,908,547.72	498
3. Cost of materials and other purchased services			
a) Cost of purchased services		–6,012.00	–150
4. Personnel expenses			
a) Salaries		–11,621,124.06	–11,971
b) Employee benefits		–3,300,581.42	–3,590
thereof for pensions	–62,566.74		–43
thereof for severance compensation and contributions to employee pension/severance fund	–371,928.72		–428
thereof for legally required social security and payroll-related duties and mandatory contributions	–2,365,518.91		–2,559
		–14,921,705.48	–15,561
5. Depreciation and amortisation		–718,967.10	–788
6. Other operating expenses			
a) Non-income based taxes		–184,765.50	–242
b) Miscellaneous		–23,433,656.04	–42,244
		–23,618,421.54	–42,486
7. Subtotal of no. 1 to 6 (operating profit)		**526,554.66**	**–36,216**
8. Income from investments		145,710,315.27	555,861
thereof from subsidiaries	142,715,418.00		550,014
9. Income from other securities classified as financial assets		15,387,370.36	12,199
thereof from subsidiaries	14,940,355.61		11,808
10. Interest and similar income		20,851,274.00	6,932
less negative interest		0.00	–22
		20,851,274.00	6,910
thereof from subsidiaries	16,880,908.45		5,783
11. Income from the disposal and write-up of financial assets and securities recorded under current assets		37,001,567.62	0
thereof from subsidiaries	37,001,567.62		0
12. Expenses arising from financial assets		–20,693,266.84	–667,516
thereof impairment losses	–20,693,266.84		–667,514
thereof expenses from subsidiaries	–20,693,266.84		–667,516
13. Interest and similar expenses		–53,890,430.09	–65,251
thereof from subsidiaries	–47,198,799.53		–57,931
14. Subtotal of no. 8 to 13 (financial results)		**144,366,830.32**	**–157,797**
15. Profit before tax		**144,893,384.98**	**–194,013**
16. Income tax expense		25,666,902.38	61,631
thereof deferred taxes	–14,561,628.00		47,537
thereof income from tax credits	45,181,203.44		23,203
17. Profit / loss for the year		**170,560,287.36**	**–132,382**
18. Profit carried forward from prior year		304,980,982.19	437,363
19. Profit(loss) account		**475,541,269.55**	**304,981**

Notes to the Financial Statements

1. General Information

The annual financial statements of CPI Europe AG as of 31 December 2024 were prepared in accordance with the provisions of the Austrian Commercial Code ("Unternehmensgesetzbuch") in the current version. The extraordinary general meeting on 30 January 2025 approved a change in the name of IMMOFINANZ AG to CPI Europe AG. The new company name was entered in the commercial register effective as of 11 March 2025 and was implemented in the annual report as follows:

- CPI Europe AG (formerly: IMMOFINANZ AG)
- CPI Europe for information relating to the entire Group including S IMMO (formerly: IMMOFINANZ Group)
- CPI Europe (excluding S IMMO) for information excluding S IMMO (formerly: IMMOFINANZ)

The principles of correct accounting as well as the general objective of providing a true and fair view of the asset, financial and earnings position were observed.

This report covers the financial year of CPI Europe AG from 1 January 2024 to 31 December 2024.

Statements on CPI Europe refer to the CPI Europe Group. This company is the parent company, as defined in § 189a no. 6 of the Austrian Commercial Code, of CPI Europe Group. CPI Property Group (CPIPG), which is headquartered in Luxembourg, is the parent company which prepares consolidated financial statements for the largest circle of companies. CPIPG has been the majority shareholder of IMMOFINANZ since May 2022.

In accordance with § 223 (2) of the Austrian Commercial Code, the comparative prior year data are presented in EUR 1,000.

The company elected to utilise the option provided by § 223 (4) of the Austrian Commercial Code, which permits the inclusion of additional line items when their content is not covered by a required position.

The income statement was prepared in accordance with the nature of expense method under which "total costs" are shown.

The principle of completeness was followed in preparing the annual financial statements.

Assets and liabilities were valued individually, whereby valuation was based on the going concern principle.

The principle of prudence was followed, above all, through the recognition of only those profits realised as of the balance sheet date. The annual financial statements include all identifiable risks and impending losses which had arisen as of the balance sheet date.

Estimates are based on prudent judgment. Experience-based statistics from similar transactions were included in these estimates where available.

2. Accounting and Valuation Principles

All intangible assets were purchased for financial consideration. These assets are carried at acquisition cost, less scheduled straight-line amortisation that is based on the expected useful life of the respective asset. No impairment losses were recognised.

Property, plant and equipment are carried at acquisition cost, less scheduled straight-line depreciation. As in previous years, no impairment losses were required.

Depreciation and amortisation for the various asset additions and disposals in the reporting year are calculated beginning with the month of acquisition, respectively terminated in the month of disposal.

Low-value assets are written off in full in the year of purchase or production in accordance with § 204 (1a) of the Austrian Commercial Code.

Financial assets are carried at cost, less any necessary impairment losses. The impairment testing of shares in subsidiaries, loans granted to subsidiaries, and investments in other companies involves comparing the respective carrying amount with the equity owned plus any undisclosed reserves in the individual properties (after the deduction of deferred taxes) at fair value. Each subsidiary is valued individually and, therefore, the valuation also reflects the total reported by the Group parent company, CPI Europe AG. Investments in other companies are carried at cost, less any necessary impairment losses.

Write-ups are recognised to financial assets when the reasons for an impairment loss cease to exist.

Receivables are carried at their nominal amount less any necessary impairment losses. The calculation of impairment losses to Group receivables is based on the fair value of equity in the financed company, similar to the valuation of the shares in subsidiaries. If the financial statements of a borrower show negative equity (at fair value), an appropriate impairment loss is recognised.

Liabilities are carried at their settlement amount.

Tax provisions are recognised, in particular, for obligations arising from the group tax agreement and represent the nominal amount.

All foreign currency transactions are translated at the average exchange rate in effect on the transaction date. The measurement of foreign currency receivables and liabilities as of the balance sheet date is based on the applicable average exchange rate in effect on that date in keeping with the principle of conservatism. Any resulting exchange rate losses are recognised to profit or loss in the applicable financial year.

In accordance with § 198 (9) and (10) of the Austrian Commercial Code, deferred taxes are recognised in agreement with the balance sheet-oriented concept and without discounting at the current corporate tax rate of 23%. A net amount based on the total difference method is calculated for the differences between the carrying amounts of assets, provisions, liabilities, prepaid expenses and deferred charges and deferred income under commercial law and tax law, in cases where these differences are expected to decrease in later financial years or lead to tax relief in the future. Deferred tax assets are also recognised for existing tax loss carryforwards at an amount equal to the available deferred tax liabilities, in accordance with the 75% limit on the utilisation of losses. Current forecasts provide sufficient substantial indications of future taxable gains, and, as in the previous year, the option for the recognition of additional loss carryforwards was therefore exercised as of 31 December 2024.

3. Notes to the Balance Sheet

Assets

Non-current assets

The development of non-current assets is shown on the attached schedule.

The following useful lives are used to calculate scheduled straight-line depreciation and amortisation for non-current assets:

	Useful life in years
Intangible assets	3–10
Property, plant and equipment	2–10

The following section provides information on the shares in subsidiaries and investments in other companies:

The most important items included under shares in subsidiaries represent the shares in IMBEA IMMOEAST Beteiligungsverwaltung GmbH with a carrying amount of EUR 1,251,213,000.00 (31 December 2023: TEUR 1,214,355) and in S IMMO AG with a carrying amount of EUR 1,294,170,889.00 (31 December 2023: TEUR 728,648).

In 2024, IMMOFINANZ Services Poland Sp.z.o.o. received a contribution of EUR 74.2 million (2023: EUR 0 million) and SC Czech AGL s.r.o. received a contribution of EUR 3.2 million (2023: EUR 77.6 million).

CPI Europe AG held a majority investment of 50% plus one share in S IMMO AG (in short: S IMMO) as of 31 December 2023. The carrying amount of S IMMO equalled EUR 728.6 million as of 31 December 2023.

CPI Europe AG acquired 20,806,596 shares of S IMMO from its core shareholder, CPI Property Group, on 25 September 2024. The purchase price totalled EUR 448.4 million, or EUR 21.55 per S IMMO share. The purchase was financed in part by a long-term credit facility of roughly EUR 339.8 million at standard market conditions which was provided to CPI Europe by CPIPG. On 11 December 2024, CPI Europe AG successfully completed the squeeze-out of the non-controlling interests in S IMMO AG. S IMMO shareholders received a cash settlement of EUR 22.05 per share. CPI Europe AG now holds 100% of the shares in S IMMO, directly and indirectly, following the completion of the squeeze-out. The carrying amount of S IMMO equalled EUR 1,294.2 million as of 31 December 2024.

The impairment losses recognised to shares in subsidiaries amounted to EUR 20.6 million and resulted primarily from a write-down of EUR 6.6 million to the wholly owned subsidiary IMMOWEST Immobilien Anlagen GmbH, a write-down of EUR 14.0 million to the wholly owned subsidiary IMMOFINANZ Services Poland Sp.z.o.o. (2023: impairment losses of EUR 667.2million; related chiefly to IMMOWEST Immobilien Anlagen GmbH at EUR 108.1 million and to IMBEA IMMOEAST Beteiligungsverwaltung GmbH at EUR 559.0 million).

The most important item under loans granted to subsidiaries is the loan to Warsaw Spire Tower Sp.z.o.o. with a carrying amount of EUR 110,403,086.45 (31 December 2023: TEUR 102,023). The additions and reductions to loans granted to subsidiaries consist primarily of drawdowns and repayments during the 2024 financial year. Of the total loans granted to subsidiaries, EUR 0.00 (31 December 2023: TEUR 0) is due within one year.

Non-current securities include shares in the Vienna Stock Exchange corporation with a value of EUR 1,000,699.26 (31 December 2023: TEUR 1,001).

Other originated loans include EUR 280,000.00 (31 December 2023: TEUR 145) which are due within one year.

Current assets

Receivables
Receivables from subsidiaries are classified as current when a specific payment term was not defined. However, these receivables are only collected if permitted by the liquidity situation of the respective creditor.

The receivables due from subsidiaries are classified as follows:

	31 12 2024 EUR	31 12 2023 TEUR
Receivables from direct loans	381,121,998.42	406,931
Impairment losses to receivables from direct loans	–128,477,125.78	–140,240
Trade receivables	20,566,020.68	1,992
Receivables from tax charges	45,104,828.62	23,164
Miscellaneous	122,000.46	11,130
Total receivables from subsidiaries	**318,437,722.40**	**302,978**

The method used to estimate the impairment losses is described in the section on accounting and valuation principles.

Prepaid expenses
This position consists primarily of expenses arising from the issue of the corporate bond 2020–2027. The discount for this corporate bond was capitalised and will be released over the respective term. As of 31 December 2024, the discount equalled EUR 2,029,395.47 (31 December 2023: TEUR 2,760).

Deferred tax assets
Deferred tax assets as the balance between deferred tax assets and deferred tax liabilities totalled EUR 32,975,842.00 as of 31 December 2024 (31 December 2023: TEUR 47,537). The deferred tax assets were recognised on differences between the tax base and the accounting base under commercial law as of the balance sheet date based on a corporate tax rate of 23% (see the section on income taxes in the notes to the income statement).

Equity and liabilities

Equity
Share capital totals EUR 138,669,711.00 and is divided into 138,669,711 shares, each of which represents an equal stake in share capital.

A total of 695,585 treasury shares were held as of 31 December 2024 (31 December 2023: 695,585).

Authorisations of the annual general meeting to purchase and sell treasury shares
The annual general meeting on 29 May 2024 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1a) and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital during a period of 30 months. The shares may be purchased over the stock exchange or over the counter. The Executive Board was also authorised, with the consent of the Supervisory Board, to exclude the proportional subscription rights of shareholders.

The Executive Board was also authorised, with the consent of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act during a period of five years, whereby the proportional subscription rights of shareholders can be excluded.

The authorisation for the purchase and sale of treasury shares has not been used to date and is therefore available in full.

Authorised capital

The annual general meeting on 29 May 2024 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 69,334,855.00 through the issue of up to 69,334,855 new shares in exchange for cash or contributions in kind. The authorisation is valid up to 8 October 2029. The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in full or in part. The shares issued based on this authorisation in exchange for cash contributions and under the exclusion of shareholders' subscription rights may not exceed EUR 13,866,971.00, which represents roughly 10% of the company's share capital at the time the resolution was passed by the annual general meeting.

This authorisation to increase share capital has not been used to date and is therefore available in full.

Convertible bonds and conditional capital

The annual general meeting on 29 May 2024 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 174 (2) of the Austrian Stock Corporation Act to issue convertible bonds up to a total nominal value of EUR 563,553,701.00 which are connected with exchange and/or subscription rights for up to 13,866,971 bearer shares of the company with a proportional share of EUR 13,866,971.00 in share capital. These convertible bonds may be issued in multiple tranches and within a period of five years. Moreover, the Executive Board was authorised to determine all other conditions as well as the issue and exchange procedures for the convertible bonds. The convertible bonds can be issued in exchange for cash or contributions in kind. The subscription rights of shareholders are excluded.

Share capital was conditionally increased by up to EUR 13,866,971.00 through the issue of up to 13,866,971 new bearer shares in accordance with §159 (2) no. 1 of the Austrian Stock Corporation Act. The purpose of this conditional capital increase is the issue of shares to the holders of the convertible bonds which were issued in accordance with a resolution of the annual general meeting on 29 May 2024.

The authorisation for the issue of convertible bonds has not been used to date and is therefore available in full.

Provisions

The other provisions were created primarily for auditing services, tax consulting and legal advising fees (EUR 0.6 million; (31 December 2023: EUR 0.5 million) and for unused vacation time and bonuses (EUR 2.2 million; 31 December 2023: EUR 1.9 million). CPI Europe AG was not involved in any material legal proceedings as of 31 December 2024 or 31 December 2023.

Liabilities

Corporate bond 2020–2027

On 8 October 2020, CPI Europe AG issued a fixed-interest, unsecured, non-subordinated bond with a volume of EUR 500.0 million. It has a seven-year term and a fixed coupon of 2.50% per year. The outstanding carrying amount of the corporate bond (nominal value: EUR 237.8 million), including accrued interest, equalled EUR 239.1 million as of 31 December 2024 (31 December 2023: EUR 239.1 million).

Liabilities with subsidiaries

Liabilities with subsidiaries are classified as current when a specific payment term was not defined. The amounts due to subsidiaries consist entirely of other liabilities and generally involve loans of EUR 1,091,067,930.06 from subsidiaries (31 December 2023: TEUR 626,392). Of this total, EUR 218,251,972.29 (31 December 2023: TEUR 0) represent financing for the purchase of S IMMO shares. The loans to subsidiaries include EUR 21,796,807.26 (31 December 2023: TEUR 110,597) with a remaining term of more than five years.

Other liabilities

Other liabilities consist chiefly of tax liabilities totalling EUR 215,172.70 (31 December 2023: TEUR 259) and social security liabilities of EUR 217,416.07 (31 December 2023: TEUR 217), most of which are payable after the balance sheet date.

Guarantees

CPI Europe AG has issued comfort letters on behalf of individual subsidiaries to guarantee their solvency. These comfort letters confirm that the involved companies will be able to meet their payment obligations at any time and oblige CPI Europe AG to ensure that sufficient funds will be available to meet all liabilities at maturity. Furthermore, CPI Europe AG is obliged to undertake all other necessary measures required by the applicable insolvency laws. CPI Europe AG is also required to subordinate all liabilities held by CPI Europe AG that represent debt from the viewpoint of the involved company and must take a secondary position to all other creditors who are not shareholders of the involved companies or are subordinated in another manner.

The company has provided guarantees or pledges of EUR 477,764,870.80 (31 December 2023: TEUR 103,687) to financial institutions on behalf of subsidiaries. CPI Europe AG has also accepted liabilities of EUR 0.00 (31 December 2023: TEUR 0) to third parties on behalf of subsidiaries.

	31 12 2024 EUR	31 12 2023 TEUR
Guarantees for bank loans	477,764,870.80	103,687
Other guarantees	0.00	0
Total	**477,764,870.80**	**103,687**
thereof on behalf of subsidiaries	477,764,870.80	103,687

In addition to the above-mentioned guarantees, the reporting company issued a hard comfort letter to cover liabilities. This comfort letter has an unlimited volume and a limited term ending on 30 September 2029.

4. Notes to the Income Statement

Revenues

Revenues consist of management fees charged out to the Group companies.

CPI Europe AG and IMBEA IMMOEAST Beteiligungsverwaltung GmbH are executive holding companies that provide management services to subsidiaries in Austria and other countries. The performance-based allocation of costs between the two companies is based on third-party settlement conditions. In 2024, CPI Europe AG invoiced a total of EUR 15,461,784.15 (2023: TEUR 16,835) to IMBEA IMMOEAST Beteiligungsverwaltung GmbH for costs carried by CPI Europe AG that are economically attributable to IMBEA IMMOEAST Beteiligungsverwaltung GmbH.

Other operating income

Other operating income in 2024 consisted primarily of the release of individual valuation adjustments totalling EUR 19,380,378.85 (2023: TEUR 0).

Other operating expenses

Impairment losses to and the derecognition of receivables totalled EUR 10,399,077.98 in 2024 (2023: TEUR 25,708), whereby EUR 10,399,077.98 (2023: TEUR 25,708) represented impairment losses to receivables due from subsidiaries.

This position also includes consulting fees of EUR 2,097,188.12 (2023: TEUR 2,843), leasing and rental expenses of EUR 809,365.35 (2023: TEUR 946), IT costs of EUR 3,038,373.18 (2023: TEUR 2,783) and advertising expenses of EUR 931,066.23 (2023: TEUR 1,447).

Information on the expenses for the auditor is provided in the consolidated financial statements of CPI Europe (www.cpi-europe.com/en/investor-relations/financial-reports).

The remuneration for the members of the Supervisory Board is approved during the current financial year for the previous financial year and subsequently distributed. A provision of EUR 364,430.00 was recognised to cover the Supervisory Board remuneration for the 2024 financial year (31 December 2023: TEUR 210).

Income from investments

This position consists primarily of the dividends received from IMBEA IMMOEAST Beteiligungsverwaltung GmbH (EUR 7,000,000.00; 2023: TEUR 463,572), IMMOFINANZ Services Hungary Kft. (EUR 0.00; 2023: TEUR 86,319), S IMMO AG (EUR 125,715,418.00; 2023: TEUR 0), and EHL Immobilien GmbH (EUR 2,994,897.27; 2023: TEUR 5,846).

Income from other securities (financial assets)

The income from other securities consists chiefly of interest income of EUR 15,190,573.68 (2023: TEUR 12,626) from loans granted to subsidiaries.

Interest and similar income

Interest and similar income include, above all, interest income of EUR 26,924,907.79 (2023: TEUR 27,039) from Group receivables. The write-downs to the interest income from Group receivables totalled EUR 10,043,999.34 (2023: TEUR 21,256).

Income from the disposal and write-up of financial assets and current securities

This position includes a write-up of EUR 36,881,243.30 (2023: TEUR 0) to shares in subsidiaries.

Expenses arising from financial assets

Impairment losses of EUR 20,616,704.00 were recognised to shares in subsidiaries in 2024 (2023: TEUR 667,234).- see the section on "non-current assets" in the notes to the balance sheet.

Interest and similar expenses

This position includes interest expense of EUR 47,198,799.53 (2023: TEUR 57,931) on liabilities to subsidiaries and interest expense of EUR 6,691,630.56 (2023: TEUR 7,320) on bonds.

Income taxes

This position comprises the following items:

	31 12 2024 EUR	31 12 2023 TEUR
Corporate income tax	–9,924,205.00	–109
Corporate income tax, prior years	3,597,328.00	0
Withholding tax	–604,165.02	–532
Income tax expense (Group taxation), other periods	–78,614.79	0
Income tax expense (Group taxation)	0.00	0
Income tax credits (Group taxation)	45,038,265.40	15,924
Income tax credits (Group taxation), other periods	142,938.04	7,279
Deferred tax expense	–14,561,628.00	–1,999
Deferred tax credits	0.00	49,536
Addition/reduction to provision for negative tax charges to Group members	2,056,983.75	–8,468
Total	**25,666,902.38**	**61,631**

Deferred taxes result from the following temporary differences between the carrying amounts of the following positions under tax law and commercial law:

	31 12 2024 EUR	31 12 2023 TEUR
Intangible assets	–95,669.63	3
Property, plant and equipment	359,853.34	163
Investments in associated and jointly controlled entities	26,111.16	29
Treasury shares	11,612,169.51	16,768
Provisions for termination benefits	0.00	70
Bonds	1,124,581.27	1,461
Total – total difference calculation	**13,027,045.65**	**18,493**
Plus 75% tax loss carryforwards	130,346,180.44	188,191
Minus calculation of surplus deferred tax assets	0.00	0
Total	**143,373,226.09**	**206,685**
thereof 23% corporate income tax = balance of deferred tax assets	**32,975,842.00**	**47,537**

Other Disclosures

Information on size pursuant to § 221 of the Austrian Commercial Code

The company is classified as a large corporation based on the criteria defined in § 221 of the Austrian Commercial Code.

Information on Group taxation pursuant to § 9 of the Austrian Corporate Tax Act

In the 2004/05 financial year, the Austrian CPI Europe companies joined together into a corporate group in the sense of § 9 of the Austrian Corporate Tax Act. CPI Europe AG serves as the lead company of this group. The lead company and the members of the tax group concluded an agreement for the settlement of taxes, which was amended in 2011/12. In accordance with the amended agreement, each member with positive results must pay a tax charge to the lead company. The charge equals 23% of the assessment base and is based on the tax rate defined in § 22 (1) of the Austrian Corporate Tax Act. Any losses by the group members are registered and can be offset in full against taxable profit recorded by the respective member in subsequent years. Group members with registered tax losses are not required to make payments to the lead company; no payments for (negative) charges are made by the lead company to the group members.

The S IMMO Group also had a corporate tax group pursuant to § 9 of the Austrian Corporate Tax Act with S IMMO AG as the lead company of this group. This tax group was integrated in the CPI Europe tax group during 2023. Based on the tax assessment agreement concluded between CPI Europe AG and the S IMMO companies, S IMMO AG with its subsidiaries forms a separate accounting entity for the tax charge. If S IMMO AG generates positive results, it is required to pay a (positive) tax charge to the head of the group equal to 20% of the assessment base. The generation of positive results by the S IMMO group members results in the payment of a (positive) tax charge to S IMMO AG equal to 23% of the assessment base. Losses incurred by the tax subgroup, respectively by the S IMMO group members are registered and can be offset in full against taxable profit recorded by the respective tax subgroup or S IMMO group member in subsequent years. Group members with registered tax losses are not required to make payments to the lead company; no payments for (negative) charges are made by the lead company to the group members. Payments by S IMMO AG to the lead company or by an S IMMO group member to S IMMO AG are not required when registered losses are utilised. No payments for (negative) charges are made by the lead company to S IMMO AG or by S IMMO AG to the S IMMO group members.

Related party transactions as defined in § 238 no. 12 of the Austrian Commercial Code

The market conformity of transactions with related parties and persons is documented and regularly monitored.

Minimum taxation in the sense of § 238 no. 3a of the Austrian Commercial Code

In December 2022, the member states of the European Union approved an EU directive on the implementation of a global minimum tax for multinational enterprise groups and large-scale domestic groups in the Union (EU Directive No. 2022/2523 from 14 December 2022). The guideline required implementation by the EU member states into national law by 31 December 2023 with enactment as of 1 January 2024. The directive calls for an additional tax on profits that are taxed at an effective tax rate of less than 15%.

This EU directive was implemented in Austria as of 1 January 2024 through the Minimum Tax Reform Act, Federal Gazette No. 187/2023 ("Mindestbesteuerungsreformgesetz BGBl 187/2023").

The takeover of CPI Europe AG and S IMMO AG by CPI Property Group S.A. in 2022 resulted in total revenues that exceeded the threshold of EUR 750 million. Consequently, CPI Europe AG and the CPI Europe companies are subject to the provisions of the Minimum Tax Reform Act. CPI Property Group S.A. is the ultimate parent company of CPI Europe AG and the CPI Europe group companies.

However, CPI Europe AG qualifies as a parent company in part ownership because over 20% of its shares are held by parties outside the Group. CPI Europe AG is therefore subject to the provisions of the Minimum Tax Reform Act on the low-taxed business units under its control and is required to pay a minimum tax in Austria.

All major countries (with the exception of Poland) where CPI Europe Group is active have enacted national tax regulations for minimum taxation in accordance with the EU directive which took effect at the end of 2022. These countries have implemented the regulations through a national top-up tax that took effect as of 1 January 2024. It is expected that top-up tax will be chargeable to the CPI Europe companies in Hungary (9%), Cyprus (12.5%), Croatia (10%, resp. 18%), Poland (9%, resp. 19%) and Bulgaria (10%) because the applicable nominal tax rates in these countries are currently below 15%. It is also expected that, in the end, a national top-up tax will be introduced in all countries.

CPI Europe AG can require compensation from the other business units for the minimum tax it pays in line with the regulations defined by company law but no compensatory agreements have been concluded to date.

The quantitative effects from the application of the Minimum Tax Reform Act are currently under evaluation. Due to the complexity of the analyses and the fact that the necessary reporting processes must still be developed, the effects cannot be reliably estimated at the present time.

The applicability of a top-up tax at the level of CPI Europe AG in 2024 was evaluated as follows:

A country-specific report (CbCR) prepared by CPI Property Group S.A. involved an assessment in the individual jurisdictions based on the jurisdictional blending approach to determine whether and to what extent a top-up tax could result in the individual jurisdictions in 2024 which would have been payable by CPI Europe AG as a parent company in part ownership.

The basis for the analysis of a need for a provision as of 31 December 2024 was formed by the country-specific report for 2023 because it includes the latest calculations for a possible provision. This analysis assumed that the companies in all jurisdictions carried out similar activities at a similar scope in 2024 compared to 2023, against the background of constant economic conditions.

The analysis indicated that no material top-up taxes are to be expected in 2024 due to the effective tax rates of over 15% in the individual jurisdictions. Only Hungary and Cyprus could be affected by a possible top-up tax. In Hungary, however, the effective tax burden should also exceed 15% due to the local business (innovation) tax. The analysis for Cyprus did not identify any material top-up taxes. A provision for Hungary and Cyprus is, consequently, not required.

In accordance with § 198 (10) sentence 3 no. 4 of the Austrian Commercial Code, deferred taxes arising from the application of the Minimum Tax Reform Act or a comparable foreign law were also not recognised in 2024.

CPI Europe AG held tax loss carryforwards totalling EUR 2,689,149,453.00 as of 31 December 2024 (31 December 2023: TEUR 2,685,325).

In addition, CPI Europe AG held deductible temporary partial depreciation charges on investments ("Siebentelabschreibung") totalling EUR 11,639,709.24 as of 31 December 2024 (31 December 2023: TEUR 16,799).

Obligations from the use of tangible assets not reported on the balance sheet

	31 12 2024 EUR	31 12 2023 TEUR
Obligations for the following year	873,639.72	891
Obligations for the following five years	3,963,914.08	4,198

Average number of employees

	31 12 2024	31 12 2023
Salaried employees	112	132
Total	**112**	**132**

Non-financial statement

CPI Europe and its subsidiaries are exempt from the requirement under § 243b (7) of the Austrian Commercial Code to prepare a non-financial statement because this information is included in the consolidated non-financial statement of CPI Europe AG as part of the consolidated management report. The reference for all non-financial disclosures (including disclosures on the EU Taxonomy) is the consolidated non-financial statement of the CPI Europe Group, which is included the consolidated management report. This non-financial statement was prepared in agreement with European Sustainability Reporting Standards (ESRS) and also meets the requirements of the Austrian Sustainability and Diversity Improvement Act.

Investments in subsidiaries and other companies

The following list of shares in subsidiaries and investments in other companies includes only material entities (carrying amount as of 31 December 2024 over EUR 1.00):

Company	Balance sheet date	Share owned	Equity as of the balance sheet date		Profit / loss for the year	
IMBEA IMMOEAST Beteiligungsverwaltung GmbH, Vienna	31 December 2024	100%	1,195,264,667.09	EUR	8,183,654.77	EUR
IMMOWEST Immobilien Anlagen GmbH, Vienna	31 December 2023	100%	51,913,048.42	EUR	–108,112,077.66	EUR
EHL Immobilien GmbH, Vienna	31 December 2024	49%	3,739,112.90	EUR	3,629,112.90	EUR
IMMOEAST Acquisition & Management GmbH, Vienna	31 December 2023	100%	4,824,466.70	EUR	–72,467.33	EUR
Immofinanz Services d.o.o., Belgrade	31 December 2023	100%	574,261.00	TRSD	–7,578.00	TRSD
Immofinanz Services Poland Sp. z o.o., Warsaw	31 December 2023	100%	337,301,877.98	PLN	–704,412.47	PLN
IMMOFINANZ Services Hungary Kft., Budapest	31 December 2023	100%	77,666,402.00	THUF	–1,757,048.00	THUF
IMMOFINANZ Services Slovak Republic, s.r.o., Bratislava	31 December 2023	99%	52,504,778.00	EUR	–630,931.00	EUR
IMMOFINANZ Services Czech Republic, s.r.o., Prague	31 December 2023	100%	8,730,066.00	TCZK	–184,900.00	TCZK
IMMOFINANZ Services Romania s.r.l., Bucharest	31 December 2023	99%	1,265,922,188.00	RON	–1,104,840.00	RON
SITUS Holding GmbH, Vienna	31 December 2023	100%	71,124.85	EUR	13,070.97	EUR
Retail Park Four d.o.o., Belgrade	31 December 2023	100%	3,033,272.00	TRSD	345,701.00	TRSD
S IMMO AG, Vienna	31 December 2024	89%	981,850,924.58	EUR	322,951,120.19	EUR
SC Czech AGL s.r.o., Prague	31 December 2023	100%	1,933,026.00	TCZK	751.00	TCZK
Eastella Beteiligungsverwaltungs GmbH, Vienna	Company founded in 2024	n/a	n/a	n/a	n/a	n/a

The comparative data from the previous year are as follows:

Company	Balance sheet date	Share owned	Equity as of the balance sheet date		Profit / loss for the year	
IMBEA IMMOEAST Beteiligungsverwaltung GmbH, Vienna	31 December 2023	100%	1,204,081,012.32	EUR	–26,567,508.11	EUR
IMMOWEST Immobilien Anlagen GmbH, Vienna	31 December 2022	100%	160,025,126.08	EUR	–70,689,899.73	EUR
EHL Immobilien GmbH, Vienna	31 December 2023	49%	7,945,942.63	EUR	7,835,942.63	EUR
IMMOEAST Acquisition & Management GmbH, Vienna	31 December 2022	100%	4,896,934.03	EUR	–24,920.34	EUR
Immofinanz Gamma Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H., Vienna	31 December 2022	100%	78,196.38	EUR	–5,938.27	EUR
Immofinanz Services d.o.o., Belgrade	31 December 2022	100%	581,204.00	TRSD	836.00	TRSD
Immofinanz Services Poland Sp. z o.o., Warsaw	31 December 2022	100%	338,006,290.45	PLN	787,710.89	PLN
IMMOFINANZ Services Hungary Kft., Budapest	31 December 2022	100%	111,424,000.00	THUF	31,137,000.00	THUF
IMMOFINANZ Services Slovak Republic, s.r.o., Bratislava	31 December 2022	99%	64,088,953.00	EUR	453,821.00	EUR
IMMOFINANZ Services Czech Republic, s.r.o., Prague	31 December 2022	100%	9,109,045.00	TCZK	283,234.00	TCZK
IMMOFINANZ Services Romania s.r.l., Bucharest	31 December 2022	99%	1,267,027,028.00	RON	–6,034,705.00	RON
SITUS Holding GmbH, Vienna	31 December 2022	100%	58,053.88	EUR	10,808.10	EUR
Retail Park Four d.o.o., Belgrade	31 December 2022	100%	2,687,571.00	TRSD	288,943.00	TRSD
S IMMO AG, Vienna	31 December 2023	50%	800,229,414.67	EUR	249,690,743.82	EUR
Immofinanz Services and Management d.o.o. Zagreb	31 December 2022	100%	103,912.00	HRK	30,846.00	HRK

Corporate Bodies

Executive Board

Radka Doehring – Member
Pavel Měchura – Member

The members of the Executive Board received remuneration of EUR 1,463,000.60 in 2024 (2023: TEUR 744). Contributions of EUR 23,830.13 (2023: TEUR 10) were made to the employee severance compensation fund and EUR 62,566.74 (2023: TEUR 43) to the pension fund.

Supervisory Board

Miroslava Greštiaková – Chairwoman
Martin Němeček – Vice-Chairman up to 29 May 2024
Martin Matula – Vice-Chairman since 29 May 2024
Gayatri Narayan – Member up to 29 May 2024
Iveta Krašovicová – Member since 29 May 2024
Matúš Sura – Member since 29 May 2024
Vladislav Jirka – Member since 25 January 2025
Matjey Csenky – Member since 25 January 2025

The Works Council of CPI Europe AG delegated the following persons to the Supervisory Board:
Philipp Amadeus Obermair – Member
Anton Weichselbaum – Member

Use of profit

In agreement with the corporate strategy, the Executive Board will ask the Supervisory Board to make a proposal to the annual general meeting on 20 May 2025 which calls for the waiver of a dividend for the 2024 financial year and the carryforward of these funds to strengthen the balance sheet.

Subsequent events

Two properties in Austria belonging to the S IMMO segment were sold during January 2025: Lerchenfelder Gürtel with a carrying amount of EUR 9.7 million as of 31 December 2024 and Franz-Jonas-Platz with a carrying amount of EUR 28.4 million as of 31 December 2024. Two other closings from the S IMMO segment also took place at the beginning of 2025: the sale of REGA Property Invest s.r.o. in the Czech Republic on 8 January and the sale of the Maros Business Center in Hungary on 16 January. The carrying values of the involved properties totalled EUR 31.3 million, respectively EUR 12.8 million as of 31 December 2024. Twenty-three properties from the S IMMO portfolio in Germany with a combined carrying amount of EUR 58.6 million were sold during the period from January to March 2025.

An agreement over the sale of a real estate portfolio in Bratislava to WOOD & Company was reached in February 2025. This office and retail complex consists of two myhive office buildings, one VIVO! shopping center, and a 3,200 sqm land site which had a combined carrying value of EUR 140 million as of 31 December 2024. The sale will take the form of a share deal in two tranches up to the end of 2026. Tranche 1 calls for the founding of a joint venture, while Tranche 2 covers the full sale of the portfolio. The conclusion of Tranche 1 is expected to take place in the first half of 2025, contingent upon standard contract conditions including regulatory approvals.

In March 2025, CPI Europe (excluding S IMMO) closed the sale of two sub-sections of the myhive Pankrac House office property in Prague. The carrying amount of the building equalled EUR 44.5 million as of 31 December 2024. The sale was carried out in the form of a share deal.

Vienna, 28 March 2025

The Executive Board of CPI Europe AG

Radka Doehring
Member of the Executive Board

Pavel Měchura
Member of the Executive Board

Development of Non-current Assets in acc. with § 226 (1) of the Austrian Commercial Code

	Acquisition or production cost				
Amounts in EUR	Balance on 01 01 2024	Additions	Disposals	Reclassifications	Balance on 31 12 2024
1. Trademarks and software	2,036,970.37	918,428.50	0.00	0.00	2,955,398.87
Intangible assets	**2,036,970.37**	**918,428.50**	**0.00**	**0.00**	**2,955,398.87**
1. Buildings on land owned by third parties	653,440.02	0.00	0.00	0.00	653,440.02
2. Furniture, fixtures and office equipment	2,897,582.09	200,359.23	185,194.36	0.00	2,912,746.96
Tangible assets	**3,551,022.11**	**200,359.23**	**185,194.36**	**0.00**	**3,566,186.98**
1. Investments in subsidiaries	7,481,896,426.82	642,896,260.19	0.00	0.00	8,124,792,687.01
2. Loans granted to subsidiaries	229,330,553.75	54,422,677.30	37,709,908.14	0.00	246,043,322.91
3. Investments in associated and jointly controlled entities	1,850,000.00	0.00	0.00	0.00	1,850,000.00
4. Non-current securities (rights)	1,000,699.26	0.00	0.00	0.00	1,000,699.26
5. Other originated loans	3,921,681.98	183,624.20	463,624.20	0.00	3,641,681.98
Financial assets	**7,717,999,361.81**	**697,502,561.69**	**38,173,532.34**	**0.00**	**8,377,328,391.16**
Total non-current assets	**7,723,587,354.29**	**698,621,349.42**	**38,358,726.70**	**0.00**	**8,383,849,977.01**

	Accumulated amortisation/depreciation				
Amounts in EUR	Balance on 01 01 2024	Additions	Disposals	Write-ups	Balance on 31 12 2024
1. Trademarks and software	2,019,919.72	36,184.58	0.00	0.00	2,056,104.30
Intangible assets	**2,019,919.72**	**36,184.58**	**0.00**	**0.00**	**2,056,104.30**
1. Buildings on land owned by third parties	283,881.76	221,734.94	0.00	0.00	505,616.70
2. Furniture, fixtures and office equipment	1,571,392.84	461,047.58	185,194.36	0.00	1,847,246.06
Tangible assets	**1,855,274.60**	**682,782.52**	**185,194.36**	**0.00**	**2,352,862.76**
1. Investments in subsidiaries	4,299,483,635.89	20,616,704.00	36,881,243.30	36,881,243.30	4,246,337,853.29
2. Loans granted to subsidiaries	2,034,096.95	326,780.91	0.00	120,324.32	2,240,553.54
3. Investments in associated and jointly controlled entities	0.00	0.00	0.00	0.00	0.00
4. Non-current securities (rights)	0.00	0.00	0.00	0.00	0.00
5. Other originated loans	0.00	0.00	0.00	0.00	0.00
Financial assets	**4,301,517,732.84**	**20,943,484.91**	**36,881,243.30**	**37,001,567.62**	**4,248,578,406.83**
Total non-current assets	**4,305,392,927.16**	**21,662,452.01**	**37,066,437.66**	**37,001,567.62**	**4,252,987,373.89**

	Carrying amounts	
Amounts in EUR	31 12 2024	31 12 2023
1. Trademarks and software	899,294.57	17,050.65
Intangible assets	**899,294.57**	**17,050.65**
1. Buildings on land owned by third parties	147,823.32	369,558.26
2. Furniture, fixtures and office equipment	1,065,500.90	1,326,189.25
Tangible assets	**1,213,324.22**	**1,695,747.51**
1. Investments in subsidiaries	3,878,454,833.72	3,182,412,790.93
2. Loans granted to subsidiaries	243,802,769.37	227,296,456.80
3. Investments in associated and jointly controlled entities	1,850,000.00	1,850,000.00
4. Non-current securities (rights)	1,000,699.26	1,000,699.26
5. Other originated loans	3,641,681.98	3,921,681.98
Financial assets	**4,128,749,984.33**	**3,416,481,628.97**
Total non-current assets	**4,130,862,603.12**	**3,418,194,427.13**

Management Report for the 2024 Financial Year

A. General Information

CPI Europe AG is a listed real estate company in Austria. Its headquarters are located at 1100 Vienna, Wienerbergstrasse 9. It is the ultimate parent company of CPI Europe Group (CPI Europe) whose business activities cover the rental, development, acquisition and best possible commercial utilisation of properties. CPI Europe AG is listed in the ATX index (ISIN AT 0000A21KS2) of the Vienna Stock Exchange and is also traded on the Warsaw Stock Exchange. As of 31 December 2024, the company had 138,669,711 zero par value, voting shares outstanding. Market capitalisation amounted to approximately EUR 2.1 billion as of 31 December 2024 based on a closing price of EUR 14.92 per share on that date.

With CPI Property Group, CPI Europe has a large, stable and long-term oriented core shareholder and is part of a very large and successful quality real estate provider with long-standing expertise in Central and Eastern Europe.

B. Activities

The core business of CPI Europe covers the management and development of retail and office properties in selected Central and Eastern European countries. The company's activities in the office sector with its international myhive brand are concentrated exclusively on the capital cities of the core countries and on the largest office locations in Germany. The expansion of the retail portfolio is focused on the STOP SHOP and VIVO! brands, which are designed primarily for secondary and tertiary cities. The CPI Europe real estate portfolio covered 417 properties with a carrying amount of EUR 8.0 billion as of 31 December 2024. The company's goal is to create and maintain a high-quality, profitable portfolio of commercial properties.

C. Business Development

Assets
The assets held by CPI Europe AG consist primarily of financial assets and receivables due from subsidiaries. The balance sheet total rose by EUR 643,431,409.45 year-on-year to EUR 4,506,195,706.18 as of 31 December 2024. This increase resulted primarily from the purchase of shares in subsidiaries. A negative effect involved the reduction in deposits with credit institutions. The equity ratio equalled 69.82% as of 31 December 2024 (31 December 2023: 77.03%).

Earnings
Net profit for the 2024 financial year equalled EUR 170,560,287.36 (31 December 2023: loss of TEUR 132,382) and resulted primarily from the revaluation of shares in subsidiaries and earnings from investments in other companies.

Financial position
The change in cash and cash equivalents amounted to TEUR -32,459 (31 December 2023: TEUR -103,731). Net cash flow from operating activities totalled TEUR 31,723 (31 December 2023: TEUR 41,470), and net cash flow from investing activities equalled TEUR -234,450 (31 December 2023: TEUR 166,411). Net cash flow from financing activities amounted to TEUR 170,267 (31 December 2023: TEUR -311,613).

Net cash flow from operating activies	2024 TEUR	2023 TEUR
Profit/loss for the year	144,893	–194,013
Depreciation and amortisation	719	788
Impairment losses to financial assets	20,943	669,250
Write-ups to financial assets	–37,002	0
Loss/gain on the disposal of tangible and intangible assets	0	–13
Loss/gain on the disposal of financial assets	0	15
Income from investments, income from other securities and loans from financial assets, other interest and similar income/interest and similar expenses	–139,902	–534,610
Change in valuation adjustments to receivables	–2,661	17,837
Release of provisions	–350	–417
Non-cash write-offs of receivables	10,399	25,708
Non-cash interest income and expenses	11,843	24,891
Non-cash release of valuation adjustments to receivables	–19,501	0
Non-cash management fees	955	–1,895
Net cash flow from the operating result	–9,662	7,542
Change in receivables and current securities	–4,588	18,413
Change in liabilities	22,133	2,777
Change in provisions	498	131
Change in prepaid expenses and deferred charges	181	195
Net cash flow from operating activities (before tax)	8,562	29,058
Income tax payments	23,161	12,412
Total	**31,723**	**41,470**
Net cash flow from investing activities		
Investments in tangible and intangible assets	–1,119	–366
Investments in financial assets	–464,635	–116,452
Loans receivable	42,680	45,086
Proceeds from the disposal of tangible assets	0	102
Proceeds from the disposal of financial assets	38,174	66,222
Payments received for income from investments, interest and securities	150,451	171,819
Total	**–234,450**	**166,411**
Net cash flow from financing activities		
Increase/decrease in borrowings	0	–18,817
Increase/decrease in bonds	0	–204,300
Loans payable	180,817	–65,287
Payments made for interest and similar expenses	–10,549	–23,209
Total	**170,267**	**–311,613**
Cash change in cash and cash equivalents	**–32,459**	**–103,731**
Change in cash and cash equivalents		
Balance at the beginning of the period	85,211	188,942
Balance at the end of the period	52,752	85,211
Total	**–32,459**	**–103,731**

Non-financial performance indicators / environmental issues
CPI Europe is committed to the responsible use of natural resources, the use of climate-friendly technologies, a systematic energy savings strategy, the refurbishment of building substance worth preserving, and the construction of efficient new buildings. This reduces operating costs and emissions and also contributes to environmental protection and tenant satisfaction.

Corporate goals include the steady reduction of energy consumption as well as an increase in the energy efficiency of the standing investment portfolio and the related energy savings. The environmental impact is estimated prior to the start of new activities or projects, and the results of these analyses are integrated in the decision process. Plans also include the gradual expansion of sustainability certification for development projects and standing investments. These certifications reduce environmental risks and help to improve the environmentally friendly use of space and increase efficiency.

D. Information on Equity

The share capital of CPI Europe equalled EUR 138,669,711.00 as of 31 December 2024 (31 December 2023: EUR 138,669,711.00) and was divided into 138,669,711 zero par value shares with voting rights, each of which represented a proportional share of EUR 1.00 in share capital.

Treasury Shares

Treasury shares held
The company held 695,585 treasury shares with a proportional share of EUR 695,585.00 in share capital as of 31 December 2024 (31 December 2023: 695,585 treasury shares with a proportional share of EUR 695,585.00 in share capital). These treasury shares represented approximately 0.5% of share capital.

Authorisations of the annual general meeting to purchase and sell treasury shares
The annual general meeting on 29 May 2024 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1a) and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital during a period of 30 months. The shares may be purchased over the stock exchange or over the counter. The Executive Board was also authorised, with the consent of the Supervisory Board, to exclude the proportional subscription rights of shareholders.

The Executive Board was also authorised, with the consent of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act during a period of five years, whereby the proportional subscription rights of shareholders can be excluded.

The authorisation for the purchase and sale of treasury shares has not been used to date and is therefore available in full.

Authorised Capital

The annual general meeting on 29 May 2024 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 69,334,855.00 through the issue of up to 69,334,855 new shares in exchange for cash or contributions in kind. The authorisation is valid up to 8 October 2029. The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in full or in part. The shares issued based on this authorisation in exchange for cash contributions and under the exclusion of shareholders' subscription rights may not exceed EUR 13,866,971.00, which represents roughly 10% of the company's share capital at the time the resolution was passed by the annual general meeting.

This authorisation to increase share capital has not been used to date and is therefore available in full.

Convertible bonds and conditional capital

The annual general meeting on 29 May 2024 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 174 (2) of the Austrian Stock Corporation Act to issue convertible bonds up to a total nominal value of EUR 563,553,701.00 which are connected with exchange and/or subscription rights for up to 13,866,971 bearer shares of the company with a proportional share of EUR 13,866,971.00 in share capital. These convertible bonds may be issued in multiple tranches and within a period of five years. Moreover, the Executive Board was authorised to determine all other conditions as well as the issue and exchange procedures for the convertible bonds. The convertible bonds can be issued in exchange for cash or contributions in kind. The subscription rights of shareholders are excluded.

Share capital was conditionally increased by up to EUR 13,866,971.00 through the issue of up to 13,866,971 new bearer shares in accordance with §159 (2) no. 1 of the Austrian Stock Corporation Act. The purpose of this conditional capital increase is the issue of shares to the holders of the convertible bonds which were issued in accordance with a resolution of the annual general meeting on 29 May 2024.

The authorisation for the issue of convertible bonds has not been used to date and is therefore available in full.

Change of control provisions

Corporate bond 2020–2027

The terms and conditions of the corporate bond 2020–2027 (XS2243564478) issued in October 2020 entitle the bondholders to terminate their bonds and demand immediate repayment at 101% of the nominal value plus accrued interest as of the respective date when a controlling investment (also taking into account the reduced threshold defined by the articles of association) in the company, as defined in the Austrian Takeover Act, is acquired and results in a mandatory takeover offer. Details on these provisions are provided in the issue terms of the bonds.

Property financing

The material property financing agreements concluded by CPI Europe and its subsidiaries generally include standard market cancellation rights for the lenders in the event of a change of control.

Bonds issued by S IMMO AG

The bonds held by S IMMO AG as of 31 December 2024 are listed in the following table:

ISIN	Nominal value as of 31 12 2024 in TEUR	Coupon	Issued in year	Maturity
AT0000A2MKW4 (Green Bond)	70,450	1.75%	2021	04 02 2028
AT000A2UVR4 (Green Bond)	25,059	1.25%	2022	11 01 2027
AT0000A1DBM5	15,890	3.25%	2015	09 04 2025
AT0000A1DWK5	34,199	3.25%	2015	21 04 2027
AT0000A1Z9C1	50,000	2.875%	2018	06 02 2030
AT0000A285H4	150,000	1.875%	2019	22 05 2026
AT0000A2AEA8	100,000	2.00%	2019	15 10 2029
AT0000A35Y85 (Green Bond)	75,0000	5.50%	2023	12 07 2028
Total	**520,597**			

The terms and conditions of the bonds issued in 2015 and the green bonds issued in 2021, 2022 and 2023 entitle the bondholders, in the event of a change of control, to put their bonds and demand immediate repayment. The terms and conditions of the bonds issued in 2018 and 2019 entitle the bondholders, in the event of a change of control, to put their bonds if the change of control materially impairs the ability of S IMMO to meet its obligations under the bond. A change of control as defined in the bond terms and conditions occurs when one or more persons acting in consort, or a third party or persons acting for such person or persons, at any time, directly or indirectly (i) hold(s) more than 50% of the voting rights connected with the issuer's shares (excluding the maximum voting right) or (ii) has(have) the right to determine the majority of the issuer's management board members and/or shareholder representatives on the issuer's supervisory board. According to the terms and conditions of the bonds issued in 2019, a change of control is also assumed to take place when the maximum voting right is legally cancelled and one or more persons acting in consort, or a third party or persons acting for such person or persons, at any time, directly or indirectly, has(have) purchased more than 30% of the voting rights connected with the issuer's shares. According to the terms and conditions of the green bonds issued in 2021, 2022 and 2023, a change of control is also assumed to take place when one or more persons acting in consort, or a third party or persons acting for such person or persons, at any time, directly or indirectly, acquire(s) a controlling interest as defined in the Austrian Takeover Act which triggers a mandatory takeover offer

All bond liabilities are due and payable at maturity.

Executive Board und Supervisory Board

The Executive Board contracts with Radka Doehring and Pavel Měchura do not include a change-of-control clause.

There are no such agreements for the members of the Supervisory Board or for employees.

The company has no other significant agreements which would enter into force, change or terminate in the event of a change of control that results from a takeover bid.

Amendments to the articles of association, board appointments and dismissals

In accordance with § 21 of the articles of association, the annual general meeting passes its resolutions based on a simple majority of the votes cast and, for resolutions that require a majority of capital, based on a simple majority of the share capital represented at the time of voting, unless legal regulations require a different majority. The same applies to amendments to the articles of association and to the premature dismissal of members from the Supervisory Board.

The person chairing the respective meeting casts the deciding vote in the event of a tie in voting on the Supervisory Board in accordance with the articles of association. This also applies to the election to and dismissal of members from the Executive Board.

The corporate governance report included in this annual report, which was expanded to include the consolidated corporate governance report, is available on the company's website under https://cpi-europe.com.

Significant holdings

Information reported to the company, directors' dealings notifications and other disclosures show the following investments and attributed voting rights which exceeded 4% of share capital as of 31 December 2024:

- Radovan Vitek (via CPI Property Group S.A.): 76.64% (above 75% in shares and 1.64% in financial/other instruments; based on a holdings notification dated 22 May 2024 and a directors' dealings report dated 16 December 2024)
- Morgan Stanley: 6.00% (1.74% in shares and 4.27% in financial/other instruments; based on a holdings notification dated 12 November 2024)

The company was informed through a directors' dealings report dated 28 February 2025, i.e. after the end of the reporting period, that the investment held by CPI Property Group S.A. equals 78.44% (75.00% in shares and 3.44% in financial/other instruments). A holdings notification dated 4 March 2025 informed the company that the investment held by Morgan Stanley equals 4.28% (2.02% in shares and 2.26% in financial/other instruments).

E. Research and Development

Technological and social transformation as well as the fight against climate change have an influence on the real estate sector. In order to be optimally positioned to also offer efficient and profitably manageable property solutions in the future, CPI Europe monitors the changes in work processes as well as the influence of environmental factors and tenants' demands on space and building concepts. The focus on training and continuing education has been increased to support internal innovation strength and sustainability efforts. CPI Europe also maintains regular contacts with other companies and organisations and is a member of numerous associations and institutions like IG Lebenszyklus, the Austrian Council of Shopping Places and the Green Building Council. Apart from these diverse activities, CPI Europe did not invest any funds in 2024 that could be classified as conventional research and development. This type of information is there fore not provided.

F. Branch Offices

CPI Europe AG has no branch offices.

G. Financial Instruments and Risk Reporting

As an international real estate investor, property owner and project developer, CPI Europe is exposed to a variety of general and branch-specific risks in its business operations. An integrated risk management process provides the Group with a sound basis for the timely identification of potential risks and the assessment of the potential consequences.

Risks represent the possibility of deviating from planned targets as the result of "coincidental" disruptions caused by the unpredictable nature of the future. In this connection, negative variances are considered risks in the strict sense of the term and positive variances are seen as opportunities.

Principles of integrated risk management

The structure of risk management at CPI Europe (excluding S IMMO) is based on the rules of the Austrian Corporate Governance Code and the integrated framework of the COSO ERM*, an internationally recognised concept for the design of risk management systems.

Based on the hedging and management instruments currently in use, no material risks can be identified at the present time that would endanger the standing of CPI Europe (excluding S IMMO) as a going concern. The overall risk situation for the company and for the entire market in 2024 was influenced by the challenging political and macroeconomic environment. The major risk categories are discussed in greater detail at the end of this risk report.

CPI Europe has anchored the procedures for handling risk in a Group-wide risk management system, which is integrated in business practices and reporting paths and has a direct influence on processes and strategic decisions. Risk management takes place at all levels through internal guidelines, reporting systems and the internal control system (ICS) which is monitored by the internal audit department.

* Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management; coso.org

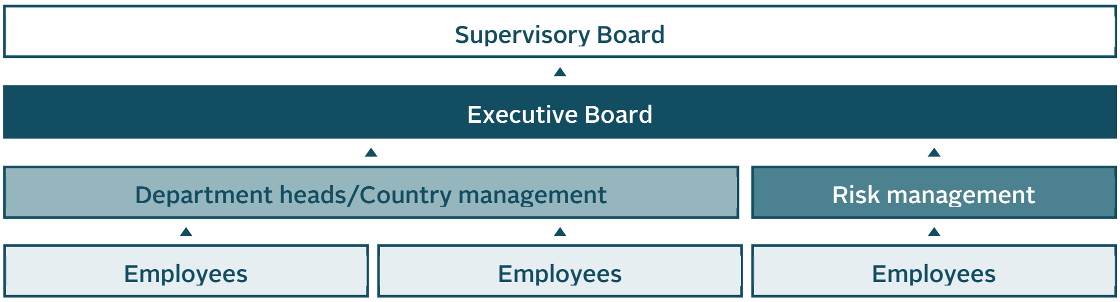
Monitoring and control of the risk management system
The risk management system is monitored and controlled through two corporate channels. On the one hand, internal audit evaluates the effectiveness of risk management and contributes to its improvement. On the other hand, the auditor reviews the functionality of risk management in accordance with C-Rule 83 of the Austrian Corporate Governance Code (in the version released in January 2025) and reports to the Executive Board on the results of this analysis.

Evaluation of the functionality of the risk management system
Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, evaluated the effectiveness of the risk management system of CPI Europe (excluding S IMMO) during the period from January to March 2025. This analysis covered the design and implementation of the measures and organisational procedures instituted by the company, but not their application in the sense of operating effectiveness. The conclusions reached by Ernst & Young based on the audit procedures and the evidence obtained indicated that no facts or circumstances were identified which could imply that the risk management system instituted by CPI Europe AG as of 31 December 2024 – based on the COSO comprehensive framework for corporate risk management – was not functional.

Structure of risk management

The goal of risk management at CPI Europe (excluding S IMMO) is to implement the strategy defined by the Executive Board with a minimum of risk. The Group's strategic goals are transferred to the operating processes where the measures for the identification, prevention and management of risks are located.

Responsibilities and reporting paths

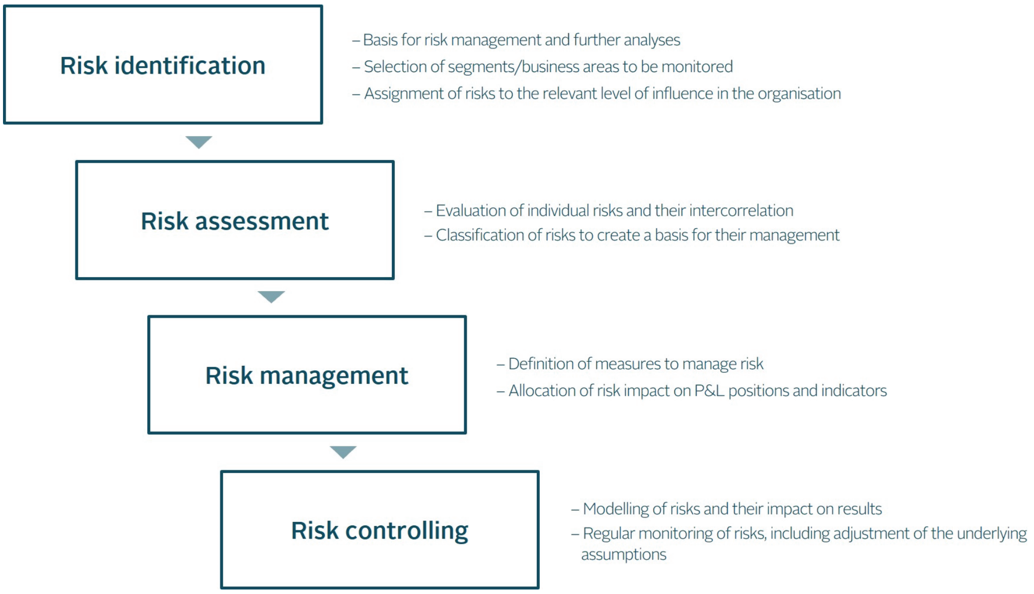


The Executive Board is responsible for Group-wide risk management and defines the corporate goals and related risk strategy.

Risk management is a staff function which reports directly to the Executive Board. It monitors the corporate risks that are not related to specific business areas, aggregates risk data and reports, and actively supports the business areas and country organisations in the identification of risks and economically feasible countermeasures. Risk management reports regularly to the Executive Board and quarterly to the Supervisory Board.

At the country organisation level, the heads of the respective units are responsible for risk management. Risk positions are reported to the Executive Board at least once each quarter by the business area and country managers. Acute risks are reported immediately to the Executive Board.

Risk management process



Material risk categories

The risk categories relevant for CPI Europe follow the company's value chain and are also focused on environmental, governance and social opportunities and risks. CPI Europe has defined a broad range of measures to address and counter risks. These measures represent an integral part of all corporate processes and, consequently, form the basis for the reduction of risk.

Risk category	Description	Countermeasures
Business risks	These risks are related to the general framework conditions for business activities and exceed the scope of property-specific risks.	These risks are countered by strategic decisions at the corporate level.
	Financial risks are related to lenders or the terms and conditions for the provision of cash and cash equivalents (see section 7.2 in the consolidated financial statements).	The continuous monitoring of asset and liability positions as well as proactive analyses form the basis for strategic measures to safeguard the company's financial strength
	Operational risk can arise through detrimental actions by corporate bodies and/or employees to the disadvantage of the company.	The company's activities are separated into individual processes and relevant process steps are controlled internally.
	Other risks represent individual risks with a Group-wide impact.	These risks are countered by strategic decisions at the corporate level.
Risks of improper business practices	CPI Europe is committed to responsible and transparent actions and to compliance with legal rules and regulations. Risks in this area arise from deviations from these general principles.	Guidelines have been issued to cover the actions of corporate bodies and employees in individual areas to prevent these risks from occurring.
Social risks	The company is responsible for its employees as well as other service providers in the broader sense of the term. Risks arising from the company's role as an employer in the broader sense of the term are aggregated in this risk category.	CPI Europe's commitment to compliance with all fundamental and human rights as well as regular surveys of employees' needs represent the cornerstones of risk minimisation in this area.
Environmental and climate risks	Climate risks arise from the meteorological conditions at a property's location. In addition, environmental risks arise from the construction and operation of buildings.	Measures are implemented on a timely basis to prevent any negative effects on a property. When new builds are constructed, a special focus is also placed on minimising the negative impact on the environment
	The attainment of the planned climate neutrality and the development of a circular economy are connected with risks arising from the technological and regulatory transition.	CPI Europe (excluding S IMMO) takes the necessary steps to support the technological improvement and sustainable management of its buildings. It also supports the creation of a greater awareness for these issues by all stakeholders.
Project development risks	Planning risks are risks which occur during the planning phase of a property. This phase extends from the design to the approval of a project.	Project development risks are prevented by the exact inspection of new locations, the timely involvement of all stakeholders and measures to anticipate future negative developments
	Realisation risks represent the risks arising in connection with the construction of a building, beginning with the receipt of the building permit.	Realisation risks are prevented through quality assurance measures in processes as well as measures to externalise risk.
	Marketing risks are related to the commercialisation of a project and are very important in regard to profitability.	Marketing risks are precluded at CPI Europe by timely risk and opportunity analyses as well as long-term market monitoring.
Asset management risks	Earnings risks are risks connected with the generation of steady income from the standing investments.	CPI Europe is taking steps to evolve from a conventional landlord to a service provider who reacts early on to market trends.
	Usage risks, as a group, represent the risks involved with the management of a property and, consequently, have a significant influence on the company's earning power.	Active portfolio management and the continuous technical monitoring of properties are designed to reduce usage risks.
	Owners, tenants and facility mangers are exposed to management risks during the ongoing operation of a property.	CPI Europe follows a clear externalisation strategy with regard to management risks.
Portfolio and valuation risks	Portfolio and valuation risks include the factors that would lead to a change in the value of a portfolio.	Active portfolio management and the expertise from long-term market monitoring help CPI Europe to identify potential problems at an early stage.
Transaction risks	Transaction risks are connected with the acquisition and sale of properties and include additional irregularities on the transaction market.	Process measures and regular monitoring of the transaction markets are designed to minimise existing risks. Market problems are managed with risk prevention measures.

Features of the internal control system

The internal control system (ICS) of CPI Europe comprises a wide range of measures and processes to protect assets and to ensure the accuracy and reliability of accounting. The goal of the ICS is to prevent or identify errors and therefore allow for early correction. The ICS also supports compliance with major legal directives and the business policies defined by the Executive Board.

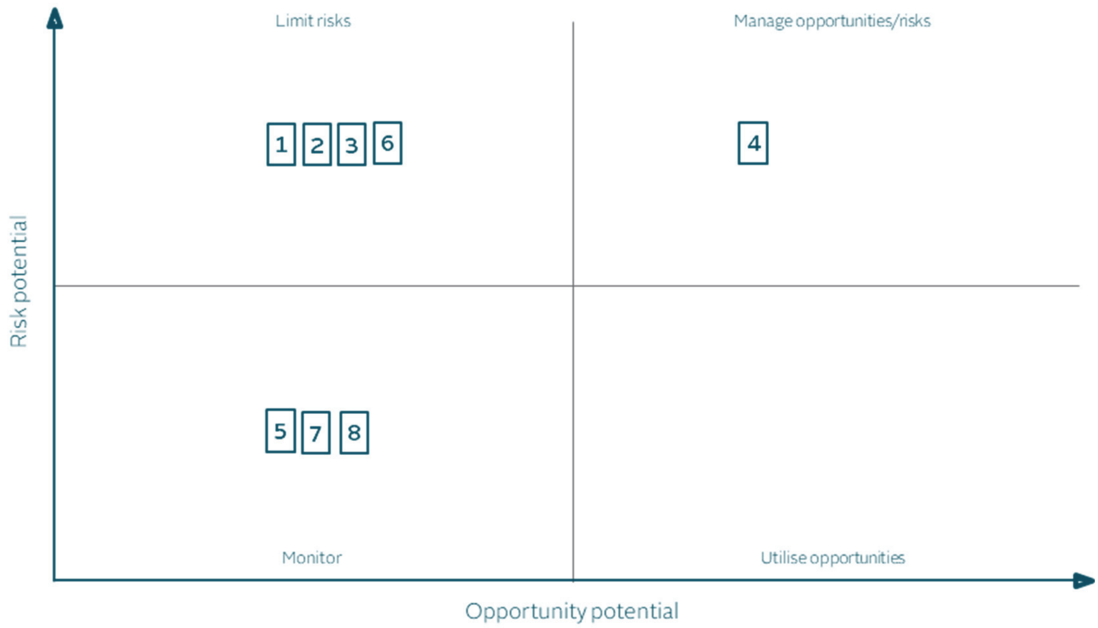
The ICS is integrated in all corporate processes. Its key features involve the appropriate segregation of duties, the application of the four-eyes principle within the framework of relevant corporate processes, compliance with internal guidelines (e.g. the CPI Europe IFRS accounting manual), the review of accounting data by Group controlling for correctness, plausibility and completeness, the integration of preventive and detective controls in processes as well as automatic key controls through specific software settings.

Monitoring by internal audit
Internal audit is responsible for the independent review of the effectiveness of the ICS and, in this way, contributes to its quality assurance. This department also evaluates the effectiveness of risk management and supports its continuous improvement. Based on an annual audit plan approved by the Supervisory Board, the internal audit department independently and regularly reviews operating processes and business transactions. The priorities for this schedule are defined in accordance with risk criteria and organisational goals.

The results of the audits are reported to the Executive Board of CPI Europe on a regular basis and to the Supervisory Board twice each year. As part of an annual report, the internal audit department explains its activities and summarises the major audit areas and results.

Opportunity and risk position in 2024

Overview of opportunities and risks as of 31 December 2024



Macroeconomic conditions (1)
Various factors were responsible for a series of downward revisions in growth forecasts for the 2024 financial year. One major reason was the dramatic drop in European car sales in China, which brought the automotive industry and its supply chain under pressure. This decline was particularly visible in the export sector, especially in Germany. Forecasts for 2025 are slightly optimistic, but the new US government represents a significant source of uncertainty. In the first weeks of his second term of office, Donald Trump imposed new customs duties on goods from numerous countries. Europe could also be affected by these measures over the medium term. According to a a German saying – "When two people quarrel, it usually makes a third person happy." – this could, however, create opportunities for the European economy, for example in the form of windfall profits.

Inflation declined significantly in comparison with the past two years, even though a slight upward trend materialised towards the end of 2024. Core inflation (i.e. excluding energy and food prices) proved to be more persistent than assumed, and an increase here could delay any reductions in key interest rates. CPI Europe expects the weak economic growth will be reflected in continuing reservation in the demand for office space and stable development in the retail sector.

Financial market risks (2)
The European Central Bank (ECB) followed the downward trend in inflation by cutting the key interest rate from 4.5% to 3.15%, a move which slightly reduced the interest pressure on real estate companies. However, the high number of branch insolvencies was reflected in higher risk premiums and a decline in investor interest. The property cycle was substantially extended by the ECB's zero interest policy and included numerous real estate investments which quickly led to losses given the changed market conditions. The pace of the ECB's interest rate steps is expected to slow year-on-year in 2025. Persistent core inflation could be an obstacle on the way to the ECB's 2% inflation target, while the consolidation in the real estate branch should come to an end in 2025 and could lead to a slight reduction in risk premiums.

Liquidity risk on the real estate market (3)
Declining inflation and interest rates supported a sustainable recovery on the commercial property market. The largest real estate markets in Europe, with the exception of France, reported double-digit growth in investment volumes. Italy was the leader with an increase of 47% over 2023. The Austrian market closed 2024 with a year-on-year decline of 6%, but a strong fourth quarter and optimistic sentiment lead to a positive outlook for 2025. The transaction volumes in CEE rose by 51% over the previous year in 2024, with growth generated primarily by the markets in Poland and the Czech Republic. Recovery on the SEE market lagged behind with a decline of 28% in 2024, whereby the strongest markets were Serbia and Bulgaria.

An analysis of the asset classes shows strong demand, above all, for retail properties in all markets. The office segment is also recovering slowly, but investor interest has weakened substantially. The demand for hotels – apart from SEE – remains high. As regards transaction activity, CPI Europe can therefore expect a slight easing of liquidity risk on the market. The trend towards green properties will continue in 2025 and, due to the low level of new construction, create a potential decline in the yields for properties that meet sustainability standards.

Risks from climate change (4)
2024 proved to be the warmest year to date in the history of measurement and, especially due to the millennium floods in Austria, will be remembered for a long time. The properties owned by CPI Europe were, fortunately, not affected by physical happenings, but the risks for individual properties remain. CPI Europe has set a goal to actively manage these risks. From the risk viewpoint, climate change is seen as a significant factor. Further details can be found in the non-financial section of the management report.

Legal proceedings (5)
As in the previous years, CPI Europe is involved in restitution claims related to the VIVO! locations in Cluj and Constanța. The proceedings related to the VIVO! Cluj resulted in a final judgment that rejected CPI Europe's ownership title to the land. For the shopping center itself, all instances to date have confirmed the ownership of CPI Europe. The legal proceedings over the VIVO! Constanța resulted in a first instance decision in favour of CPI Europe.

Valuation risks (6)
As described above, the interest rate cuts implemented by the ECB in 2024 led to a noticeable recovery on the transaction markets. Lower financing costs served as a stimulus for both transaction revenues and prime yields, which stabilised and began to decline slightly in several markets. Increasing discounts from peak yields were also visible. The focus of investors in the prime segment was clearly directed to ESG-aligned buildings, whereby EU taxonomy-alignment is gaining greater acceptance as a criterion in this connection. A growing interest by tenants in sustainable buildings is also evident. An analysis of the current oversupply of rental space in individual markets shows that investments to attain full occupancy are becoming even more relevant. CPI Europe has set a strategic goal to invest with a focus and, where necessary, to streamline the portfolio. This trend can also be seen in other market participants and should continue in the coming years.

Revaluation results totalled EUR 12.6 million in 2024.

IT risks (7)
CPI Europe implemented a new ERP (Enterprise Resource Planning) system in 2024 to strengthen the digitalisation of its corporate processes. The goal of this digitalisation initiative is to increase building efficiency and, at the same time, reduce costs for tenants. The company plans to roll out smart meters in all its portfolio properties over the coming years. This will lead to greater cost transparency for tenants and changes in operating costs. However, the opportunities provided by digitalisation will be accompanied by an increase in potential risks. The escalation in cyberattacks on companies, in particular, represents a risk, and CPI Europe has defined the protection of its IT systems as a priority. Accompanying measures such as training for employees guarantee the highest possible level of security. Based on the procedures already established, the risk to critical corporate processes can be considered low.

Portfolio risks (8)
The occupancy rate in CPI Europe's standing investment portfolio equalled 93.2% as of 31 December 2024 (31 December 2023: 92.2%). The retail properties were practically fully rented at 97.2%. In the office properties, the occupancy rate was 88.5%.

CPI Europe's active development projects (properties under construction) have a combined carrying amount of EUR 15.6 million (31 December 2023: EUR 61.5 million). The outstanding construction costs for these projects totalled EUR 28.2 million at the end of 2024 (31 December 2023: EUR 56.2 million). Pipeline projects, including real estate inventories, had a carrying amount of EUR 147.8 million as of 31 December 2024 (31 December 2023: EUR 195.8 million).

H. Outlook

Expected market environment

The European real estate markets experienced a strong recovery in 2024. This positive momentum could also continue into 2025, supported by a stable interest environment and steady high demand for premium properties.

However, these positive expectations are jeopardised by a continuation of the challenging macroeconomic environment. Experts point to GDP growth of only 1.5% in the EU during 2025. Intensifying global conflicts and new financial market risks could have an additional negative impact on forecasted growth over the coming years. Declining energy prices led to a substantial drop in inflation in the EU during 2024, but this downward trend is projected to slow in 2025 due to ongoing pressure from the service sector. As consequence, forecasts for the EU indicate a possible increase in inflation to 2.4% in 2025.

Developments on the European property market were encouraging in 2024. The transaction volume rose by roughly 27% to EUR 206.0 billion. The interest environment is currently characterised by rate cuts which should support a further improvement in both the market climate and transaction volumes. The trend towards premium properties continued, whereby locations as well as ESG criteria are playing a progressively more important role. The influence of macroeconomic factors on the country selection is also increasing, and countries with the strongest transaction markets should experience above-average growth.

CPI Europe believes it is well positioned with its value-creating strategy to further optimise the portfolio and strengthen earnings.

Property portfolio and sustainability

The development of our real estate portfolio in 2024 was focused on targeted portfolio optimisation. In spite of strategic sales, the carrying amount declined by only –2.3% year-on-year to EUR 7,983.6 billion. Standing investments that generate stable rental income represented the largest component at EUR 7,797.6 billion, or 97.7%. Development projects were responsible for EUR 38.3 million, or 0.5%, of the portfolio and pipeline projects for EUR 147.8 million, or 1.9%.

We follow a clear portfolio strategy based on retail and office properties, above all on our established myhive, STOP SHOP and VIVO! brands. The portfolio is also expanded to include targeted development projects and acquisitions in our core markets. The active optimisation of our standing investments portfolio is our primary objective, whereby sales of low yielding or non-strategic properties play an important role.

Our ESG commitment remains a central part of our strategy, with the further expansion of photovoltaic systems as a main focus. This will mark a further step in achieving emission-free coverage for the portfolio's entire electricity requirements. We are also continuing the roll out of smart meters in Austria, Slovenia, Croatia and Serbia. These digitalisation measures should lead to greater cost transparency for our tenants and to significant changes in operating costs over the long term. These plans are supplemented by the continuous advancement of our green lease strategy, which establishes sustainable rental models that make an important contribution to the ecological and economic future of our portfolio.

Financing and the capital market

Further interest rate cuts by the European Central Bank are expected in 2025 and signal the definitive end of the interest highs in the eurozone. As expected, this will have a positive influence on the development of real estate and financing markets.

The capital structure of CPI Europe also remains solid and future-oriented in the current market environment. Our financing strategy is focused on the optimisation of debt costs, a balanced maturity structure and a strong liquidity position. We introduced targeted refinancing measures in 2024 and further strengthened our financial base through active balance sheet management. These activities will also continue in 2025.

Optimisation of corporate structures

The optimisation and simplification of corporate structures had high priority in 2024. A central milestone was the successful squeeze-out of S IMMO minority shareholders, and CPI Europe now holds 100% of the shares.

Integration and simplification remain focal points at the Group level. Included here, among others, are rebranding measures after the renaming to CPI Europe and the merger of business areas and departments to realise additional synergies and even better optimise cooperation in the CPI Property Group.

All in all, we believe we are also well positioned for the future. The central issues for 2025 will include additional portfolio adjustments, investments in standing assets, and the expansion of renewable energies and digitalisation. We will, of course, remain true to our principles and recipe for success by placing our tenants at the focal point of all our activities and considerations.

This outlook reflects the Executive Board's assessments as of 28 March 2025 and includes statements and forecasts concerning the future development of CPI Europe. The forecasts represent estimates that are based on the information available at the present time. If the underlying assumptions do not occur or risks – as indicated in the risk report – materialise, actual results could differ from the statements made here. This annual report does not represent a recommendation to buy or sell CPI Europe AG securities.

Significant events occurring after the end of the reporting year are discussed in the section on "Subsequent events" in the consolidated financial statements.

Vienna, 28 March 2025

The Executive Board of CPI Europe AG

Radka Doehring
Member of the Executive Board

Pavel Měchura
Member of the Executive Board

Auditor's Report*)

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

CPI Europe AG, Vienna.

These financial statements comprise the balance sheet as of December 31, 2024, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of December 31, 2024 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the fiscal year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following is the key audit matter that we identified:

Titel	**Valuation of investments in and loans to subsidiaries as well as receivables from subsidiaries**
Risk	The financial statements of IMMOFINANZ AG as of December 31, 2024 show material investments in subsidiaries (MEUR 3.841,6), loans to subsidiaries (MEUR 243,8) as well as receivables from subsidiaries (MEUR 318,4). Furthermore, the financial statements show income from the disposal and write-up of financial assets and securities recorded under current assets (MEUR 37,0), impairment losses (MEUR 20,7) in the expenses arising from financial assets and impairment losses in relation to receivables against subsidiaries (MEUR 10,4) in other operating expenses. All investments in and loans to subsidiaries as well as receivables from subsidiaries are tested for impairment. These impairment assessments require significant assumptions and estimates. Due to the fact that most of the subsidiaries are real estate companies, the impairment test is based on a simplified entity value which is mainly influenced by the property valuation reports by external, independent valuation experts or already contractually agreed purchase prices. The material risk within the valuation reports exists when determining assumptions and estimates such as the discount/capitalization rate and rental income. A minor change in these assumptions and estimates can have a material impact on the valuation of investments in and loans to subsidiaries as well as receivables from subsidiaries. The respective disclosures relating to investments in and loans to affiliated companies are shown in Section "2. Accounting and Valuation Principles" and in Section "3. Notes to the Balance Sheet", the disclosures relating to impairment losses in Section "4. Notes to the Income Statement" in the financial statements as of December 31, 2024.
Consideration in the audit	To address this risk, we have critically assessed the assumptions and estimates made by management and the external valuation experts and performed, among others, the following audit procedures with involvement of our internal property valuation experts: - Assessment of concept and design of the underlying business process of the valuation of investments in and loans to subsidiaries as well as receivables from subsidiaries - Assessment of the applied methods and the mathematical accuracy of the calculations and supporting documentation for the valuation of investments in and loans to subsidiaries as well as receivables from subsidiaries - Assessment of design and effectiveness of relevant key controls in the property valuation process based on a sample - Assessment of the competence, capability and objectivity of the external valuation experts engaged by management - For selected property valuation reports: Assessment of the applied methods, assessment of the reasonableness of the underlying assumptions and estimates (eg. rental income, discount/capitalization rate, vacancy rate) by means of comparison with market data as well as comparison whether the fair values as per property valuation reports are withing our own developed range of fair values

- Check of certain input-data as included in the property valuation reports with data in the accounting system or underlying agreements
- Assessment of the adequacy and completeness of the disclosures made in the financial statements by the management

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and the annual financial report, but does not include the financial statements, the management report and the auditor’s report thereon.

Our opinion on the 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 and, in doing so, to 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 Management and of the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, 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 financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

Opinion

In our opinion, the management report for the Company was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Additional information in accordance with Article 10 EU regulation

We were elected as auditor by the ordinary general meeting at May 29, 2024. We were appointed by the Supervisory Board on February 17, 2025. We are auditors since the financial year 2023.

We confirm that the audit opinion in the Section "Report on the financial statements" is consistent with the additional report to the audit committee referred to in Article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Alexander Wlasto, Certified Public Accountant.

Vienna, March 28, 2025

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Alexander Wlasto mp	Isabelle Vollmer mp
Wirtschaftsprüfer / Certified Public Accountant	Wirtschaftsprüferin / Certified Public Accountant

*) This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

Disclaimer

We have prepared this report and verified the data herein with the greatest possible caution. However, errors arising from rounding, transmission, typesetting or printing cannot be excluded. This report contains assumptions and forecasts that were based on information available at the time this report was prepared. If the assumptions underlying these forecasts are not realised, actual results may differ from the results expected at the present time. This report is published in German and English, and can be downloaded from the investor relations section of the CPI Europe website. In case of doubt, the German text represents the definitive version. This report does not represent a recommendation to buy or sell shares of CPI Europe.

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

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