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# FOREWORD

## Dear business partners,

2021 has been a year of stability and growth for CMN despite the challenges presented by the COVID-19 pandemic. The real estate group completed one of its largest transactions at the end of the year. The value of the managed portfolio has grown to CZK 13.5 billion, and the leasable area has reached almost 150,000 sqm. In total, CMN currently manages 12 office buildings in Prague, which are mainly first-class office buildings situated in locations with excellent transport accessibility.

The stability provided by these assets was also reflected in the company's results, with the value of equity rising to a total of CZK 1.2 billion.

The headline rents of the property portfolio owned by the group increased by 65% and reached CZK 420 million in 2021.

The past year has once again confirmed that the strategy of the CMN group is very effective even in times of crisis. Despite the steady trend towards hybrid work, there have been no sudden changes on the demand side. Stability on the supply side was caused by the typically slow rate of construction in Prague. The construction rate was 40% of the five year average in 2021. The vacancy rate on the Prague office property market gradually increased; however, it did not exceed 7.8%. Another positive

development was rental growth in premium office buildings. Given the rising prices of construction materials, we expect the rental growth trend to continue, which bodes well for further potential growth in the overall value of CMN.

In 2021, we continued to analyse all real estate sectors in the Czech Republic and abroad. However, we are currently still successful in finding very attractive investment opportunities in the Prague office segment, which is the most stable market regionally. The highest demand is for premium office buildings in vicinity of metro stations which therefore have significantly lower vacancy rates.

In October 2021, CMN's portfolio expanded by three office buildings in the Karlín district of Prague with a total area of over 30,000 sqm, making the real estate group one of the largest local office space holders in Prague. Specifically, these were the Apeiron, CORSO Karlín, and Zirkon properties located near the Křižíkova metro station. Thanks to its accessibility and amenities, it is a very popular location in Prague, which in the long term ensures a high occupancy rate. Karlín's dynamic development and future potential have attracted us to the area. By diversifying the buildings in our portfolio, we want to offer potential tenants more types of office in terms of location and building size. We currently cover eight districts of Prague.

Following the events of the past year, we have detected a change in the needs of tenants. It turns out that the home office trend will not lead to the end of office premises. There is a shift towards improving the working environment, where employees can meet and interact. This confirms CMN's strategy of selecting premium office buildings that meet the highest standards of construction. CMN also takes sustainability and

environmental impacts into account in its selection process. Currently, 66% of CMN's portfolio consists of buildings with internationally recognised BREEAM and LEED green certifications.

At the beginning of 2021, our goal was to improve and optimise our company processes. Towards the end of the year, CMN appointed a new Chairman of the Supervisory Board, Richard Britten-Long, who brings deep international experience in investment banking, specialising in real estate finance and fund management. His aim is to supervise the processes and their efficiency throughout the company.

I would like to thank the entire CMN group for once again achieving very positive financial results despite such extremely challenging conditions, and I would also like to express my gratitude to our co-investors and business partners for their trust and support for the group even in the most difficult times.



**Radek Stacha**  
Chairman of the Board of  
Českomoravská Nemovitostní

# Key Figures

**CZK 420 mil.**

**HEADLINE RENT**

CZK 255 million as at 31 December 2020

**65%**

**INCREASE IN HEADLINE RENT**

**CZK 1,177 mil.**

**SHAREHOLDERS'**

CZK 872 million as at 31 December 2020





OBCHODNÍ PASÁŽ  
CHURCHILLI

ORISK FORM





# Information about the group

The Českomoravská Nemovitostní (CMN) real estate group was founded in 2016. Its business is primarily aimed at the purchase and administration of commercial real estate in the Czech Republic. The strategy of this purely Czech real estate group is the purchase of premium commercial buildings used by solid tenants from a number of prominent Czech and international companies. From the perspective of generating rental income, CMN regards this type of real estate as predictable and consistent, with an attractive risk-free return.

In choosing real estate, the group prioritises quality over quantity, with the aim of having a diversity of real estate projects. It selects real estate for its portfolio that complies with the highest construction standards including the essential

green certifications. The long-term targets of the company include maintaining a balance between economic success, environmental protection, and social responsibility.

Key factors for the company are creating and maintaining long-term partnerships with prominent national and multinational companies. Prior to acquisition, there is a diligent consideration of all of the economic indicators, as well as a detailed examination of the real estate. A team of professionals with expertise and experience in law, commerce, technical matters, tax accountancy, and finance work together on every transaction. The fundamental values of CMN are stability, professionalism, transparency, and integrity.

## Our partners

Legal advisers



Wilson

Financial advisers



Appraisers and commercial advisers



CBRE



Technical advisers



Financing banks





Restaurace otevřena.

# Significant milestones of CMN

**6/2016**

## **FOUNDING OF CMN**

CMN entered the market with a well-prepared business model. Its business strategy is based on the purchase and lease of premium office buildings in the Czech Republic

**6/2019**

## **CMN ESTABLISHED A REAL ESTATE FUND CALLED NEMO**

The CMN group established the NEMO real estate fund aimed at purchasing high-quality administrative real estate. It generates consistent earnings for its investors aimed at achieving a long-term return of 1-2% above inflation.

**7/2020**

## **THE CMN REAL ESTATE GROUP OFFERED INVESTORS COVERED BONDS**

Bonds issued as part of the company programme Českomoravská Projektová III are secured and guaranteed by the holding company, the consolidated asset value of which as at the end of 2019 exceeded 4.8 billion Czech crowns.

**10/2021**

## **CMN IS THE PLAYER BEHIND ONE OF THE BIGGEST TRANSACTIONS IN THE CZECH REPUBLIC**

Českomoravská Nemovitostní expanded its portfolio by three units of real estate in the Karlín area of Prague. It bought the office buildings Zirkon, Apeiron (Rubín) and Corso Karlín.

**12/2018**

## **THE VALUE OF CMN REAL ESTATE EXCEEDS 1.5 BILLION**

At the end of the year, CMN bought an office building in the upper section of Václavské náměstí (Wenceslas Square). Just before the end of the year 2018, the value of the CMN holding's real estate reached 1.5 billion Czech crowns.

**12/2019**

## **THE CMN GROUP WAS THE LARGEST CZECH INVESTOR IN 2019**

Due to the purchase of the Crystal and BLOX buildings, in 2019 the Českomoravská Nemovitostní group was one of the biggest local players in terms of transactions completed in commercial real estate.

**12/2020**

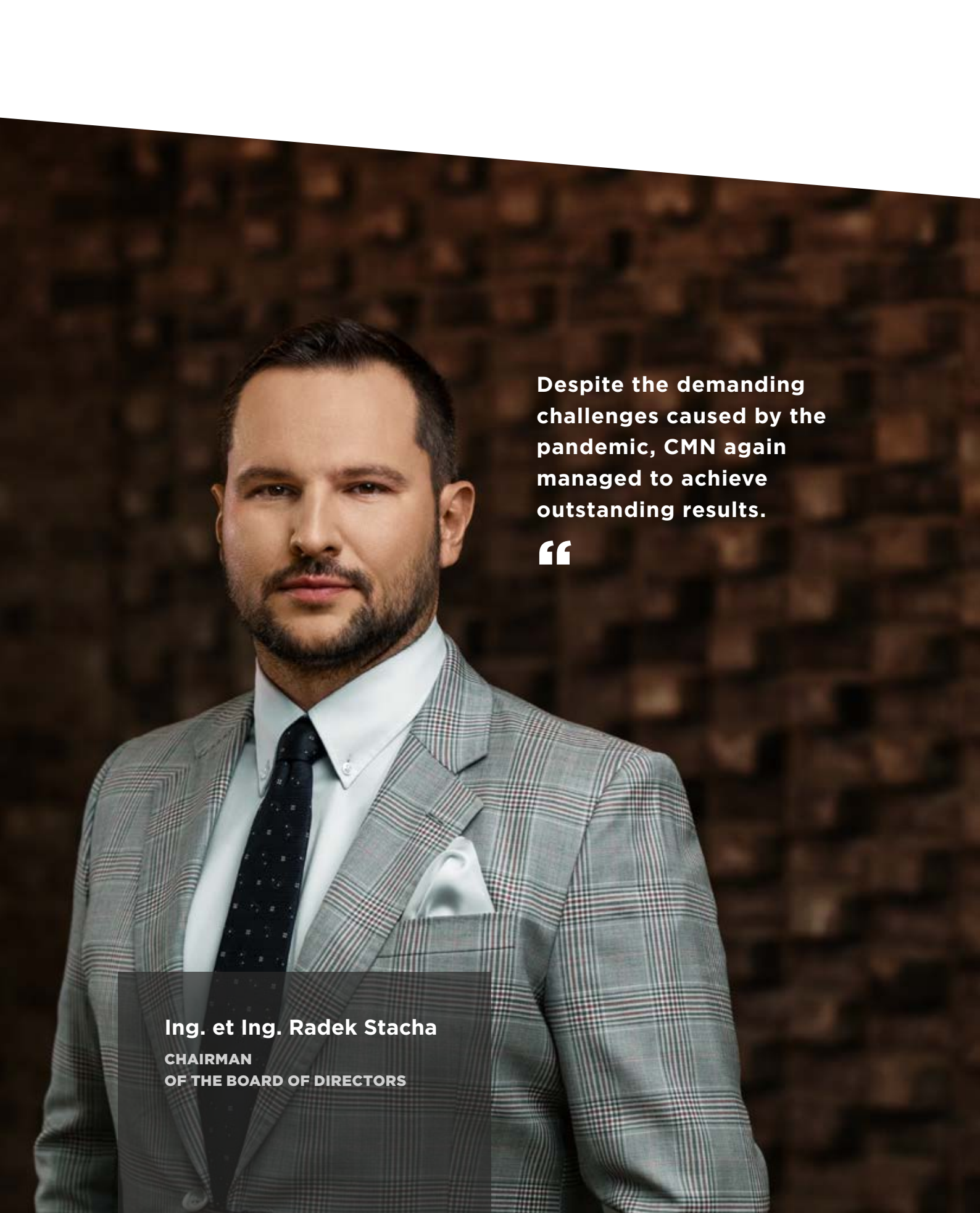
## **CHURCHILL SQUARE IN JOINT VENTURE BY CMN AND CFH**

The acquisition of the Churchill Square complex was the largest transaction on the office real estate market in the Czech Republic. The real estate portfolio administered by CMN reached a value of over 10 billion Czech crowns.

**10/2021**

## **RICHARD BRITTEN-LONG - NEW CHAIRMAN OF THE SUPERVISORY BOARD**

This latest addition to the supervisory board brings with him substantial international experience both in the structuring and positioning of debt securities, including securitisation and sale, and in the acquisition and administration of real estate.

A portrait of Ing. et Ing. Radek Stacha, Chairman of the Board of Directors. He is a man with short dark hair and a beard, wearing a light blue and white checkered suit jacket, a white shirt, and a dark tie with small white dots. He is looking directly at the camera with a neutral expression. The background is a dark, textured wall with a repeating pattern of small, light-colored squares.


**Despite the demanding challenges caused by the pandemic, CMN again managed to achieve outstanding results.**

“

**Ing. et Ing. Radek Stacha**

**CHAIRMAN  
OF THE BOARD OF DIRECTORS**

# The Board of Directors

A portrait of Ing. Mgr. Josef Eim, Vice-Chairman of the Board of Directors. He is a middle-aged man with short dark hair, a beard, and glasses. He is wearing a dark blue suit jacket, a white shirt, and a blue patterned tie. He has his arms crossed and is looking slightly to the right of the camera. The background is a blurred indoor setting with warm lighting.

The events of 2021 confirmed that the strategy we implemented was the correct one, bringing stability even at a time of uncertainty.

“

**Ing. Mgr. Josef Eim**

**VICE-CHAIRMAN  
OF THE BOARD OF DIRECTORS**

# The commercial real estate market in 2021

The commercial real estate market in the Czech Republic was very diverse in 2021. Total investment was 1.9 billion euros, which was down by approximately 45% compared to the pre-covid year of 2019. Despite that, last year was much stronger than 2020, and in the final part of the year there was an increase in interest by investors, along with a related increase in the amount of investment, which in 2022 will probably exceed two billion euros.

The greatest share of transactions came as usual from office space (35%), ahead of industrial real estate (32%) and retail space (13%). The entirety of 2021 was marked by a major degree of uncertainty linked with the spread of covid and a lack of quality product. Many investors were ready to invest, but other transactions did not take place due to the lack of supply. In October 2021, the CMN group completed one of the largest office transactions on the local market by purchasing a real estate portfolio of three projects in the Karlín area of Prague. Negotiation of the entire transaction took more than nine months.

In the past several years, the investor domicile structure has changed, and Czech investors comprised 50% of the transaction volume of real estate funds. Foreign investors, particularly from Asia, were more restrained in 2021. In second place were Americans (11%), followed by Austrians and Italians (6%).

Real estate income changed only in the industrial real estate segment. In this segment there was a reduction in the rate of return by approximately 1 percentage point, and it ended the year at an even 4%. Such a dramatic change is unusual. According to valuations by investors, therefore, logistics warehouses and factories are more valuable than premium office real estate, the rate of return of which ranges from 4.00-4.25%. Historical data show that this situation is a significant anomaly. Factories have always essentially been perceived by investors as riskier, with a typical risk surcharge of 0.5-0.75% compared to office buildings. The industrial real estate segment with the highest prices in the past currently does not offer many attractive opportunities.

After a substantial drop in 2020, shopping centres had a stable end to 2020 with a rate of return of 5.75%, similar to the high street, for which there was a return of 4.25%. As for hotels, neither investors nor banking institutions were very interested in them because of the continuing uncertainty.

## **STABILITY OF THE OFFICE SECTOR**

The office market was very stable in 2021 despite the pandemic. The unchanged rate of return and constantly very high level of interest by investors confirmed the strengths of this segment. The total area of new developments was only 57 thousand m<sup>2</sup> (1.5% of total area), which is the lowest since 2016. The ten-year average of development is 135 thousand m<sup>2</sup> per year. This low supply is not

primarily the result of decisions influenced by the pandemic. Development of an administrative project typically takes 20–24 months, so decisions were made about the current development before the outbreak of the pandemic. During 2021, many projects were reevaluated and their previous purpose of use was changed to residential. The supply of office space will therefore remain below average in subsequent years too. An increase of approximately 76 thousand m<sup>2</sup> is expected in 2022, which is again substantially less than the ten-year average, and only a new 2% out of a total of 3.7 million m<sup>2</sup>.

#### **A HYBRID MODEL HAS COME INTO FAVOUR**

The covid pandemic acted as a catalyst for changes that had been taking place on the office market for several years before it. Working from home, which is normal these days, used to be a benefit that was used more rarely. Premium office real estate has been preparing for this change for a long time though. Hot-desking, quiet areas for collaboration, and increasing the number of metres per employee are long-term trends which companies had already included in their plans, and CMN group offices were prepared for the situation on time. It was also shown in practice that working only from home is not very effective in terms of

### **The strong domestic demand in 2021 is good news for the local market because it contributes to its stability.**



Net demand for office space reached 209 thousand m<sup>2</sup>, which is an annual increase of 23%. Even so, the level of demand in 2020 and 2021 was rather subdued. Nevertheless, for many companies the growth in Q4 of 2021 can be expected due to postponed expansion plans being restarted. The vacancy rate in this quarter fell to 7.8% for the first time since the start of the pandemic. A significant vacancy divergence can be observed in the office real estate market between premium type A real estate and older, less attractive real estate. For the former type, the vacancy rate remains at a level of under 5%, whereas older buildings have larger problems related to demand. However, in general vacancy in Prague is very low compared to past levels, for example 2014, when the vacancy rate was almost three times higher than its current level.

collaboration and innovation, and the productivity of employees falls in the long-term. The result is a hybrid model, which gives employees flexibility, but also retains the need for office space. Within the portfolio at CMN, approaches to a hybrid model of work differed based on individual tenants.

The level of rent increased significantly due to the trends mentioned above from EUR 22.50/m<sup>2</sup> to EUR 24.00/m<sup>2</sup>. Prague is an office market where low supply is coupled with increasing demand. The demographic change of people relocating to the capital city and the growing percentage of people employed in the service industry (often in offices) continue to contribute to increasing rent prices.





# Economic aspects and their impact on the business of CMN

The main theme of recent months has been and will continue to be inflation, which is at dangerously high levels in the Czech Republic and in Europe in general. The management of CMN had predicted this scenario, and the entire group was very well prepared for inflation. Unfortunately, all of the economic indicators had been pointing to this happening for a long time. Just in 2021 alone, M3 money supply increased from 13 to 15.5 billion euros. That is an increase of 19.2% in only two years. In 2021, the GDP of the Eurozone did not reach the GDP level of 2020 - it was about 1.5% lower. The result of this situation is a significantly higher amount of money for a smaller amount of goods and

unashamedly approved budget deficits of over 10% of GDP (Spain 11%, Italy 9.5%, France 9.2%, the Czech Republic 6.1%). The European Central Bank had started the process of Quantitative Easing years ago, but the amount of money that was pumped into the economy during the covid crisis was totally unprecedented.

At its conferences, CMN has been claiming for a long time that inflation is the only way to reduce the indebtedness of individual European states to a sustainable level. The debts that states such as France, Italy and Spain accumulated are so enormous that no taxation or belt-tightening could pay them off. That will be the primary cause

**At its conferences, CMN has been claiming for a long time that inflation is the only way to reduce the real indebtedness of individual European states.**

“

services. The velocity of money circulation in the economy also slowed significantly, which is particularly because a considerable amount of the new money followed directly into investments (bonds, stocks, and so on) and did not appear in the consumer economy. Even so, that is a very dramatic increase. During the covid crisis there was a reconciliation of fiscal and monetary policy, as governments across Europe

of the ECB's restraint regarding any increase in interest rates even at a time when inflation in many nations using the euro will get into double digits. If the ECB raised interest rates significantly or if the market even just started expecting that to happen, interest rates on government bonds in those states would increase immediately. They can hardly afford that. The result of this is that the ECB will tighten its policy very mildly.

The Czech National Bank is taking the opposite approach to inflation. It purportedly caused it through its monetary policy, and already at the end of 2021 it started increasing the 2T repo rate to 3.75% with more potential hikes to come. With regard to the openness of the Czech economy and inflation abroad, it will be very complicated to defeat inflation by increasing rates without the ČNB significantly impacting Czech economic growth. In late 2021, traditional manufacturing companies were exposed to a perfect storm of

and it surely attracted the attention of many speculators.

The CMN group manages foreign exchange risk by using classical bank derivative operations.

Of course, CMN closely monitors all economic news on a daily basis. The main part of the company's business is based on real estate assets denominated in euros. Due to this, euro interest rates are a major factor for the company, as they impact the valuation of assets and the price of debt

## **According to historical data, real estate has a highly positive correlation with inflation.**



high energy prices, high wage demands, and increasing financial costs. As a result, the only option many firms will have will be to try to transfer their interest costs to the customer within a short timeframe and to minimise the impact of high interest rates on their economic activity.

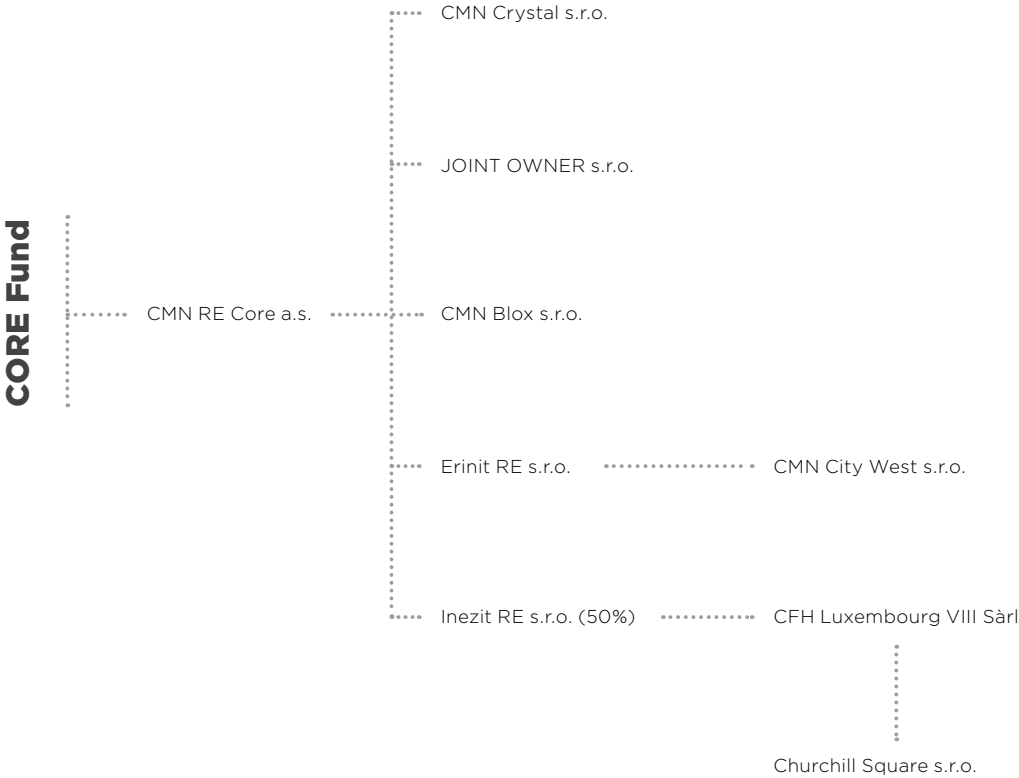
ČNB will prevent inflation from spiralling with its main weapons, such as interest rates, intervention on the currency market, and rhetoric. That will primarily relate to negotiations between trade unions and employers regarding wage increases. If regular citizens become used to high inflation being normal, the Czech Republic might live in a high-inflation environment for several more years.

Higher interest rates have of course had a significant impact on the exchange rate of the Czech crown against the euro – the Czech crown strengthened during 2021 to 24.86 per euro,

financing. From this perspective there has been very slow progress. It is clear that the ECB cannot keep interest rates negative indefinitely. But its restraint from making any significant increase, along with the fundamental factor preventing it, give the group a large level of certainty to continue with the attractive differential of returns on real estate and real returns on interest rates.

Based on historical data, real estate has a high tendency to increase in value as inflation rises. Higher inflation is manifested in construction costs, which push rent prices up. This trend is also evident in the Prague commercial real estate environment. As all of the rental contracts of the CMN group contain inflation clauses, higher inflation significantly increases the nominal value of the group's portfolio. In this way, real value is protected even when inflation pressure is high.

31. 12. 2021 CORE FUND ORGANISATIONAL STRUCTURE





# Financial results of CMN: healthy growth and stabilisation

Since its foundation, the CMN group has consistently targeted premium office real estate in cities and solid tenants. This strategy is a founding pillar of the company due to the attractive risk/return profile.

The main real estate owned by the CMN group is owned by the CORE fund, of which CMN is the sole shareholder. The reason for foreign structuring is primarily legal certainty and obtaining access to attractive foreign financing. The market standard is

**The stability provided by these assets was also reflected in the company's results, where net profit of the group increased from CZK 57 million in 2020 to CZK 62 million in 2021.**



The reason is primarily growth of the real estate portfolio. The acquisition of the projects City West C1 & C2 and Churchill Square took place in 2020, so 2021 has been the first year in which the strength of rental earnings of those transactions could be fully seen. Headline rent in the portfolio of real estate owned by the CMN group grew from CZK 255 million in 2020 to CZK 420 million in 2021, and it was a fundamental component of profit. As the portfolio grew, inevitably the number of employees and the wage costs of the group also increased. The internal asset and property management team was reinforced the most. These managers are key for the long-term business of the group because it is up to them to see to the technical state of the real estate as well as the satisfaction of the tenants. The structure of the group remains the same.

payment of rental for premium office real estate in Prague in euros. Due to that, these projects are also denominated and financed in euros. Given rising Czech interest rates, this strategy has been proven to be right. The group's sources of bank financing are diversified among the most prominent players on the local market. Some of the banks financing CMN projects are ČSOB, UniCredit, the Czech and Austrian divisions of Raiffeisenbank, and the German banking giant Helaba.

## **COMPLETION OF ONE OF THE BIGGEST ACQUISITIONS OF OFFICE PROJECTS IN THE CZECH REPUBLIC**

From a transaction perspective, in October 2021 CMN again completed one of the biggest acquisitions of office projects in the country.

This was the acquisition of three office buildings in the Karlín area of Prague. The Apeiron, Corso Karlín, and Zirkon buildings are different types of buildings, so the subsequent strategy varies for each of them. The Zirkon building is very well prepared for subsequent redevelopment because of its location, and it may increase in value. On the other hand, the Apeiron building has undergone renovation, and in its current state it is capable of generating rental income for many years.

However, not many projects meet the strict qualitative and quantitative criteria, including price expectations.

Shareholders' equity has been regarded for a long time as the most important indicator of the group's success. This indicator best shows the financial state and profitability because of the structure, as due to the CORE fund not all transactions are fully reflected in the company's net profit. The value of

## **Capitalizing on cheap financing and relatively high yields found in Prague is a fundamental pillar of the CMN group's strategy.**



For that reason it was an ideal candidate for the NEMO fund portfolio, which bought it immediately in November 2021. The entire transaction of the Karlín portfolio was financed by Raiffeisen Bank Czech Republic. Through this project, CMN started collaboration with another local bank.

equity increased by CZK 305 million to a total of CZK 1.2 billion Czech crowns. Shareholders' equity as an accounting expression of company value among other things serves as a safety buffer for company creditors.

The CMN transaction team examines hundreds of acquisition opportunities to varying degrees of detail each year.





**Richard Britten-Long**

**CHAIRMAN OF THE SUPERVISORY BOARD**



# CMN group Risk Management System

The business of the CMN group is based on analytical foundations. The core of its work is investment into office real estate, which has been the most stable sector of commercial real estate since the 1960s. In this case, stability means the lowest volatility (change in price) and risk throughout the economic cycle. This of course means that office real estate is usually not the asset with the highest rate of return during an economic boom, but it provides a certain protection during a

recession because of its low correlation with GDP growth compared for example to hotels, shopping centres, and logistics centres.

was introduced, which is run on the principle that the future cannot be predicted but preparations have to be made for potential negative market developments.

The CMN group took a prudent approach based on the value of a smaller number of investments which are extraordinarily attractive due to their quality. The risk management system was the main reason why investments were not made into

**An environment in which demand exceeds supply, and assets increase in value, is beneficial for real estate owners. However, during the acquisition process it is important to maintain a high standard of qualitative and quantitative criteria.**

“

recession because of its low correlation with GDP growth compared for example to hotels, shopping centres, and logistics centres.

In implementing its investment strategy and managing assets in its portfolio, the CMN group is exposed to many risks. In assessing them it pays a lot of attention not only to direct risks of an operational nature but also analyses the impact of potential market threats in detail. For this reason a comprehensive platform of risk management

many segments of commercial real estate where the CMN group does not have a competitive advantage, including investments abroad. However, the CMN group has been analysing both of these opportunities for further development for quite a long time.

CMN has since the start aimed at creating a dynamic organisation resistant to risks, with potential for growth leading to higher profitability. “Positive risks” or unforeseen circumstances are also taken

into consideration as part of the investment process. Due to this preparation, the CMN group could complete the acquisition of the Churchill Square project during the covid-19 pandemic for an attractive price. The value of this project confirmed by independent appraisers (JLL and Cushman & Wakefield) was considerably higher at the end of 2021 than the procurement price.

The CMN group within the scope of internal processes and the management system is constantly developing and growing within a complex organisation, where risk management is at least as important as growth. In the long-term, the prudent approach and focus on profitability represent a substantial competitive advantage on the Czech real estate market.



→  
Gebäude  
DEV  
CGI  
H  
A110

ERICSSON

CENTROPOL

SWIETELSKY

LEMS

RUBY

KRKA

CANADIAN  
MEDICAL

AVAYA

SAAB

gepard  
POMOCY PRO ŻYWIENIE

FOREVER

APEIRON

# Stability of the office sector

In 2021, the NEMO real estate fund continued the strategy of choosing quality office real estate with good accessibility, quality tenants, and long-term rental contracts. Due to this, the price of profit participation certificate in each month of last year increased in value, and in 2021 investors received a return of 4.26%.

Despite the majority of last year having been constantly and to a considerable extent influenced by lockdowns and other government measures against the spread of the coronavirus, the returns of the NEMO fund were based on a consistent

building is located in the Karlín area of Prague with excellent accessibility by the Křižíkova metro station. The building is the work of the architect Václav Aulický, who is also known for his design of the Žižkov television tower, the Transgas building, and the Czech Television building in the Kavčí Hory area of Prague. With an area of 12,000 m<sup>2</sup>, Apeiron is a substantial acquisition for the portfolio fund.

Besides searching for interesting opportunities, work connected with the management of buildings in the portfolio took place throughout the year. This involves active communication with

**At the start of last year, due to the situation in the Czech Republic and in the world generally, a return of 5% on the fund was expected, and it was achieved without any perceptible increase in deviations in monthly returns.**

“

strategy which primarily in 2020 and 2021 was confirmed as the correct one under conditions that at the time when the fund was launched nobody had predicted.

Every period brings with it challenges and also opportunities, which the NEMO real estate fund utilised last year and expanded its portfolio by adding the Apeiron office building. The office

tenants, which is a factor that NEMO has put a lot of emphasis on since the fund was launched. The turbulent sequence of events brought about by the pandemic confirmed the importance of high-quality assistance and communication with tenants. The success of each project is a mosaic consisting of many sections, and a high-quality team of professionals taking care of the tenants, as well as the buildings, comprises an important part

of that mosaic. Also important is the fund taking care of the technical state of the buildings and their surroundings, which did not stop at any point last year – renovations of the interiors of office buildings took place, and there were adjustments to spaces to meet the needs of tenants, plus, last but not least, there was an improvement made to the technological facilities in the office buildings. The result is protection and a further increase in the value of this real estate in the future.

The crucial theme of 2020 and 2021 was covid-19. In 2022 it will be inflation and the war between Russia and Ukraine. The outlook for the real estate market in 2022 by CBRE, one of the largest global service providers of real estate, points to strong demand for real estate on the Czech market and insufficient supply. Paradoxically, the sums of money invested are not controlled on the market by demand but by supply. With consideration to the real estate fund market in the Czech Republic, it can be expected – also due to the general growing trend in investments by Czech investors – that there will be a further increase in investment capital and an increase in what is already excess demand over

supply. That will only further support the increase in value of commercial real estate on the market. The main factor of insufficient supply is the low speed of new project development, which is a problem for which a possible solution or change will not come soon. The effort to address or resolve the existing situation of slow development is particularly a matter of necessary legislative changes, and it is well known that they do not happen overnight. According to the outlook by CBRE, there should continue to be a growing trend in office utilisation, and demand will also grow for flexible office space.

In 2022, the fund aims to appreciate by at least 5%, and it will continue to provide the best possible care for buildings in its portfolio and will search for other opportunities for acquisitions, of which it can already see several on the horizon. The reality of high inflation will motivate investors to search for interesting investment opportunities, and the increased volatility will play into the hands of high-quality, stable, proven investment products, which the NEMO real estate fund has been since it was established.

**CZK 1.2 billion**

NET ASSETS UNDER MANAGEMENT

**4.26%**

EARNINGS FOR THE PAST 12 MONTHS

**4.3 years**

WAULT

**29,500 m<sup>2</sup>**

RENTABLE SPACE



# Portfolio managed by CMN

The CMN group is primarily engaged in the purchase and long-term holding of high-quality commercial buildings in cities in the Czech Republic. The company's strategy is based on portfolio diversification and an emphasis on high creditworthiness of tenants. A key factor for the group is concluding long-term rental contracts for 5-10 years.

The group is focused on buildings that meet not only technical requirements but also sustainability requirements. In 2021, the portfolio managed by CMN expanded by three units of real estate – Apeiron, CORSO Karlín, and Zirkon. The area of space for lease now is almost 150,000 m<sup>2</sup>.

The portfolio is comprised of premium buildings (Class A, B+). An important principle of the CMN group is to have an accommodative and proactive approach to tenants and managed projects.

The leased buildings are taken care of by a team of specialists, which creates and maintains good relationships with the tenants, increases their convenience level, and, last but not least, also ensures a premium standard of service.

CMN regularly checks its managed buildings and maintains them in good condition, from technical requirements to aesthetics. The biggest tenants in the managed portfolio are Amazon Logistic Prague, CertiCon, Deloitte CZ Services, Fortuna Game, and Vodafone Czech Republic. Overall, these companies comprise 36% of space managed by CMN.

## Top 5 biggest tenants







### Distribution according to building location

**46%**  
Premium location

**10%**  
Submarket

**44%**  
Strategic location

### Distribution of tenants by industry

**24%**  
Information and communication

**17%**  
Consulting, legal and professional services

**11%**  
Trade and intermediation

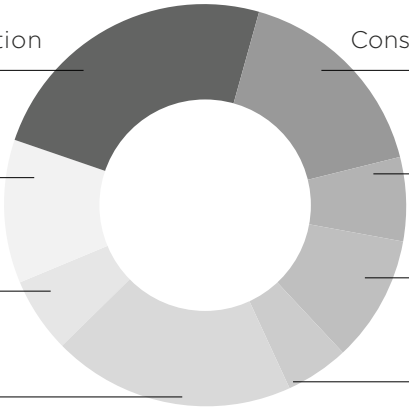
**7%**  
Entertainment industry

**6%**  
Real estate and infrastructure

**10%**  
Health and social care

**20%**  
Others

**5%**  
Food industry



# Real estate in numbers

## CZK 13.5 bil.

TOTAL VALUE OF THE PORTFOLIO

CZK 11.4 bil. as of 31/12/2020



## 66%

SHARE OF GREEN BUILDINGS

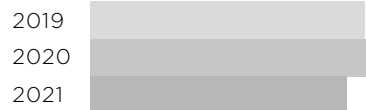
85% as of 31/12/2020



## 92%

OCCUPANCY

98 % as of 31/12/2020

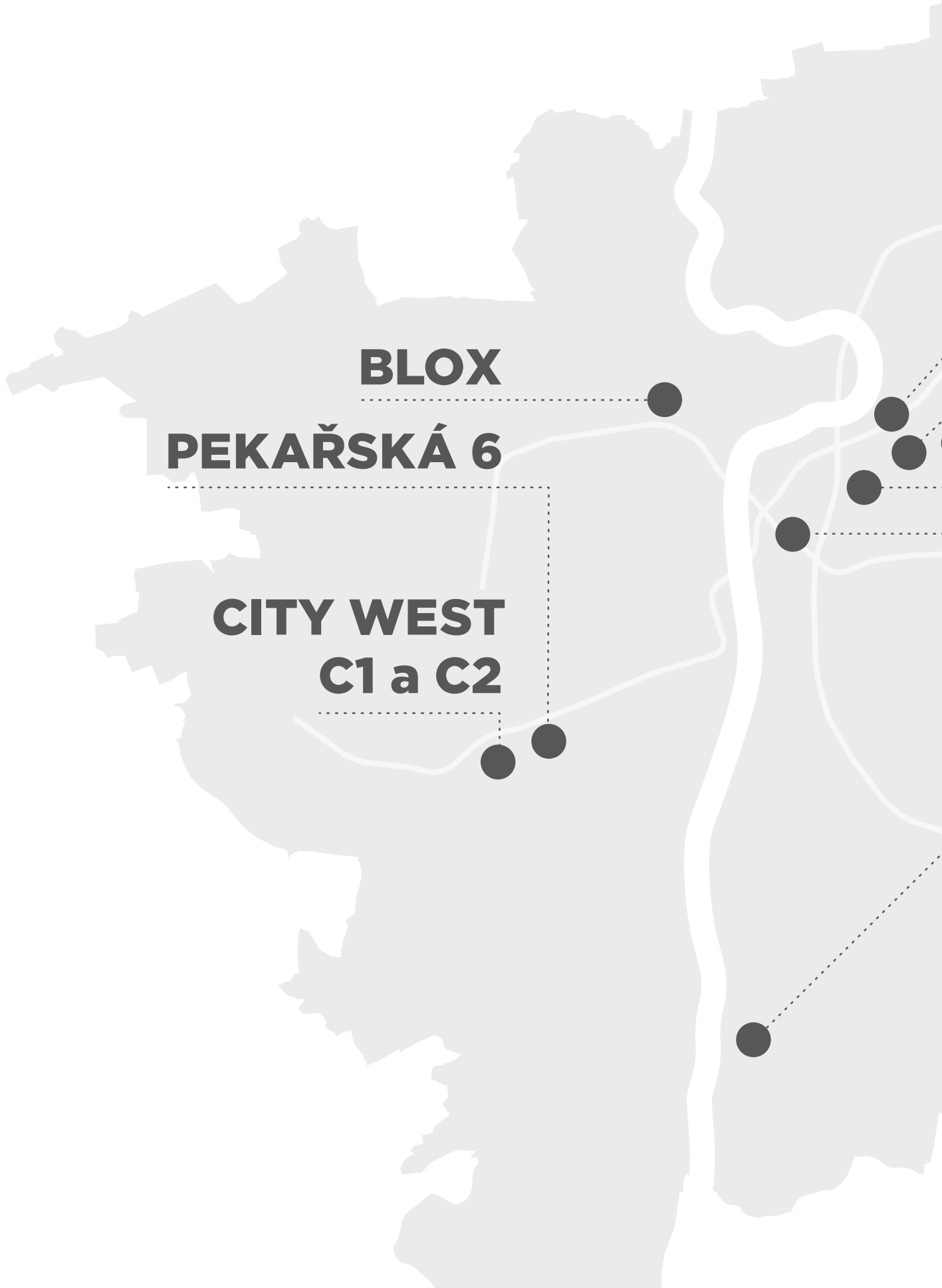


## 4.5 years

WAULT

5.4 years as of 31/12/2020





**BLOX**

**PEKAŘSKÁ 6**

**CITY WEST  
C1 a C2**

**PEKAŘSKÁ 6**

**APEIRON**

**ZIRKON**

**CORSO KARLÍN**

**CHURCHILL I a II**

**VÁCLAVSKÉ NÁMĚSTÍ 62**

**CRYSTAL**

**MEZI VODAMI 31**

**Prague**



# **Portfolio of real estate managed by the CMN group**

# CORSO KARLÍN

Inspirational office space near the subway







C  
B  
A

C



# CORSO KARLÍN

Křižíkova 237/36a, Prague

## UNIQUE ARCHITECTURE

The CORSO Karlín office complex with 4 floors and a total rentable area of 9,421 m<sup>2</sup> is located in a lucrative part of Prague 8 – Karlín. The building offers administrative spaces with an inspiring atmosphere created by a combination of industrial design and modern offices with a capacity of 300 workplaces. The building itself was built in 1890 and is part of the ambitious Nový Karlín plan, which seeks to renovate the former Karlín industrial complex of ČKD. CORSO Karlín is a former industrial hall called "tinsmith shop", which the architects Ricardo Bofill Levi and Jean Pierre Carniaux have transformed into a modern, efficient office building.



EURO-CENTER  
Local Assistance - Worldwide



ICON

# 9,421 m<sup>2</sup>

RENTABLE SPACE

# 300

EMPLOYEE CAPACITY

# 123

NUMBER OF PARKING SPACES

## Ricardo Bofill Levi and Jean Pierre Carniaux

ARCHITECTS

CORSO is situated in a locality with very good civic amenities and easy transport accessibility. Karlín is very easily accessible by all types of transport. The tram stops Křižíkova and Karlínské náměstí are located within a 5-minute walk, with the metro station B - Křižíkova located even closer than that. The building provides up to 123 parking spaces. The Prague 8 - Karlín district is also connected to a dense network of Prague cycle paths.

Among the largest tenants are the companies Dial Telecom, Euro Center Prague and ICON Communication Centers.

# APEIRON

Calm offices near the city center





ERICSSON

CENTROPOOL

SWIETELSKY

LEMS

TSR  
THE BERKSHIRE COMPANY

econsulting

gepard

SOAB

AVAYA

ALVARD  
SERVICES

KRKA

TPV  
BY

FOREVER



APEIRON



STAROPRAHA



# APEIRON

Sokolovská 192/79, Prague

## MODERN BUILDING IN KARLÍNA

The building was built in 2000 and underwent renovation in 2019. The design of the building is the work of the architect Václav Aulický, who became well-known with the design of the controversial Žižkov television tower. The real estate's rentable area of 12,207 m<sup>2</sup> is spread over a total of eight floors, and the variability of the interior spaces allows tenants to choose offices exactly according to their needs.



# 12,207 m<sup>2</sup>

RENTABLE SPACE

# 770

EMPLOYEE CAPACITY

# 174

NUMBER OF PARKING SPACES

# Václav Aulický

ARCHITECTS

The main advantage of the building's location is its excellent transport accessibility by all types of transport. The building is located in Sokolovská Street in the Prague 8 - Karlín district. The B Křížkova metro station and the tram stop of the same name are located very close to the building. The Florenc bus station and metro station can be reached on foot in 15 minutes. Karlín's connection to the network of Prague cycle paths makes the building easily accessible by bicycle.

The location offers all civic amenities - restaurants, cafes, cultural centers - everything is located in close proximity to the building. The ideal place for relaxation is the park near the Church of St. Cyril and Methodius. The building has 174 parking spaces right next to the building.

The largest tenants of the building include SWIETELSKY Stavební s.r.o., OTE, a.s. and EUC PLS s.r.o.

# ZIRKON

6-storey office building in Karlín







# ZIRKON OFFICE CENTER

Sokolovská 366, Prague

## OFFICES CLOSE TO THE CITY CENTER

Zirkon Office Center in Karlín offers a combination of a quiet location, pleasant office spaces and excellent transport accessibility. The entire building consists of a rentable area of 11,005 m<sup>2</sup> with a capacity of 720 workplaces. The six-storey administrative building offers a variable layout of the interior spaces, thanks to which every tenant will find something to their liking. The building was built in 1997, and was reconstructed in 2010. As in the case of the CORSO building, the design of the building is the work of architect Václav Aulický. The property is located in a highly popular location near the metro station, not far from the center of



# 11,005 m<sup>2</sup>

RENTABLE SPACE

# 720

EMPLOYEE CAPACITY

# 173

NUMBER OF PARKING SPACES

# Václav Aulický

ARCHITECTS

Prague. The atrium of the building with its greenery offers employees a nice spot for relaxation. The advantage of the location is excellent transport accessibility by all types of transport – by car, public transport as well as by bike. The metro station B Křižkova and a tram stop are located very close to the property. The building has 173 parking spaces directly in the building.

Among the largest tenants is ČD Informační systémy a.s. and SECON GROUP s.r.o.



**Deloitte.**

# CHURCHILL SQUARE

Italská 67 a 69, Prague

## UNIQUE DESIGN AND SUSTAINABILITY

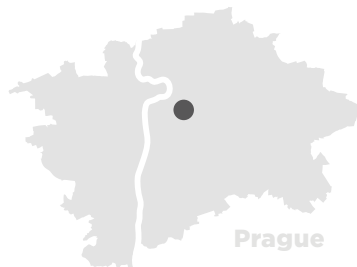
The bold urban project completing Winston Churchill Square consists of two office buildings with a total area of over 30,000 m<sup>2</sup>. The architectural design of both buildings is the work of the studio Jakub Cigler Architekti. Each of the objects of the given project has its own character and they differ from each other not only by their exteriors, but also by the material used. While Churchill I is clothed in light tones, Churchill II is designed in the style of Berlin and Dutch architecture with red brick, which corresponds with the adjacent building of the University of Economics.

## PREMIUM LOCATION

The buildings are connected by a square with water features and outdoor seating for the restaurant, cafe and bistro in the building. The Churchill II also includes a shopping arcade, which provides additional passage to the tenants and residents of the location.

The major advantage of the project is the location in which the entire complex is located. The favorable location of the property offers tenants excellent transport accessibility, with all types of public transport. On top of that, Churchill Square is located near the main train station, which is only a few minutes' walk from the building, allowing for easy transport even for commuters. For employees who prefer to commute to work by car, the building also offers underground parking.

The properties meet state-of-the-art technical requirements and were designed and built with environmental considerations in mind. Thanks to that, both properties have received the green certification of low-energy buildings at the LEED Gold level. The entire project provides capacity for more than 3,000 employees and offers its tenants above-standard modern spaces, which also include relaxation areas as well as a fitness center. The view of Prague Castle that the upper floors offer, makes for a nice addition in value.



**Deloitte.**

**FEG**  
FORTUNA ENTERTAINMENT GROUP

# CITY WEST C1, C2

Náměstí Junkových 12, Laurinova 4, Prague

## A PLACE FOR BOTH WORK AND RELAXATION

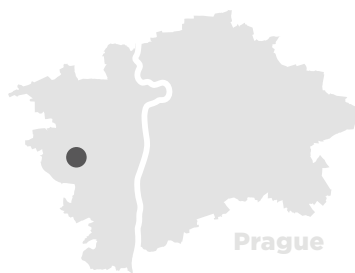
The administrative project CITY WEST C1 and C2 with a rentable area of 26,000 m<sup>2</sup> consists of two office buildings located in a modern neighborhood in Prague's Stodůlky near a metro station. The architectural design of the entire project comes from the workshop of the AHK architekti studio. The design of both buildings is modern and fits nicely to the housing and family houses in the vicinity. A distinctive architectural element that is repeated in various forms in both objects is the frame motif. The facades of the building are moderate in design, made up of sash windows, decorated in an elegant gray shade with a colorful tint of cladding panels.

The complex is also used by a number of shop and service operators who provide employees and residents with quality service in the area of catering, general shopping and other daily needs.

The entire building is highly functional, energy-efficient and environmentally friendly. Interestingly, both buildings were one of the first administrative buildings in the Czech Republic to hold the LEED Gold certificate. The property provides capacity for more than 2,100 employees, and in addition to modern indoor spaces, it also offers places to relax, be it on green terraces, in its Japanese garden, a in park with a children's playground, or in an outdoor gym with an area of approximately 1,000 m<sup>2</sup>.

An undeniable advantage of the building is its excellent transport accessibility. The location is easily accessible by public transport, by car or even by bike thanks to the nearby cycle path. The property is also close to the D5 highway, the Prague ring road and the airport. In addition, outdoor and underground garage parking is provided for employees commuting by car.

Since 2015, the headquarters of Vodafone Czech Republic has been located in building C1. The tenants of building C2 include, for example, CGI IT Czech Republic or Aevi CZ.









# BLOX

Evropská 11, Prague

## URBAN CONCEPT OF PRAGUE DEJVICE

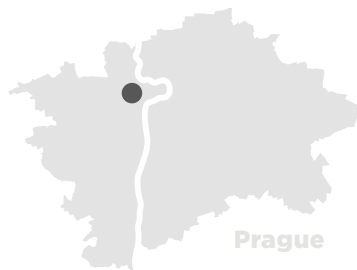
The unique administrative building designed by the DAM architects studio was built in 2015 as an office building designed to meet the most modern technical requirements. The architecture of the building is specific, with simple elements that match the architecture of Prague's Dejvice. Despite its simplicity, the building is still unmistakable and draws attention with its unique modern appearance, reminiscent of a barcode. The building is divided into two wings with 8 above-ground floors, which together amount to a rentable area of 21,000 m<sup>2</sup>.

The ground floor is used by a number of shop and restaurant operators offering their services to both the employees working in Blox and the residents of the Dejvice district.

During the construction of the property, emphasis was placed both on the highest quality and efficiency of office space, as well as on minimizing costs for the operation of the building itself and on environmental friendliness. Due to these features, the building received the highest BREEAM certification - OUTSTANDING. The property is equipped with state-of-the-art technologies that ensure constant control of fresh air quality, individual temperature regulation and monitoring of energy consumption. The terraces with greenery, an adjacent park and a canteen ensure the comfort of employees.

BLOX is located in a convenient residential and commercial location near Václav Havel Airport. Thanks to its location directly on the Dejvice metro station, the building is very easily accessible and offers easy transport to the city center. There are also bus and tram stops near the building and an underground garage parking for employees who travel by car.

The building's largest tenants are Amazon and software company CertiCon



# CRYSTAL

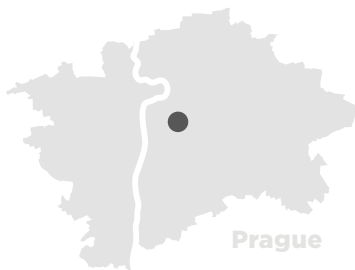
Vinohradská 178, Prague

## THE FOURTEEN-STOREY LANDMARK

The unique high-rise building with a rentable area of 15,000 m<sup>2</sup>, which is spread over 14 above-ground floors, was completed in 2015. From the first glance, the building is eye-catching primarily due to its architecture - the building looks like a small and a large crystal. But the facade of the building resembling a chessboard is also quite specific. This unique architecture was designed by Ateliér 15 under the leadership of Libor Hrdousek and Radek Lampa. It is a modern class A office building meeting all the requirements of a modern office building and the needs of tenants. The building is equipped with the most advanced technologies, thanks to which it also received the BREEAM - EXCELLENT certification. The building has a flexible office area that allows for both an open layout and smaller closed offices.

The property is located at one of the best addresses in Prague, in the very heart of Vinohrady. The advantage of the location is chiefly its transport accessibility. The building is easily accessible by all types of transport - it is located near the metro, tram and bus stops. Naturally, there is also an underground parking space in the building. There are many cafes, restaurants, theaters and shops near the building. The unique view of the center of Prague, which is offered from the higher floors of the building, is a nice addition to the many benefits.

Among the largest tenants are the Health Insurance Company of the Ministry of the Interior of the Czech Republic and the General Health Insurance Company of the Czech Republic.



211







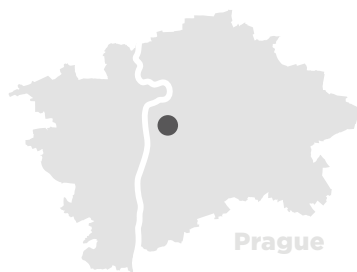
# VÁCLAVSKÉ NÁMĚSTÍ 62

Prague 1 – Staré město

## 8 FLOORS IN THE VERY HEART OF PRAGUE

The multifunctional building on Wenceslas Square was built in 1998 as one of the most modern buildings with high efficiency in Prague. The timeless building was designed by the studio Drexler Urbata Architekti and forms a rentable area of 2,500 m<sup>2</sup>, spreaded over 8 floors. The building is situated in the upper half of Wenceslas Square right next to the statue of St. Wenceslas. Thanks to its skeleton construction, it offers modern office spaces that can be flexibly adapted to the needs of individual tenants - divided into smaller closed offices or a classic open space.

A special facade, ensures a quiet environment in the building, despite its location in one of the busiest places in Prague. The advantage of the property is its location at a prestigious sought-after address and excellent transport accessibility. The building is easily accessible by public transport, is located near the main railway station and has a direct connection to the motorway network and the main road. There are many restaurants, shops and services located around the building. The near-by Čelakovská gardens or the Franciscan garden offer a place to relax.



WesternUnion \| WU

# MEZI VODAMI 31

Prague 12 — Belárie

## OFFICES WITH A VIEW OF THE VLTAVA

The modern administrative building on the edge of Prague 4 was built in 2006 in the former industrial area of the Orion chocolate factory. The U-shaped glass building was designed by the Omicron K studio under the leadership of Martin Kotík. The building's total rentable area of 8,500 m<sup>2</sup> is divided into five above-ground floors and two underground floors.

The administrative premises were designed as open, spacious office areas for more than 350 employees. In addition to offices, the building also has a conference and training center, a development kitchen, a sensory laboratory, a canteen for employees, a company store and other spaces for technical facilities.

The building has been the headquarters of Nestlé since 2006. Other tenants of the building include the Siemens technology concern.

## 16 METERS HIGH ATRIUM

The added value of the property is its huge atrium full of greenery, to which the offices are connected and can be used by employees to relax. The property is located in a pleasant location with a view of the bank of the Vltava and the opposite side of Chuchelské haje. On top of that, the location is easily accessible by transport - there is a tram and bus stop near the building. Underground parking with a capacity of 166 spaces is available for employees commuting by car.



**SIEMENS**





P  
♿

P

TOUSCHE FINANCIAL SERVICES



# PEKAŘSKÁ 6

Prague 5 — Jinonice

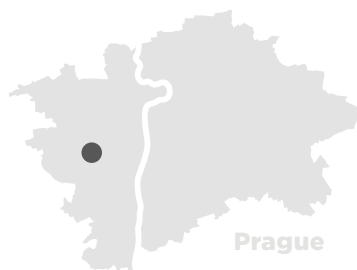
## FOUR-STOREY BUILDING IN A QUIET LOCATION

The office building located in the western part of Prague on Pekařské Street is a small administrative building with a total leasable area of 6,500 m<sup>2</sup> spread over 4 above-ground floors. The building was custom built in 1998 by the tenant. The timeless architecture of the building was designed by the ARCOM studio.

Thanks to its location and layout, the building offers offices with a pleasant, friendly atmosphere. Not only lovers of larger open spaces, but also those who prefer the privacy of their own cozy office will find their place here. Although the building is not full of state-of-the-art technology, it will still reliably satisfy even the more demanding clients.

The building is surrounded by family houses and offers a pleasant working environment. Thanks to its location, the building is very well accessible by transport - it has direct access to the motorway route to Germany and to Vaclav Havel Airport. There is a metro station and a bus stop near the building. A nice addition is the building's roofless atrium with a relaxation zone located right in the middle of the building.

The property is leased to a single tenant, Volkswagen Financial Services.



VOLKSWAGEN  
FINANCIAL SERVICES  
KLÍČ K MOBILITĚ



# Sustainable business

In its activities, the CMN real estate group takes into account the principles of long-term sustainability and takes care to achieve a balance between economic, social and environmental development. When choosing real estate, it considers not only economic criteria, but also sustainability and the impact on the environment. For its portfolio, the company therefore mainly selects high-quality buildings that meet modern construction standards and have BREEAM or LEED international certification or have a chance to obtain it if properly managed. Currently, 66% of the managed portfolio of the CMN group consists of precisely these certified buildings. Specifically, they are the Churchill I and II, CITY WEST C1 and C2, Crystal and BLOX.

All buildings in the CMN portfolio are actively managed by a team of internal specialists (Asset & Property management), which focuses not only on maintaining the quality and value of managed buildings, but also on increasing it. The group sees it as important that each building in the portfolio fits into its surroundings, not only in appearance, but also in its connection with events and life in the city district. For that aim, the group supports activities that open spaces to the public and establishes partnerships that help the development of the city, city districts and communities.

The second pillar on which CMN focuses is education. It offers its employees the opportunity to educate themselves and conduct training in various areas, to which it also contributes financially. It also organises lectures where employees share their knowledge and expertise throughout the company.

CMN also has a long history of supporting various charitable organisations selected by the company's own employees. In 2021, the company supported the international humanitarian organisation ADRA, and CMN contributed to helping people affected by the tornado in southern Moravia. Financial support was also provided to the charitable organisations Sue Ryder and the Children at Risk Fund, with which the company has a long history of cooperation.



# **Consolidated financial statements as of 31/12/2021**

## 1. INTRODUCTION

The Českomoravská Nemovitostní Group (hereinafter referred to as the "CMN Group" or the "Group") is a group of related parties directly or indirectly controlled by the company Českomoravská Nemovitostní a.s., with its registered office in Prague 1, Václavské náměstí 806/62, 110 00, IČ 051 42 202 (hereinafter referred to as "Company") as a holding company. The Company's basic information as of 31 December 2021 were as follows:

Company name	Českomoravská Nemovitostní a.s.
Registered seat	Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1
Corporate number	051 42 202
Entry in the Commercial Register	7/6/2016
Registered capital	CZK 2,000,000
Statutory body	Ing. et Ing. Radek Stacha Chairman of the Board of Directors Mgr. Ing. Josef Eim Vice-Chairman of the Board of Directors
Controlling body	Richard Britten-Long Chairman of the Supervisory Board

## 2. INFORMATION FROM THE BOARD OF DIRECTORS ON THE PERFORMANCE, ACTIVITIES AND FINANCIAL POSITION OF THE GROUP

The information below is in accordance with § 436, paragraph 2 of Act No. 90/2012 Coll. Act on Business Companies and Cooperatives (Act on Business Corporations), as amended.

The CMN Group is an investment group focusing mainly on the purchase, long-term ownership and management of commercial buildings in the Czech Republic. The primary subject of the business is premium real estate in prestigious locations, which have long-term lease agreements with their tenants, and thus stable and predictable cash flows.

The real estate portfolio managed by the CMN Group at the end of 2021 included real estate with a total value of approximately CZK 13 billion. More information about the current portfolio can be found at <http://cm-n.cz/projekty>.

The consolidated financial result of the CMN Group for the year 2021 reached 62,217 thousand. CZK.

## 3. ANTICIPATED DEVELOPMENT OF THE CMN GROUP'S ACTIVITIES

In the coming years, the CMN Group intends to continue in its entrepreneurial focus on premium real estate. The Group's efforts will be aimed mainly at consolidating the Group's position and name on the market, improving the quality of the services provided, increasing competitiveness and streamlining processes. The CMN Group will continue to ensure compliance with internal control mechanisms and ensure careful implementation of its investment projects and management with the care of a responsible manager.

#### **4. INFORMATION ON RESEARCH AND DEVELOPMENT ACTIVITIES**

In 2021, the Group did not spend any resources in the area of research and development. No research and development investments are planned for 2022 either.

#### **5. INFORMATION ON THE ACQUISITION OF OWN SHARES OR SHARES**

None of the companies of the CMN Group have acquired their own shares.

#### **6. INFORMATION ON ACTIVITIES IN THE AREA OF ENVIRONMENTAL PROTECTION AND HUMAN RESOURCES**

Environmental protection is ensured in accordance with applicable legal regulations on environmental protection. In 2021, there were no significant changes in the employee structure of the company.

#### **7. INFORMATION ON BRANCHES ABROAD**

The CMN Group has no organizational component abroad.

#### **8. STATEMENT OF THE BOARD OF DIRECTORS**

The Chairman of the Board of Directors of CMN declares that, to the best of his knowledge, this

annual report presents a true and fair view of the financial situation, business activity and economic results for the past accounting period as well as of the outlook of future financial situation and business results of the CMN Group.

In Prague, 5/5/2022

On behalf of Českomoravská Nemovitostní a.s.



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Ing. et Ing. Radek Stacha  
Chairman of the Board of Directors

## INDEPENDENT AUDITOR'S REPORT

to the Shareholders of **Českomoravská Nemovitostní a.s.**

### Opinion

We have audited the accompanying consolidated financial statements of **Českomoravská Nemovitostní a.s.**, with its headquarters at Václavské nám. 806/62, Praha 1, Czech Republic, IC (Registration Number) 051 42 202, (hereafter the Company) prepared in accordance with Czech accounting regulations, which comprise the consolidated balance sheet as at 31. 12. 2021 and the consolidated income statement for the period from 1. 1. 2021 to 31. 12. 2021 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. Information about the Group is given in point 1 of the appendix to these consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities of **Českomoravská Nemovitostní a.s.** as at 31. 12. 2021 and of the costs, revenues and its profit or loss and its cash flows for the period from 1. 1. 2021 to 31. 12. 2021, in accordance with Czech accounting regulations.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under these regulations are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information included in the Consolidated Annual Report

In compliance with Section 2 (b) of the Act on Auditors, the other information comprises the information included in the Consolidated Annual Report other than the financial statements and auditor's report thereon. The Board of Directors of **Českomoravská Nemovitostní a.s.** is responsible for this other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge of the company obtained from the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material



respects, in accordance with the applicable laws and regulations, in particular, whether the other information complies with the laws and regulations in terms of formal requirements and procedures for preparing the other information in the context of materiality, i.e. whether any non compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that

the other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and

the other information is prepared in compliance with the applicable laws and regulations.

In addition, our responsibility is to report, based on our knowledge and understanding of the Company obtained from the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

#### **Responsibilities of the Board of Directors and Supervisory Board of Českomoravská Nemovitostní a.s. for the Financial Statements**

Board of Directors of Českomoravská Nemovitostní a.s. is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Czech accounting regulations, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the financial reporting process of Českomoravská Nemovitostní a.s.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of Českomoravská Nemovitostní a.s.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Phone: +420 241 046 111  
www.bdo.cz

BDO Audit s. r. o.  
V Parku 2316/12  
Praha 4 - Chodov  
148 00  
Czech Republic

We communicate with the Board of Directors and Supervisory Board of Českomoravská Nemovitostní a.s. 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.

In Brno, 13<sup>th</sup> July 2022

Audit firm:

*BDO Audit s.r.o.*

BDO Audit s. r. o.  
Certificate No. 018

Engagement Partner:

Ing. Jiří Kadlec  
Certificate No. 1246

# Assets

Consolidated Balance Sheet		Current reporting period	Previous reporting period
<b>Total assets</b>		<b>8,003,749</b>	<b>5,808,158</b>
<b>A.</b>	<b>Receivables for subscriptions</b>	<b>0</b>	<b>0</b>
<b>B.</b>	<b>Non-current assets</b>	<b>6,823,493</b>	<b>4,951,755</b>
B.I.	Non-current intangible assets	115	160
B.I.2.	Valuable rights	115	160
B.I.2.1.	Software	50	160
B.I.2.2.	Other valuable rights	66	0
B.II.	Non-current tangible assets	1,328,245	211,682
B.II.1.	Land and buildings	1,277,625	98,714
B.II.1.1.	Land	120,389	37,576
B.II.1.2.	Buildings	1,157,236	61,138
B.II.2.	Equipment	1,711	1,320
B.II.4.	Other non-current tangible assets	0	0
B.II.4.3.	Other non-current tangible assets	0	0
B.II.5.	Advances provided for non-current TA and unfinished non-current TA	48,910	111,648
B.II.5.1.	Advances provided for non-current TA	0	0
<b>B.II.5.2.</b>	<b>Unfinished non-current assets</b>	<b>48,910</b>	<b>111,648</b>
B.III.	Non-current financial assets	4,529,977	3,639,086

Consolidated Balance Sheet		Current reporting period	Previous reporting period
B.III.5.	Other long-term securities	2,758,035	3,389,921
B.III.6.	Loans and credit - other	1,771,941	249,165
B.III.7.	Other non-current financial assets	0	0
<b>B.III.7.2.</b>	<b>Advances on non-current financial assets</b>	<b>0</b>	<b>0</b>
<b>B.IV.1.</b>	<b>Goodwill</b>	<b>985,325</b>	<b>1,105,059</b>
<b>B.IV.2.</b>	<b>Badwill</b>	<b>-20,169</b>	<b>-4,232</b>
<b>C.</b>	<b>Current assets</b>	<b>785,022</b>	<b>532,203</b>
C.II.	Receivables	442,587	85,770
C.II.2.	Current receivables	442,587	85,770
C.II.2.1.	Trade receivables	17,657	64,822
C.II.2.4.	Receivables - other	424,930	20,948
C.II.2.4.3.	State - tax receivables	6,141	2,738
C.II.2.4.4.	Short-term advance payments	5,563	10,661
C.II.2.4.5.	Estimated asset accounts (accrued assets)	4,180	394
<b>C.II.2.4.6.</b>	<b>Other receivables</b>	<b>409,046</b>	<b>7,155</b>
C.III.	Current financial assets	0	0
C.IV.	Cash funds	342,435	446,433
C.IV.1.	Cash on hand	90	97

Consolidated Balance Sheet		Current reporting period	Previous reporting period
D.	Accrued assets	<b>342,345</b>	<b>446,336</b>
D.1.	Deferred expenses	395,233	324,200
D.2.	Complex deferred expenses	383,308	324,200
D.3.	Accrued revenues	0	0
D.3.	Accrued revenues	11,925	0

# Liabilities

Consolidated Balance Sheet		Current reporting period	Previous reporting period
<b>Total liabilities</b>		<b>8,003,749</b>	<b>5,808,158</b>
<b>A.</b>	<b>Owner's equity</b>	<b>1,177,249</b>	<b>871,517</b>
<b>A.I.</b>	<b>Registered capital</b>	<b>2,000</b>	<b>2,000</b>
A.I.1.	Registered capital	2,000	2,000
<b>A.II.</b>	<b>Cash surplus and capital funds</b>	<b>626,244</b>	<b>319,644</b>
A.II.2.	Capital funds	626,244	319,644
A.II.2.1.	Other capital funds	36,924	0
A.II.2.2.	Valuation differences from revaluation of assets and liabilities	589,320	319,644
<b>A.III.</b>	<b>Funds from profit</b>	<b>0</b>	<b>0</b>
<b>A.IV.</b>	<b>Net profit/loss from previous years</b>	<b>486,789</b>	<b>492,404</b>
A.IV.1.	Retained profit or unreimbursed loss from previous years	559,081	492,280
A.IV.3.	Other net profit/loss from previous years	-72,292	124
<b>A.V.</b>	<b>Profit/loss for the current period</b>	<b>62,217</b>	<b>57,469</b>
<b>A.VI.</b>	<b>Share of profit/loss under equity accounting</b>	<b>0</b>	<b>0</b>
<b>A.VII.</b>	<b>Consolidation reserve fund</b>	<b>0</b>	<b>0</b>
<b>B+C</b>	<b>Liabilities</b>	<b>6,819,894</b>	<b>4,936,641</b>
<b>B.</b>	<b>Provisions</b>	<b>6,256</b>	<b>2,808</b>
B.2.	Income tax provision	5,084	2,808

Consolidated Balance Sheet		Current reporting period	Previous reporting period
B.I.4.	Other provisions	1,172	0
<b>C.</b>	<b>Liabilities</b>	<b>6,813,638</b>	<b>4,933,833</b>
<b>C.I.</b>	<b>Non-current liabilities</b>	<b>5,956,461</b>	<b>4,541,989</b>
C.I.1.	Bonds issued	4,688,729	3,985,966
C.I.1.2.	Other bonds	4,688,729	3,985,966
C.I.2.	Payables to credit institutions	1,054,560	479,988
C.I.3.	Non-current advance payments received	13,859	0
C.I.8.	Deferred tax liability	196,917	74,205
C.I.9.	Payables - others	2,396	1,830
C.I.9.3.	Other liabilities	2,396	1,830
<b>C.II</b>	<b>Current payables</b>	<b>857,177</b>	<b>391,844</b>
C.II.1.	Bonds issued	606,750	296,400
C.II.1.2.	Other bonds	606,750	296,400
C.II.2.	Payables to credit institutions	27,427	0
C.II.3.	Current advances received	9,474	4,108
C.II.4.	Trade payables	48,763	54,628
C.II.6.	Liabilities - Controlled or Controlling Entity	22,314	0
C.II.8.	Other payables	142,450	36,708
C.II.8.3.	Payroll payables	3,687	1,210
C.II.8.4.	Payables - social security and health insurance	1,748	726



Consolidated Balance Sheet		Current reporting period	Previous reporting period
C.II.8.5.	State - tax liabilities and grants	4,051	2,946
C.II.8.6.	Estimated accounts payable	15,998	3,066
C.II.8.7.	Other payables	116,966	28,760
<b>D.</b>	<b>Accrued deferrals of liabilities</b>	<b>6,605</b>	<b>0</b>
D.1.	Accrued expenses	0	0
D. 2.	Deferred revenues	6,605	0
<b>E.</b>	<b>Minority equity</b>	<b>0</b>	<b>0</b>

# Consolidated Profit and Loss Statement

Consolidated Profit and Loss Statement		Current reporting period	Previous reporting period
<b>I.</b>	<b>Revenues from own products and services</b>	<b>126,164</b>	<b>60,311</b>
<b>A.</b>	<b>Production consumption</b>	<b>163,807</b>	<b>72,970</b>
A.2.	Material and energy consumption	9,618	4,728
A.3.	Services	154,190	68,242
<b>B.</b>	<b>Change in inventories of own production</b>	<b>0</b>	<b>0</b>
<b>C.</b>	<b>Activation</b>	<b>0</b>	<b>0</b>
<b>D.</b>	<b>Personnel expenses</b>	<b>45,422</b>	<b>18,272</b>
D.1.	Wages and salaries	34,140	13,793
D.2.	Social security expenses and health insurance and other expenses	11,282	4,479
D.2.1.	Social security expenses and health insurance	11,023	4,475
D.2.2.	Other expenses	259	4
<b>E.</b>	<b>Adjustment of values in the operating area</b>	<b>41,953</b>	<b>30,135</b>
E.1.	Adjustments to intangible and tangible non-current assets	41,953	30,135
E.1.1.	Adjustments to intangible and tangible non-current assets – permanent	41,953	30,135
<b>III.</b>	<b>Other operating revenues</b>	<b>925,200</b>	<b>1,108,870</b>
III.1.	Revenues from disposals of non-current assets	104,032	57
III.2.	Revenues from disposals of materials	0	1

Consolidated Profit and Loss Statement		Current reporting period	Previous reporting period
III.3.	Other operating revenues	821,168	1,108,812
<b>F.</b>	<b>Other operating expenses</b>	<b>420,159</b>	<b>764,333</b>
F.1.	Net book value of sold non-current assets	99,647	0
F.3.	Taxes and fees	319	347
F.4.	Provisions in operating area and complex deferred expenses	10,343	1,713
F.5.	Other operating expenses	309,850	762,273
	<b>Clearing of goodwill on consolidation</b>	<b>138,103</b>	<b>23,072</b>
	<b>Clearing of negative goodwill on consolidation</b>	<b>-6,559</b>	<b>0</b>
<b>*</b>	<b>Consolidated operating profit/loss</b>	<b>248,479</b>	<b>260,399</b>
<b>IV.</b>	<b>Revenues from non-current financial assets</b>	<b>524,251</b>	<b>342,580</b>
IV.1.	Income from share - Controlled or Controlling Entity	0	342,580
IV.2.	Other earnings from shares	524,251	0
<b>G.</b>	<b>Costs of sold shares</b>	<b>441,302</b>	<b>326,052</b>
<b>V.</b>	<b>Revenues from other non-current financial assets</b>	<b>214,668</b>	<b>2,137</b>
V.2.	Revenues from current financial assets	214,668	2,137
<b>H.</b>	<b>Costs related to other non-current financial assets</b>	<b>199,850</b>	<b>0</b>
<b>VI.</b>	<b>Interest income and similar income</b>	<b>86,738</b>	<b>60,497</b>

Consolidated Profit and Loss Statement		Current reporting period	Previous reporting period
VI.2.	Other interest income and similar income	86,738	60,497
<b>I.</b>	<b>Adjustment of values and provision in the financial sector</b>	<b>0</b>	<b>0</b>
<b>J.</b>	<b>Interest expense</b>	<b>276,192</b>	<b>179,913</b>
J.2.	Other interest expense and similar costs	276,192	179,913
<b>VII.</b>	<b>Other financial revenues</b>	<b>177,760</b>	<b>90,875</b>
<b>K</b>	<b>Other financial expenses</b>	<b>230,618</b>	<b>192,463</b>
<b>*</b>	<b>Consolidated profit/loss from financial operations</b>	<b>-144,546</b>	<b>-202,339</b>
<b>**</b>	<b>Consolidated profit/loss before taxa</b>	<b>103,933</b>	<b>58,060</b>
<b>L.</b>	<b>Income tax</b>	<b>41,716</b>	<b>591</b>
L.1.	- due tax	5,454	2,995
L.2	- deferred tax	36,262	-2,404
<b>**</b>	<b>Consolidated profit/loss after taxation</b>	<b>62,217</b>	<b>57,469</b>
<b>M.</b>	<b>Transfer of profit/loss share to partners</b>	<b>0</b>	<b>0</b>
<b>***</b>	<b>Consolidated profit/loss for the reporting period</b>	<b>62,217</b>	<b>57,469</b>
<b>*</b>	<b>Net turnover for the reporting period</b>	<b>2,054,781</b>	<b>1,665,270</b>

# Cash Flow Statement

Cash Flow Statement as of 31/12/2021		Current reporting period	Previous reporting period
P	Cash and cash equivalents at the beginning of the reporting period	446,433	224,703
<b>Cash flows from main activity (operating activities)</b>			
Z	Accounting profit or loss on ordinary activities before tax	103,933	58,060
A.1.	Adjustments for non-cash transactions	368,908	-151,667
A1.1.1	Depreciation of fixed assets - destruction, physical demolition, damage, gifts	41,953	30,135
A1.1.2	Goodwill depreciation	131,543	0
A.1.2	Change in balance of adjustments and provisions	10,343	-2,502
A.1.3	Profit (loss) from sale of fixed assets	-4,385	-298,716
A.1.5	Accounted for interest expense and income (exclusive of interest capitalization)	189,454	119,416
A*	Net cash flow from operating activity before taxation, changes in working capital and extraordinary items	472,841	-93,607
A.2.	Change in non-cash items of working capital	169,113	83,943
A.2.1	Change in balance of receivables from operating activities, active accrual accounts and estimated active accounts	-415,925	-66,743
A.2.2	Change in current liabilities from operating activities, accrued liabilities and estimated liabilities	585,038	150,686
A**	Net cash flow from operating activities before taxation and extraordinary items	641,954	-9,664
A.3	Interest paid exclusive of interest capitalization	-276,192	-179,913
A.4	Interests received	86,738	60,497
A.5	Income tax for operating activities and additional tax assessments for previous periods	-5,454	-4,077
A***	Net cash flow from operating activities	447,046	-133,157

Cash flows from investing activities			
B.1	Expenses on fixed assets acquisition	-1,875,206	-1,582,122
B.2	Income from fixed assets sales	104,032	1,108,701
B***	Net cash flow from investing activities	-1,771,174	-473,421
Cash flows from financing activities			
C.1	Impact of changes in liabilities falling into financial activities	1,183,206	828,308
C.2	Impact of a change of equity on cash	36,924	0
C2.5	Direct payments from reserve funds	36,924	0
C***	Net cash flow relating to financing activities	1,220,130	828,308
F	Net increase or decrease of cash	-103,998	221,730
R	Balance of cash on hand and financial equivalents at the end of the reporting period	342,435	446,433

## Summary of changes in owner's equity

Accounting period 2020		Initial balance	Increased	Decreased	Final balance
<b>A.</b>	<b>Owner's equity</b>	<b>907,036</b>	<b>540,056</b>	<b>-575,575</b>	<b>871,517</b>
<b>A. I.</b>	<b>Registered capital</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
A. I.1.	Registered capital	2,000	0	0	2,000
<b>A. II.</b>	<b>Premium and capital funds</b>	<b>460,889</b>	<b>252,318</b>	<b>-393,573</b>	<b>319,644</b>
<b>A. II.2.</b>	<b>Capital funds</b>	<b>460,899</b>	<b>252,318</b>	<b>-393,573</b>	<b>319,644</b>
A. II.2.1.	Other capital funds	393,573	0	-393,573	0
A. II.2.2.	Revaluation differences from revaluation of assets and liabilities	67,326	252,318	0	319,644
<b>A. IV.</b>	<b>Net profit/loss from previous years</b>	<b>262,135</b>	<b>230,269</b>	<b>0</b>	<b>492,404</b>
A. IV.1.	Retained profit or unreimbursed loss from previous years.	262,135	230,145	0	492,280
A. IV.2.	Other net profit/loss from previous years	0	124	0	124
<b>A. V.</b>	<b>Profit/loss for the reporting period</b>	<b>182,002</b>	<b>57,469</b>	<b>-182,002</b>	<b>57,469</b>

## Summary of changes in owner's equity

Accounting period 2021		Initial balance	Increased	Decreased	Final balance
<b>A.</b>	<b>Owner's equity</b>	<b>871,517</b>	<b>435,617</b>	<b>-129,885</b>	<b>1,177,249</b>
<b>A. I.</b>	<b>Registered capital</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
A. I.1.	Registered capital	2,000	0	0	2,000
<b>A. II.</b>	<b>Premium and capital funds</b>	<b>319,644</b>	<b>306,600</b>	<b>0</b>	<b>626,244</b>
<b>A. II.2.</b>	<b>Capital funds</b>	<b>319,644</b>	<b>306,600</b>	<b>0</b>	<b>626,244</b>
A. II.2.1.	Other capital funds	0	36,924	0	36,924
A. II.2.2.	Revaluation differences from revaluation of assets and liabilities	319,644	269,676	0	589,320
<b>A. IV.</b>	<b>Net profit/loss from previous years</b>	<b>492,404</b>	<b>66,801</b>	<b>-72,416</b>	<b>486,789</b>
A. IV.1.	Retained profit or unreimbursed loss from previous years.	492,280	66,801	0	559,081
A. IV.2.	Other net profit/loss from previous years	124	0	-72,416	-72,292
<b>A. V.</b>	<b>Profit/loss for the reporting period</b>	<b>57,469</b>	<b>62,217</b>	<b>-57,469</b>	<b>62,217</b>







# **Annex to the consolidated financial statements**

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# 1. Description of the group

The parent company of the Group Českomoravská Nemovitostní (the "Group") is Českomoravská Nemovitostní a.s. (the "Parent Company"), which is a joint-stock company headquartered in Prague at the address Václavské nám. 806/62, Czech Republic, Corporate number 051 42 202. The parent company was registered in the Commercial Register of the Municipal Court in Prague under file reference B 24261.

The principal activity of the Group is management of its own properties, purchase, sale, management and maintenance of real estate and rental of real estate, apartments and office space.

Its main objects are manufacture, trade and services not listed in appendices 1 to 3 of the Trade Licensing Act and activity of accounting consultancy, bookkeeping and tax records.

Each Member of the Board of Directors acts independently on behalf of the Parent Company in all matters.

None of the Group companies has a foreign branch.

SUPERVISORY AND MANAGING BODIES OF THE PARENT COMPANY AS OF 31/12/2021 WERE AS FOLLOWS:

## **Chairman of the Board of Directors**

Ing. et Ing. RADEK STACHA,  
Date of birth: 28 November 1987  
Mezírka 741/7, Veveří, 602 00 Brno  
Date of office: 25 February 2020  
Registered: 25 February 2020

## **Vice-Chairman of the Board of Directors**

Ing. Mgr. JOSEF EIM, date of birth 5 April 1984  
Tučkova 418/21, Veveří, 602 00 Brno  
Date of membership: 25 February 2020  
Registered: 25 February 2020

## **Member of the Supervisory Board**

RICHARD BRITTEN-LONG,  
Date of birth 22 February 1953  
WR66YY Wichenford, Worcester, The Hill Farm,  
The United Kingdom of Great Britain and Northern Ireland  
Date of membership: 12 October 2021  
Registered: 19 October 2021

A Member of the Supervisory Board resigned effective September 12, 2021:

## **Member of the Supervisory Board**

Mgr. JIŘÍ HRUBAN, date of birth 21 March 1978  
Havlíčková 158/57, 602 00 Brno  
Date of membership: 12 September 2016  
Termination of membership: 12 September 2021  
Registered: 19 October 2021

**The group Českomoravská Nemovitostní is formed of the following companies:**

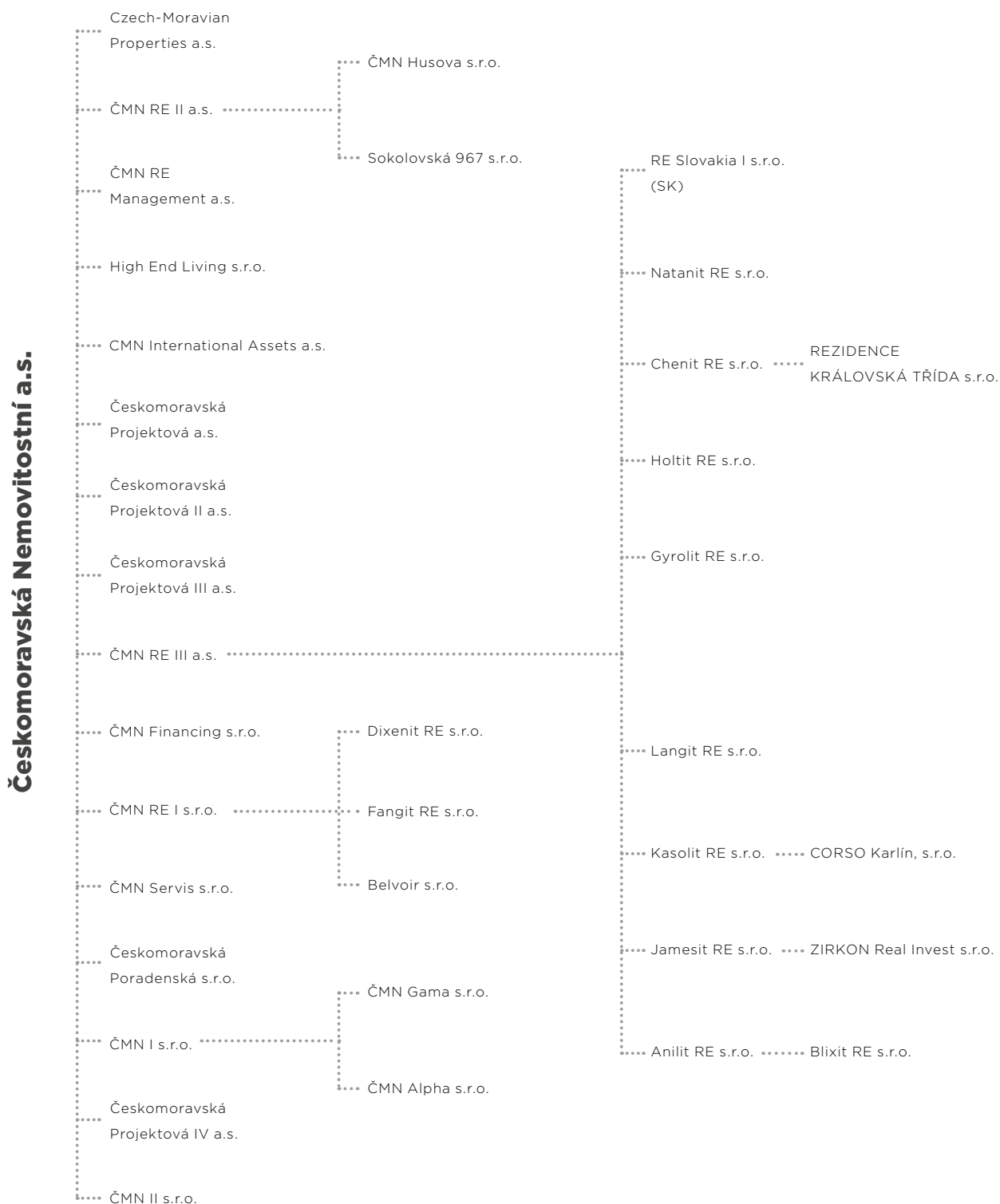
Company name	Registered seat	Registered capital	Amount of the share
Českomoravská Nemovitostní a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	
Anilit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Belvoir s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 20,000	100 %
Blixit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
CMN International Assets a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
CORSO Karlín, s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Czech-Moravian Properties a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
Českomoravská Poradenská s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Českomoravská Projektová a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
Českomoravská Projektová II a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
Českomoravská Projektová III a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
Českomoravská Projektová IV a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
ČMN Alpha s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
ČMN Gama s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
ČMN Husova s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
ČMN I s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
ČMN II s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %

Company name	Registered seat	Registered capital	Amount of the share
ČMN Financing s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 20,000	100 %
ČMN RE I a. s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
ČMN RE II a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
ČMN RE III a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
ČMN RE Management a.s.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 2,000,000	100 %
ČMN Servis s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Dixenit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Fangit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Gyrolit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
High End Living s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 20,000	100 %
Holtit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Chenit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Jamesit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Kasolit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %
Langit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 20,000	100 %
Natanit RE s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 20,000	100 %
RE Slovakia I s.r.o.	Laurinská 18 811 01 Bratislava - mestská časť Staré Mesto	EUR 5,000	100 %
REZIDENCE KRÁLOVSKÁ TŘÍDA, s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 1,000	100 %
Sokolovská 967 s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 100,000	100 %
ZIRKON Real Invest s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	CZK 200,000	100 %

All subsidiaries have elaborated their respective Financial Statements as of 31/12/2021. The full method was used for consolidation



31/12/2021 ORGANIZATIONAL STRUCTURE OF THE GROUP



## 2. Starting points for elaborating the financial statements

The accompanying Consolidated Financial Statements have been prepared in accordance with Act No. 563/1991 Coll. on accounting, as amended ("the Accounting Act") and implementing Decree No. 500/2002 Coll. implementing certain provisions of Act No. 563/1991 Coll., on accounting, as amended, for entities that are businesses maintaining double-entry accounting for accounting entities that are businesses maintaining double-entry accounting, as amended, and Czech accounting standards for businesses, as amended

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless otherwise specified), the principle of accounting by the accruals principle, the prudence concept and the going assumption of the Group's ability to continue its activities.

The Group's Financial Statements have been prepared as of the Balance Sheet date of 31/12/2021 for the calendar year 2021.

The Group is classified under Sec 1b of Act No. 563/1991 Coll. in the category of a medium-sized accounting entity.

The financial data in these Financial Statements are presented in thousands of Czech Crowns (CZK) unless stated otherwise.

### 3. General accounting principles, accounting methods and their changes and deviations

Valuation methods used by the Group upon elaborating the Financial Statement are as follows:

#### 3.1. NON-CURRENT (FIXED) ASSETS

##### A) NON-CURRENT INTANGIBLE ASSETS

Non-current intangible assets are mainly understood as intangible results of development, royalties and software, whose useful life exceeds one year. Purchased non-current intangible assets are valued at acquisition cost less accumulated depreciation and any recognized impairment loss. Expenses relating to research are charged in the year when they are incurred. Interest and other financial expenses related to the acquisition of non-current intangible assets are not included into their valuation.

Goodwill arises as the difference between the valuation of the business establishment (or part thereof) acquired by transfer or by transfer for consideration, or deposit, or valuation of assets and liabilities within the transformations of a business corporation, and the sum of the individually revaluated components of assets, less assumed debts. Depreciations of goodwill are carried out in case of a positive value at the expense of costs. Depreciations of non-current intangible assets are calculated based on the acquisition price and the expected useful life of the respective assets. The depreciation plan during use of non-current intangible assets is updated according to expected useful life of assets.

##### B) NON-CURRENT TANGIBLE ASSETS

Non-current tangible assets include land, buildings and tangible assets having an estimated useful life greater than one year and valuation greater than CZK 40 thous. in an individual case. Purchased non-current tangible assets are valued at acquisition cost, which includes the acquisition price, transportation costs, customs duty and other acquisition-related costs. Interest and other financial expenses related to the acquisition are not included in their valuation, less accumulated depreciation and any recognized impairment loss. The costs of technical improvements of non-current tangible assets increase their acquisition price. Repairs and maintenance are expensed as incurred. Valuation of non-current tangible assets created by own activity includes direct costs, indirect costs causally related to the production of assets by own activity (production overheads) and relating to the period of the given activity. Costs of sales are not included.

Depreciations are calculated based on the acquisition price and the expected useful life of the respective assets. The depreciation plan during use of non-current tangible assets is updated according to the expected useful life of assets. If there is a decrease in the book value of non-current tangible assets, the Group will create an adjustment as the difference between the book value and the price based on expert determination.

Gains or losses on the sale or retirement of an asset are determined as the difference between the sales revenues and the book value of the asset at the time of sale and are charged to the Profit and Loss Statement.

### C) NON-CURRENT FINANCIAL ASSETS

Non-current financial assets are understood as loans with maturity exceeding one year, equity interests in undertakings with decisive or significant influence, available-for-sale securities and debt securities with maturity exceeding one year and held to maturity.

Securities and equity interests are valued at acquisition cost at the time of purchase. The acquisition cost of securities includes direct costs related to the acquisition, e.g. fees and commissions paid to brokers, advisors and stock exchanges.

At the time of acquisition of securities and shares, these non-current financial assets are classified by the Company according to their nature as Shares – controlled entity and Shares in accounting entities under significant influence, or debt securities held to maturity or available-for-sale securities and shares.

Shares in companies whose cash flows and operating processes the Company may manage in order to obtain benefits from their activities are classified as Shares - controlled entity.

Shares in companies whose cash flows and operating processes the Company may significantly influence in order to obtain benefits from their activities are classified as Shares in accounting entities under significant influence.

As of the date of the Financial Statements:

- equity investments are valued at acquisition costs less adjustments,
- equity securities held for trading are valued at fair value. A change in fair value of equity securities held for trading is charged in the profit for the current period,
- debt securities held to maturity are valued at acquisition cost increased to reflect interest income (including amortization of any premium or discount),
- available-for-sale securities and shares are valued at fair value if determinable. A change in the fair value of available-for-sale securities is charged against valuation differences from revaluation of assets and liabilities within the owner's equity,
- provided loans not revaluated.

The fair value represents the market value as published by a domestic or foreign stock exchange or declared by a depositary, or valuation by qualified estimate or by expert judgment if no market value is available.

Non-current financial assets are formed of:

- other long-term securities,
- provided loans.

## **3. 2. CURRENT ASSETS**

### D) CURRENT FINANCIAL ASSETS

Current financial assets consist of securities trading, debt securities with maturities of up to one year held to maturity, own shares, own bonds and other available-for-sale securities.

Current financial assets are valued at cost upon acquisition. The acquisition cost of securities includes direct costs related to the acquisition, e.g. fees and commissions paid to brokers, advisors and stock exchanges.

As of the acquisition date of current financial assets, these current financial assets are classified by the Company based on their nature as current financial assets held for trading or ones that are available for sale. Current financial assets held for trading are defined as securities that are held for performing transactions on the public market in order to profit from price fluctuations in the short term, but within no more than one year.

As of the date of the Financial Statements, the Company values current financial assets except for securities held to maturity, at fair value if determinable. A change in fair value in the reporting period is recognized in the profit/loss for the period with the exception of available-for-sale securities, for which the revaluation is charged to the owner's equity.

For current financial assets not valued at fair value, adjustments are created in the event of their devaluation.

Debt and equity securities not classified as held-to-maturity or trading securities are classified as

available for sale and are reported at fair value.

The fair value of current financial assets represents the market value as published by a domestic or foreign stock exchange, or valuation by qualified estimate or by expert judgment if no market value is available.

Funds are formed of valuables, cash on hand and cash in bank accounts.

### F) RECEIVABLES

Receivables are initially valued at their nominal value, subsequently reduced by the respective adjustments for doubtful and irrecoverable amounts. Receivables acquired by purchase or deposit are valued at acquisition cost less an adjustment to doubtful and irrecoverable amounts. Valuation of doubtful receivables is reduced by adjustments to expenses at their realizable value, based on individual assessment of individual borrowers and age structure of receivables. Estimated receivables are valued on the basis of expert estimates and calculations.

Receivables and estimated receivables are broken down into current (maturity up to 12 months inclusive) and non-current (maturity over 12 months), whereas current ones are due within one year of the Balance Sheet date.

## **3. 3. SHAREHOLDERS' EQUITY**

The registered capital of the Company is reported in the amount registered in the Commercial Register maintained at the municipal court. Any increase or decrease in registered capital based on the decision of the General Meeting, which was not registered by the date of the Financial Statements,

is reported as changes to the registered capital. Contributions exceeding the registered capital are reported as share premium.

### **3. 4. PROVISIONS**

Provisions are for covering liabilities or costs, the nature of which is clearly defined and which, as of the Balance Sheet date, are either likely or certain to be incurred, but their amount or the date on which they will arise is uncertain.

### **3. 5. LIABILITIES**

Liabilities are charged at nominal value.

Estimated liability accounts are valued based on expert estimates and calculations and are broken down into current (maturity up to 12 months inclusive) and non-current (maturity over 12 months), whereas current ones are due within one year of the Balance Sheet date.

### **3. 6. RELATED-PARTY TRANSACTIONS**

Related parties of the Company are understood as:

- parties that may directly or indirectly exercise decisive influence over the Company and companies where these parties have decisive or significant influence,
- parties that can directly or indirectly exercise significant influence over the Company,
- members of statutory, supervisory and management bodies of the Company, or its parent company, and parties close to such parties, including undertakings

where these members and parties have significant or decisive influence.

### **3. 7. FOREIGN EXCHANGE OPERATIONS**

Transactions in foreign currencies made over the year are charged using the respective exchange rates of the Czech National Bank (“CNB”) valid as of the transaction date. As of the date of the Financial Statements, assets and liabilities in foreign currencies are converted at the CNB exchange rate applicable on the preparation date of the Financial Statements. Realized and unrealized exchange gains and losses are charged to financial income or financial expenses for the current year.

### **3. 8. USE OF ESTIMATES**

The preparation of Financial Statements requires Company management to make estimates and assumptions that affect the reported values of assets and liabilities as of the date of the Financial Statements, and the reported amounts of income and expenses during the respective period. Company management has made these estimates and assumptions based on all relevant information available to it. However, as the nature of the estimate suggests, actual values may differ from these estimates in the future.

### **3. 9. CHARGING OF REVENUES AND EXPENSES**

Revenues and expenses are charged by accruals and deferrals, i.e. to the period to which they materially and chronologically pertain.

### **3. 10. DUE INCOME TAX**

Company management charged a tax liability and tax expense based on the tax calculation starting from its understanding of the interpretation of tax laws in force in the Czech Republic as of the date of the Financial Statements and is convinced of the correctness of the amount of taxes in accordance with the applicable legislation of the Czech Republic. Given the existence of different interpretations of tax laws and regulations by third parties, including public authorities, the income tax liability as reported in the Company's Financial Statements may change based on the final opinion of the tax authority.

Income tax expense is calculated using the statutory tax rate from the accounting profit increased or decreased by permanently or temporarily non-deductible expenses and non-taxable income (e.g. creation and charging of other provisions and adjustments, entertainment expenses, differences between book and tax depreciations, etc.). Also reflected are items reducing the tax base (donations), deductibles (tax loss, costs of research and development projects) and discounts on income tax.

### **3. 11. SUBSEQUENT EVENTS**

The impact of events that occurred between the Balance Sheet date and the date of preparation of the Financial Statements is recorded in the Financial Statements in case those events provided additional information on the facts that existed as of the Balance Sheet date.

### **3. 12. CHANGES IN VALUATION METHOD, DEPRECIATION PROCEDURES AND ACCOUNTING PROCEDURES AS OPPOSED TO THE PREVIOUS REPORTING PERIOD**

In the reporting period, the following meaningful changes occurred in valuation method, depreciation procedures and accounting procedures as opposed to the previous reporting period:

- Costs associated with the sale of bonds are accounted for as of the 2020 reporting period in the category Other financial expenses, which replaced the Services category,
- Services related to rebillable supplies are accounted for as of the 2020 reporting period in the Balance Sheet and thus do not increase the turnover of the Group.

Both these changes were undertaken in the framework of the principle of a true and fair depiction.

## 4. Additional data on the consolidated balance sheet

### A) CONSOLIDATION

The following data resulting from the full consolidation of the Group are included in the Group's consolidated financial statements.

	2021	2020
<b>Assets</b>	<b>8,003,749</b>	<b>5,808,158</b>
<b>Owner's equity</b>	<b>1,177,249</b>	<b>871,517</b>
<b>Liabilities</b>	<b>6,819,894</b>	<b>4,936,641</b>
<b>Accrued deferrals of liabilities</b>	<b>6,605</b>	<b>0</b>

The most important item of assets are other long-term securities worth 2,758,035 thousand. CZK (2020: CZK 3,389,921 thousand). This item mainly includes shares in the CORE Fund owned by the CMN Group. CORE Fund, reg. no. FL 0002.624.683-5, legal form: unit trust, governed by the law of the Principality of Liechtenstein, for which the fund manager IFM INDEPENDENT FUND MANAGEMENT AKTIENGESELLSCHAFT (hereinafter referred to as "CORE Fund") acts as its principal investment projects of the Group. At the same time, this item includes shares of NEMO Fund, reg. no. FL 0002.608.770-1, legal form: unit trust, governed by the law of the Principality of Liechtenstein, for which the fund manager IFM INDEPENDENT FUND MANAGEMENT AKTIENGESELLSCHAFT (hereinafter just "NEMO Fund" or "NEMO") that the Group owned at the balance sheet date.

The second most important item is „Loans and credits - others“ in the amount of 1,771,941 thousand. CZK (2020: CZK 249,165 thousand). The majority of this category consists of loans to ČMN RE Core a.s., which is the owner of the Group's main investment projects. This is therefore a debt financing method.

Funds in bank accounts as of the balance sheet date amounted to 342,345 thousand. CZK (2020: CZK 446,336 thousand). The CMN Group was not financially affected by the situation regarding the process of withdrawing the license of Sberbank CZ. The most significant items of liabilities are long-term issued bonds in the amount of 4,688,729 thousand. CZK (2020: CZK 3,985,966 thousand) and the Group's equity, which reached a value of CZK 1,177,249 thousand CZK (2020: CZK 871,517 thousand).

The CMN Group has business relations with a number of tenants, banks, bondholders, suppliers and other business partners. For that reason, within the framework of maintaining its goal of transparency, it has decided to publish the consolidated financial statements in full, including the division of items into individual classes.

### B) NON-CURRENT INTANGIBLE ASSETS

Non-current intangible assets in their net value include Other Valuable Rights, Goodwill and



Software, which is connected to the Group's Information System. This is mainly used for the registration of bond holders and coupon payments.

Overview of non-current intangible assets in 2020:

thous. CZK	1/1/2020	Entries	Deletions	Transfers	31/12/2020
<b>Gross value</b>					
Software	332	0	0	0	332
<b>Total</b>	<b>332</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>332</b>
<b>Accumulated depreciation</b>					
Software	0	-172	0	0	-172
<b>Total</b>	<b>0</b>	<b>-172</b>	<b>0</b>	<b>0</b>	<b>-172</b>
<b>Adjustments</b>					
Software	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>332</b>	<b>-172</b>	<b>0</b>	<b>0</b>	<b>160</b>

Overview of intangible current assets in 2021:

thous. CZK	1/1/2021	Entries	Deletions	Transfers	31/12/2021
<b>Gross value</b>					
Other valuable rights	0	263	0	0	263
Goodwill	0	99,120	0	0	99,120
Software	332	0	0	0	332
<b>Celkem</b>	<b>332</b>	<b>99,383</b>	<b>0</b>	<b>0</b>	<b>99,715</b>
<b>Accumulated depreciation</b>					
Other valuable rights	0	-197	0	0	-197
Goodwill	0	-99,120	0	0	-99,120
Software	-172	-111	0	0	-283
<b>Celkem</b>	<b>-172</b>	<b>-99,428</b>	<b>0</b>	<b>0</b>	<b>-99,600</b>
<b>Adjustments</b>					
Other valuable rights	0	0	0	0	0
Goodwill	0	0	0	0	0
Software	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>160</b>	<b>-45</b>	<b>0</b>	<b>0</b>	<b>115</b>

### C) NON-CURRENT TANGIBLE ASSETS

Non-current tangible assets in the net amount of 1,328,245 thousand. CZK (2020: CZK 211,682 thousand) consists of real estate projects that are part of the Group and are therefore not part of the CORE Fund. Real estate projects owned by CORE Fund are included in the balance sheet in the form of shares in the item Other long-term securities. Buildings, land and unfinished tangible fixed assets

typically include projects that are planned to be sold in the short to medium term. The purchase and possession of real estate projects is normally financed, among other things, through bank loans. When using them, the banking institution is granted a lien on real estate and typically other liens (receivables from rents, insurance, bank accounts, etc.) as standard.

Overview of non-current tangible assets in 2020:

thous. CZK	1/1/2020	Entries	Deletions	Transfers	31/12/2020
<b>Gross value</b>					
Land	61,157	0	-54,961	31,380	<b>37,576</b>
Buildings	2,868,580	16,241	-2,814,318	-5,656	<b>64,848</b>
Equipment	44,990	132	-40,360	-1,918	2,844
Other non-current tangible assets	1,402	0	-1,402	0	0
Advance payments on non-current tangible assets	10,000	1,750	-11,750	0	0
Non-current tangible assets in progress	571	134,883	0	-23,806	111,648
Revaluation of acquired assets	46,068	0	-46,068	0	0
<b>Total</b>	<b>3,032,769</b>	<b>153,006</b>	<b>-2,968,859</b>	<b>0</b>	<b>216,916</b>
<b>Accumulated depreciation</b>					
Buildings	-242,839	-29,037	268,166	0	-3,710
Equipment	-34,833	-2,594	35,903	0	-1,524
Other non-current tangible assets	-643	-58	701	0	0
Revaluation of acquired assets	-46,068	0	46,068	0	0
<b>Total</b>	<b>-324,383</b>	<b>-31,689</b>	<b>350,838</b>	<b>0</b>	<b>-5,234</b>
<b>Adjustments</b>					
Land	-35,867	0	35,867	0	0
Buildings	0	0	0	0	0
Equipment	0	0	0	0	0
Other non-current tangible assets	0	0	0	0	0
Advance payments on non-current tangible assets	0	0	0	0	0
Non-current tangible assets in progress	0	0	0	0	0
Revaluation of acquired assets	0	0	0	0	0
<b>Total</b>	<b>-35,867</b>	<b>0</b>	<b>35,867</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>2,672,519</b>	<b>121,317</b>	<b>-2,582,154</b>	<b>0</b>	<b>211,682</b>

Overview of non-current tangible assets in 2021:

thous. CZK	1/1/2021	Entries	Deletions	Transfers	31/12/2021
<b>Gross value</b>					
Land	37,576	76,136	0	6,677	<b>120,389</b>
Buildings	64,848	1,093,857	0	9,102	<b>1,167,806</b>
Equipment	2,844	16,757	0	200	19,801
Other non-current tangible assets	0	0	0	0	0
Advance payments on non-current tangible assets	0	0	0	0	0
Non-current tangible assets in progress	111,648	57,860	-104,619	-15,979	48,910
Revaluation of acquired assets	0	0	0	0	0
<b>Total</b>	<b>216,916</b>	<b>1,244,610</b>	<b>-104,620</b>	<b>0</b>	<b>1,356,906</b>
<b>Accumulated depreciation</b>					
Buildings	-3,710	-5,715	-1,146	0	-10,571
Equipment	-1,524	-15,909	-657	0	-18,090
Other non-current tangible assets	0	0	0	0	0
Revaluation of acquired assets	0	0	0	0	0
<b>Total</b>	<b>-5,234</b>	<b>-21,624</b>	<b>-1,803</b>	<b>0</b>	<b>-28,661</b>
<b>Adjustments</b>					
Land	0	0	0	0	0
Buildings	0	0	0	0	0
Equipment	0	0	0	0	0
Other non-current tangible assets	0	0	0	0	0
Advance payments on non-current tangible assets	0	0	0	0	0
Non-current tangible assets in progress	0	0	0	0	0
Revaluation of acquired assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>211,682</b>	<b>1,222,986</b>	<b>-106,422</b>	<b>0</b>	<b>1,328,245</b>

## D) NON-CURRENT FINANCIAL ASSETS

Non-current financial assets are the main component of the Group's assets and consist primarily of other long-term securities in the amount of 2,758,035 thousand CZK (2020: CZK 3,389,921 thousand). As of the date of the financial statements, the Group holds all shares of the CORE Fund, which is the owner of the Group's main investment projects. At the same time, the group still holds part of the shares of NEMO Fund.

Loans and credits - others in the amount of 1,771,941 thousand CZK (2020: CZK 249,165 thousand) mainly show a loan from CMN RE Core a.s. The maturity of this loan is more than 5 years and is provided under standard market conditions. CMN RE Core a.s., IČO: 080 95 574 with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1 is a holding company owning the projects Crystal, Blox, City West C1 & C2 and Churchill Square. The sole owner of CMN RE Core a.s. is the CORE Fund.

Overview of non-current financial assets in 2020:

thous. CZK	1/1/2020	Entries	Deletions	Transfers	31/12/2020
<b>Gross value</b>					
Other non-current securities	1,016,029	3,786,205	-1,412,313	0	<b>3,389,921</b>
Loans and credit - others	39,795	1,354,559	-1,145,190	0	<b>249,165</b>
Other non-current financial assets	0	0	0	0	0
Advances given for non-current financial assets	51,190	123,213	-174,403	0	0
<b>Total</b>	<b>1,107,014</b>	<b>5,263,977</b>	<b>-2,731,905</b>	<b>0</b>	<b>3,639,086</b>
<b>Adjustments</b>					
Other non-current securities	0	0	0	0	0
Loans and credit - others	0	0	0	0	0
Other non-current financial assets	0	0	0	0	0
Advances given for non-current financial assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>1,107,014</b>	<b>5,263,977</b>	<b>-2,731,905</b>	<b>0</b>	<b>3,639,086</b>

Overview of non-current financial assets in 2021:

thous. CZK	1/1/2021	Entries	Deletions	Transfers	31/12/2021
<b>Gross value</b>					
Other non-current securities	3,389,921	561,341	-1,193,227	0	<b>2,758,035</b>
Loans and credit - others	249,165	1,601,630	-78,853	0	<b>1,771,941</b>
Other non-current financial assets	0	0	0	0	0
Advances given for non-current financial assets	0	0	0	0	0
<b>Total</b>	<b>3,639,086</b>	<b>2,162,971</b>	<b>-1,272,080</b>	<b>0</b>	<b>4,529,977</b>
<b>Adjustments</b>					
Other non-current securities	0	0	0	0	0
Loans and credit - others	0	0	0	0	0
Other non-current financial assets	0	0	0	0	0
Advances given for non-current financial assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>3,639,086</b>	<b>2,162,971</b>	<b>-1,272,080</b>	<b>0</b>	<b>4,529,977</b>

## E) POSITIVE CONSOLIDATION DIFFERENCE

According to Czech accounting standards, the consolidation difference is the difference between the acquisition price of the shares of the consolidated accounting entity and their valuation according to the participation of the consolidating accounting entity on the amount of equity expressed in fair value, which results as the difference between the fair values of assets and the fair values of external capital at on the date of acquisition or on the date of further increase in participation (further acquisition of securities or shares). The date of acquisition is considered to be the day from which the effectively controlling entity begins to exercise the relevant influence over the consolidated accounting entity. The positive consolidation difference is amortized over a period of 240 months.

In 2021, the CMN Group reported a positive consolidation difference in the net value of 985,325 thousand. CZK (2020: CZK 1,105,059 thousand). The most significant item of the positive consolidation difference is the company owning strategically important land with an area of more than 40 hectares in Krušné hory. According to two expert opinions, there is a significant supply of high-quality raw water in a volume exceeding one billion liters with an annual inflow of 300 million liters on the land, and according to three opinions - professional, laboratory and industrial tests - a European-significant reserve of reserved abrasive minerals at the current market price significantly over CZK 1.5 billion.

The acquisition of ZIRKON Real Invest s.r.o. also contributed to the positive value of the consolidation difference in course of 2021. Another part of the consolidation difference is the company CMN RE II a.s., which is the holding company of the Sokolovská 967 s.r.o. projects and CMN Husova

s.r.o. Consolidation difference regarding individual companies Sokolovská 967 s.r.o. and CMN Husova s.r.o. was written off against equity due to its size and administrative simplification, resulting in a reduction of the Group's equity.

## F) INVENTORY

The subject of activity or business is not the sale of goods or products. The group did not account for inventories for the calendar year 2021.

## G) RECEIVABLES

The CMN Group did not report any long-term receivables as of the balance sheet date.

Receivables from business relationships in the amount of 17,657,000 CZK (2020: CZK 64,822 thousand) include receivables from rent and receivables for other services provided, which are part of the Group's normal operations. Short-term advances provided in the amount of 5,563 thousand CZK (2020: CZK 10,661 thousand) are also related to the normal operation of the Group.

Other receivables in the amount of 409,046 thousand CZK (2020: CZK 7,155 thousand) are composed of individual other receivables of all Group companies. The main part of this item is the receivable from CMN RE I a.s. for NEMO Fund following the sale of the Apeiron real estate project at Sokolovská 192/79, 186 00 Karlín, Prague. This item includes receivables from forward transactions on the financial market, which the Group uses to mitigate currency and interest rate risks. The instruments used include currency forwards, interest rate swaps and other standard derivative products.

Overview of receivables as of the date of Financial Statements:

	2021	2020
<b>Non-current receivables</b>	0	0
<b>Current receivables</b>	<b>442,587</b>	<b>85,770</b>
<b>Total</b>	<b>442,587</b>	<b>85,770</b>

#### H) CURRENT FINANCIAL ASSETS

Current financial assets at the date of the financial statements consisted of funds in the cash register, valuables and mainly funds in bank accounts. These resources were available to the Group for both operational activities and future acquisitions. At the end of 2021, the balance on the bank accounts amounted to 342,345 thousand. CZK (2020: CZK 446,336 thousand)

#### I) ESTIMATED ASSET ACCOUNTS

thousand. CZK (2020: CZK 324,200 thousand) including accruals of costs associated with the mediation of the sale of bonds and other costs that are accrued according to time and material correctness.

#### J) SHAREHOLDERS' EQUITY

Capital of the Group is 2,000 thousand. CZK (2020: CZK 2,000 thousand) and was fully repaid.

The parent company has not paid dividends to shareholders for the entire history of its operation. All profits are reinvested and thus increase the Group's equity, which reached 1,177,249 thousand

in 2021. CZK (2020: CZK 871,517 thousand). In 2021, there was a significant increase in equity by 35.1%. The increase in valuation differences from the revaluation of assets and liabilities includes an increase in the value of CORE Fund and NEMO Fund units. The value of the share certificate includes both capital appreciation of real estate and rental income.

#### K) PROVISIONS

The total amount of reserves as of the date of the financial statements reached the value of 6,256 thousand. CZK (2020: CZK 2,808 thousand). Provisions reported as of the date of the financial statements were made up mainly of provisions for income tax, which were formed due to the date of compilation of the financial statements preceding the date of submission of the corporate income tax return for the year 2021.

#### L) NON-CURRENT LIABILITIES

Non-current liabilities consist primarily of issued bonds in the amount of 4,688,729 thousand. CZK (2020: CZK 3,985,966 thousand) and Liabilities to credit institutions, which reached a value of CZK 1,054,560 thousand. CZK (2020: CZK 479,988 thousand). As announced in the appendix to the 2020 financial statements, the growth rate of issued bonds peaked in 2020. In the following years, starting from 2021, the amount of bonds issued will stabilize as part of maintaining a compromise between efficiency and risk.

The CMN Group cooperates with most banking houses on the Czech market. The most important banking partners include Československá obchodní banka, UniCredit Bank, Czech and Austrian



Raiffeisenbank, the German banking giant Helaba and others

#### M) DEFERRED TAX LIABILITY

The CMN Group reported a deferred tax liability in the amount of 196,917 thousand CZK (2020: CZK 74,205 thousand). The deferred tax liability is formed by the difference in the accounting and tax residual value of assets (liabilities) and is based on the balance sheet approach.

#### N) CURRENT LIABILITIES

Current liabilities consist mainly of short-term issued bonds in the amount of 606,750 thousand CZK (2020: CZK 296,400 thousand) and liabilities from business relationships in the amount of CZK 48,763 thousand. CZK (2020: CZK 54,628 thousand), which is based on standard business dealings associated with the operation of real estate projects and the Group.

Other liabilities in the amount of 116,966 thousand CZK (2020: CZK 28,760 thousand) include, among other things, commitments from fixed futures operations on the financial market, which the Group uses to mitigate currency and interest rate risk. The instruments used include currency forwards, interest rate swaps and other standard derivative products. At the same time, this is a category in which other obligations of all Group companies are included, such as payments for bonds for which the issuer did not obtain contractual documentation as of the date of the financial statements, or obligations for the purchase of securities that were not settled as of the date of the financial statements.

## 5. Additional data on the consolidated profit and loss statement

### A) CONSOLIDATION

In the Group's Consolidated Financial Statements, the following information resulting from the full consolidation of the Group is included:

	2021	2020
<b>Čistý obrat za účetní období</b>	<b>2,054,781</b>	<b>1,665,270</b>
<b>Náklady vč. daně z příjmu</b>	<b>1,992,564</b>	<b>1,607,801</b>
<b>Konsolidovaný výsledek hospodaření za účetní období</b>	<b>62,217</b>	<b>57,469</b>

### B) REVENUES

The most significant item of the Group's revenues is Other operating revenues of 821,168 thousand CZK (2020: CZK 1,108,812 thousand), which reflect the sale of consolidated real estate companies within the scope of the consolidation rules. Income from long-term financial assets in the amount of 524,251 thousand CZK (2020: CZK 342,580 thousand) mainly represents revenues from the sale of securities and Revenue from the sale of products and services of CZK 126,164 thousand CZK (2020: CZK 60,311 thousand), which mainly include income from rent.

Other operating income includes, among other

things, income from the sale of Cerusit RE s.r.o., which is the sole shareholder of RUBÍN REAL s.r.o., to the NEMO real estate fund. One of the main activities of the CMN Group is the creation of value from the holding and sale of real estate. The sales price was verified by an independent expert who prepared an opinion according to the globally recognized RICS methodology. Other operating income, which is connected with the sale of real estate companies, is of a one-time nature. The CMN Group is active on the real estate market, however, it is not possible to accurately determine in advance whether it will regularly achieve revenues from the sale of real estate companies in each accounting period. The main and long-term targeted component of income is primarily regularly collected rent.

Income from non-current financial assets in the amount of 524,251 thousand CZK (2020: CZK 342,580,000) mainly consists of proceeds from the sale of NEMO Fund units. These revenues are associated with costs incurred on sold securities and shares in the amount of 441,302 thousand CZK (2020: CZK 326,052 thousand). The net impact of this item on the economic result reaches a value of 82,949 thousand CZK (2020: CZK 16,528 thousand).

The third significant revenue item is Revenue from the sale of products and services 126,164 thousand CZK (2020: CZK 60,311 thousand). The main driver is the rental income that the Group received from

renting out its properties. As already mentioned above, rental income from projects held by CORE Fund is not included in the Group's consolidated sales, but is reflected through the revaluation of the shares held.

Overview of the Company's earnings:

	2021	2020
<b>Revenue from own products and services</b>	<b>126,164</b>	<b>60,311</b>
<b>Revenues from sale of goods</b>	<b>0</b>	<b>0</b>
<b>Other operating revenues</b>	<b>925,200</b>	<b>1,108,870</b>
<b>Revenues from noncurrent financial assets</b>	<b>524,251</b>	<b>342,580</b>
<b>Revenue from other noncurrent financial assets</b>	<b>214,668</b>	<b>2,137</b>
<b>Interest income</b>	<b>86,738</b>	<b>60,497</b>
<b>Other financial revenues</b>	<b>177,760</b>	<b>90,875</b>
<b>Total</b>	<b>2,054,781</b>	<b>1,665,270</b>

### C) PRODUCTION CONSUMPTION

The total cost of power consumption reached 163,807 thousand CZK. (2020: CZK 72,970,000). Costs of material and energy consumption in the amount of 9,618 thousand CZK (2020: CZK 4,728 thousand).

The main item in this category in the year were marketing supplies and office equipment, including hardware IT equipment, which is not classified as tangible fixed assets due to its low

unit cost. These costs arose mainly as a result of the development of the Group and the increase in the number of employees. The cost of services in the amount of 154,190 thousand CZK (2020: CZK 68,242 thousand) mainly include the costs of legal, accounting, tax, economic, technical and IT consultancy related to real estate projects, acquisitions and the functioning of the Group. This category also includes rent paid by the Group.

### D) PERSONNEL EXPENSES

Personal expenses reached a total of 45,422 thousand CZK in 2021 (2020: CZK 18,272 thousand). A significant increase in personnel costs was associated with the growth of the Group, with personnel reinforcements employed in almost all departments. In the past, the Group also made a strategic decision to build most key functions within the Group without long-term use of consulting companies (in-sourcing). This applies in particular to the finance and asset and property management departments. The main reason is to keep critical know-how in-house, build relationships with tenants on a personal level and reduce costs. The group had 46 employees on the date of the financial statements. The average calculated number of full-time employees for the accounting period was 40. The amount of remuneration of control or administrative bodies was set according to the market standard. At the same time, no extraordinary remunerations were paid to these bodies for the year 2021.

### E) OTHER OPERATING EXPENSES

Other operating costs in the amount of 420,159 thousand CZK (2020: CZK 764,333 thousand) are made up mainly of Other operating costs, which

reached a value of CZK 309,850 thousand. CZK (2020: CZK 762,273 thousand) and are associated with Other operating income and the sale of shares in real estate companies.

#### F) FINANČNÍ VÝSLEDEK HOSPODAŘENÍ

The financial result is divided into several parts. Income from long-term financial assets described above is associated with costs incurred on sold securities and shares. Both of these items arose mainly from the sale of NEMO Fund shares.

Other income interest and similar income of the Group consists of two basic sources. The first source is bank interest collected by the Group for cash held in bank accounts. Due to the length of real estate transactions, the Group is not able to invest funds immediately and during the year kept material cash in bank accounts that yielded interest income. The average 2T repo rate of the Czech National Bank reached 0.88% in 2021. However, in the last quarter of the year, it increased sharply to 3.75%. This category also includes all interest income from loans and advances to parties outside the CMN Group.

Other cost interests and similar costs in the amount of 276,192 thous. CZK (2020: CZK 179,913 thousand) represent the Group's most important cost item and include the cost of financing – bank interest and bond coupons. During 2021, the CMN Group issued bonds with maturities between 2 and 7 years.

Other financial income and Other financial expenses are mainly made up of exchange rate gains and losses and revaluation of derivative transactions to market value.

## 6. Significant events occurring after the balance sheet date

The impact of events that occurred between the balance sheet date and the date of preparation of the financial statements is recorded in the financial statements if these events provided additional information about the facts that existed at the balance sheet date.

In the event that significant events took place between the balance sheet date and the date of preparation of the financial statements, taking into account facts that occurred after the balance sheet date, the consequences of these events are described in the annex to the financial statements, but are not accounted for in the financial statements.

In the period between the balance sheet date and the date of preparation of the consolidated financial statements, there were no extraordinary events that would have a significant impact on the activities of the group of accounting entities.

The Company's management continues to carefully monitor the situation regarding the COVID-19 virus pandemic and is looking for ways to minimize the impact of the pandemic on the Company's operations. The Company's management has considered the potential impacts of COVID-19 on its activities and business and has concluded that they do not have a material impact on the Group's future. Considering this, the financial statements as of 12/31/2021 were prepared on the assumption that the Company will be able to continue its activities without serious complications caused by the above-mentioned coronavirus.

## 7. Going concern assumption

In 2021, the group reported a profit after tax of 62,217 thousand. CZK. At the same time, the Group's equity as of the date of the financial statements amounted to 1,177,249,000. CZK. In view of the above and the Group's strategic plans, the financial statements as of 12/31/2021 were prepared assuming the Group's continued existence.

Compiled on: 05/05/2022

Name and signature of the statutory body of the Company:

A handwritten signature in black ink, appearing to be 'Radek Stacha', is written over a horizontal line. The signature is stylized and cursive.

Radek Stacha  
Chairman of the Board of Directors



# **Individual financial statements as of 31/12/2021**



## INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Českomoravská Nemovitostní a.s.

### Opinion

We have audited the accompanying financial statements of Českomoravská Nemovitostní a.s., with its headquarters at Václavské nám. 806/62, Praha, Czech Republic, IC (Registration Number) 051 42 202, (hereafter the Company) prepared in accordance with Czech accounting regulations, which comprise the balance sheet as at 31. 12. 2021, the income statement, statement of changes in equity and cash flow statement for the period from 1. 1. 2021 to 31. 12. 2021 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the assets and liabilities of Českomoravská Nemovitostní a.s. as at 31. 12. 2021 and of the costs, revenues and its profit or loss and its cash flows for the period from 1. 1. 2021 to 31. 12. 2021, in accordance with Czech accounting regulations.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under these regulations 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 Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information included in the Annual Report

In compliance with Section 2 (b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Supervisory Board of Českomoravská Nemovitostní a.s. is responsible for this other information.

Our opinion on the on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the company obtained from the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with the applicable laws and regulations, in particular, whether the other information complies with the laws and regulations in terms of formal requirements and procedures for preparing the other

information in the context of materiality, i.e. whether any non compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that

the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and

the other information is prepared in compliance with the applicable laws and regulations.

In addition, our responsibility is to report, based on our knowledge and understanding of the Company obtained from the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

#### **Responsibilities of the Supervisory Board and Supervisory Board of Českomoravská Nemovitostní a.s. for the Financial Statements**

Supervisory Board of Českomoravská Nemovitostní a.s. is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting regulations, and for such internal control as the Supervisory Board determines is 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, the Supervisory Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Supervisory Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the financial reporting process of Českomoravská Nemovitostní a.s.

#### **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 above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

BDO Audit s. r. o., a Czech limited company (registration Number 453 14 381, registered in Praha, No. C. 7279, certificate of Chamber of auditors No. 018) is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

- 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 the Supervisory Board of Českomoravská Nemovitostní a.s.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Supervisory Board and Supervisory Board of Českomoravská Nemovitostní a.s. 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.

In Brno 12<sup>th</sup> May 2022

Audit firm:

  
BDO Audit s.r.o.  
Certificate No. 018

Engagement Partner:

  
Ing. Jiří Kadlec  
Certificate No. 1246



# Assets

Balance Sheet	Current reporting period			Previous reporting period
		Correction	Net value	Net value
<b>Total assets</b>	<b>825,087</b>	<b>-72,917</b>	<b>752,170</b>	<b>737,266</b>
<b>A. Receivables for subscriptions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. Non-current assets</b>	<b>779,361</b>	<b>-72,917</b>	<b>706,444</b>	<b>670,132</b>
<b>B.I. Non-current intangible assets</b>	<b>332</b>	<b>-283</b>	<b>50</b>	<b>160</b>
B.I.2. Valuable rights	332	-283	50	160
B.I.2.1. Software	332	-283	50	160
<b>B.II. Non-current tangible assets</b>	<b>25,293</b>	<b>-2,634</b>	<b>22,658</b>	<b>14,352</b>
B.II.1. Land and buildings	22,451	-537	21,913	13,174
B.II.1.2. Buildings	22,451	-537	21,913	13,174
B.II.2. Equipment	2,842	-2,097	745	1,178
<b>B.III. Non-current financial assets</b>	<b>753,736</b>	<b>-70,000</b>	<b>683,736</b>	<b>655,620</b>
B.III.1. Shares - controlled or controlling entity	734,845	-70,000	664,845	647,325
B.III.6. Loans and credit - other	18,891	0	18,891	8,295
<b>C. Current assets</b>	<b>21,923</b>	<b>0</b>	<b>21,923</b>	<b>49,322</b>
<b>C.I. Inventory</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C.II. Receivables</b>	<b>17,088</b>	<b>0</b>	<b>17,088</b>	<b>21,376</b>
C.II.2. Current receivables	17,088	0	17,088	21,376
C.II.2.1. Trade receivables	9,832	0	9,832	7,927

Balance Sheet		Current reporting period			Previous reporting period
			Correction	Net value	Net value
C.II.2.4.	Receivables - other	7,256	0	7,256	13,449
C.II.2.4.3.	State - tax receivables	3,343	0	3,343	292
C.II.2.4.4.	Short-term advance payments	3,659	0	3,659	9,701
C.II.2.4.6.	Other receivables	254	0	254	3,456
<b>C.III.</b>	<b>Current financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C.IV.</b>	<b>Cash funds</b>	<b>4,834</b>	<b>0</b>	<b>4,834</b>	<b>27,946</b>
C.IV.1.	Cash on hand	81	0	81	97
C.IV.2.	Cash in bank accounts	4,754	0	4,754	27,849
<b>D.</b>	<b>Accrued assets</b>	<b>23,803</b>	<b>0</b>	<b>23,803</b>	<b>17,812</b>
D.1.	Deferred expenses	<b>23,803</b>	0	<b>23,803</b>	<b>17,812</b>

# Liabilities

Balance Sheet		Current reporting period	Previous reporting period
<b>Total liabilities</b>		<b>752,170</b>	<b>737,266</b>
<b>A.</b>	<b>Owner's equity</b>	<b>274,254</b>	<b>397,150</b>
<b>A.I.</b>	<b>Registered capital</b>	<b>2,000</b>	<b>2,000</b>
A.I.1.	Registered capital	2,000	2,000
A.II.	Premium and capital funds	0	0
A.II.2.	Capital funds	0	0
<b>A.IV.</b>	<b>Net profit/loss from previous years</b>	<b>395,150</b>	<b>468,398</b>
A.IV.1.	Retained profit or unreimbursed loss from previous reporting periods	395,150	468,398
<b>A.V.</b>	<b>Profit/loss for the reporting period</b>	<b>-122,896</b>	<b>-73,248</b>
<b>B + C</b>	<b>Liabilities</b>	<b>477,915</b>	<b>340,116</b>
<b>B.</b>	<b>Provisions</b>	<b>0</b>	<b>0</b>
<b>C.</b>	<b>Liabilities</b>	<b>477,915</b>	<b>340,116</b>
<b>C.I.</b>	<b>Non-current liabilities</b>	<b>412,133</b>	<b>323,088</b>
C.I.1.	Bonds issued	22,450	22,450
C.I.1.2.	Other bonds	22,450	22,450
C.I.2.	Payables to credit institutions	0	,811
C.I.6.	Liabilities - controlled or controlling entity	389,683	299,827
<b>C.II.</b>	<b>Current payables</b>	<b>65,782</b>	<b>17,028</b>
C.II.4.	Trade payables	14,392	9,935

Balance Sheet		Current reporting period	Previous reporting period
C.II.8.	Other payables	51,391	7,093
C.II.8.1.	Liabilities to equity shareholders	0	0
C.II.8.3.	Payroll payables	3,539	1,077
C.II.8.4.	Payables - social security and health insurance	1,675	654
C.II.8.5.	State - tax liabilities and subsidies	791	0
C.II.8.6.	Estimated accounts payable	429	5,120
C.II.8.7.	Other payables	44,957	242
<b>D.</b>	<b>Accrued deferrals of liabilities</b>	<b>0</b>	<b>0</b>



# Profit and loss statement

		Current reporting period	Previous reporting period
<b>I.</b>	<b>Revenues from own products and services</b>	<b>36,538</b>	<b>25,246</b>
<b>A.</b>	<b>Production consumption</b>	<b>111,401</b>	<b>41,806</b>
A.2.	Material and energy consumption	5,110	3,641
A.3.	Services	106,291	38,165
<b>B.</b>	<b>Change in inventories of own production</b>	<b>0</b>	<b>0</b>
<b>C.</b>	<b>Activation</b>	<b>0</b>	<b>0</b>
<b>D.</b>	<b>Personnel expenses</b>	<b>42,493</b>	<b>17,138</b>
D.1.	Wages and salaries	31,866	12,884
D.2.	Social security expenses and health insurance and other expenses	10,626	4,254
D.2.1.	Social security expenses and health insurance	10,371	4,251
D.2.2.	Other expenses	255	3
<b>E.</b>	<b>Adjustment of values in the operating area</b>	<b>1,106</b>	<b>888</b>
E.1.	Adjustments to intangible and tangible non-current assets	1,106	888
E.1.1.	Adjustments to intangible and tangible non-current assets – permanent	1,106	888
<b>III.</b>	<b>Other operating revenues</b>	<b>1,767</b>	<b>128</b>
III.1.	Revenues from disposals of non-current assets	32	7
III.3.	Other operating revenues	1,735	121
<b>F.</b>	<b>Other operating expenses</b>	<b>5,696</b>	<b>1,310</b>
F.3.	Taxes and fees	92	137

		Current reporting period	Previous reporting period
F.5.	Other operating expenses	5,604	1,173
<b>*</b>	<b>Operating profit/loss</b>	<b>-122,392</b>	<b>-35,768</b>
<b>IV.</b>	<b>Revenues from non-current financial assets</b>	<b>0</b>	<b>0</b>
IV.1.	Revenue from shares - controlled or controlling entity	0	0
<b>G.</b>	<b>Costs of sold shares</b>	<b>0</b>	<b>0</b>
<b>V.</b>	<b>Revenues from other non-current financial assets</b>	<b>100,000</b>	<b>0</b>
V.1.	Revenues from other non-current financial assets	100,000	0
<b>H.</b>	<b>Costs related to other non-current financial assets</b>	<b>0</b>	<b>0</b>
<b>VI.</b>	<b>Interest income and similar income</b>	<b>794</b>	<b>9,306</b>
VI.1.	Interest revenue and similar revenue - controlled or controlling entity	0,	7,999
VI.2.	Other interest income and similar income	794	1,307
<b>I.</b>	<b>Adjustment of values and provision in the financial sector</b>	<b>70,000</b>	<b>0</b>
<b>J.</b>	<b>Expense interest and similar expenses</b>	<b>27,395</b>	<b>13,393</b>
J.1.	Expense interest and similar expenses - controlled or controlling entity	26,255	12,057
J.2.	Other interest expense and similar costs	1,140	1,336
<b>VII.</b>	<b>Other financial revenues</b>	<b>950</b>	<b>8,805</b>
<b>K.</b>	<b>Other financial expenses</b>	<b>4,853</b>	<b>42,198</b>
<b>*</b>	<b>Financial profit/loss</b>	<b>-504</b>	<b>-37,480</b>
<b>**</b>	<b>Profit/loss for before taxation</b>	<b>-122,896</b>	<b>-73,248</b>

		Current reporting period	Previous reporting period
<b>L.</b>	<b>Income tax</b>	<b>0</b>	<b>0</b>
L.1.	Income tax - due	0	0
L.2.	Income tax - deferred	0	0
<b>**</b>	<b>Profit/loss after taxation</b>	<b>-122,896</b>	<b>-73,248</b>
M.	Transfer of profit/loss share to partners	0	0
<b>***</b>	<b>Profit/loss for the reporting period</b>	<b>-122,896</b>	<b>-73,248</b>
<b>*</b>	<b>Net turnover for the reporting period</b>	<b>140,049</b>	<b>43,485</b>

# Cash flow statement

Cash Flow Statement as of 31/12/2021		Current reporting period	Previous reporting period
P	Cash and cash equivalents at the beginning of the reporting period	27,946	2,012
<b>Cash flows from main activity (operating activities)</b>			
Z	Accounting profit/loss from ordinary activity before taxation	-122,896	-73,248
A.1.	Non-cash transactions adjustments	-2,293	4,967
A.1.1	Depreciation of fixed assets - destruction, physical demolition, damage, gifts	1,106	888
A.1.2	Change in provisions and reserves	70,000	0
A.1.3	Profit (loss) from sale of fixed assets	0	-7
A.1.4	Revenues from dividends and profit shares (with the exception of invest. company)	-100,000,	0
A.1.5	Accounted for interest expense and income (exclusive of interest capitalization)	26,601	,4,086
A*	Net cash flow from operating activity before taxation, changes in working capital and exceptional items	-125,189	-68,281
A.2.	Change in non-cash items of working capital	225,952	17,773
A.2.1	Change in receivables from operating activities, active accrual accounts and estimated receivables	-1,703	9,951
A.2.2	Change in current liabilities from operating activities, accrued liabilities and estimated liabilities	227,655	7,822
A**	Net cash flow from operating activity before taxation and extraordinary items	100,763	-50,508
A.3	Interest paid exclusive of interest capitalization	-27,395	-13,393
A.4	Interests received	794	9,306
A.5	Income tax for operating activities and additional tax assessments for previous periods	0	4,526
A***	Net cash flow from operating activities	74,162	-50,069

Cash Flow Statement as of 31/12/2021		Current reporting period	Previous reporting period
<b>Cash flows from investing activities</b>			
B.1	Expenses on fixed assets acquisition	-96,822	-220,105
B.2	Income from fixed assets sales	0	7
B.3	Loans and credits to related parties	-10,596	273,016
B*	Net cash flow from investing activities	-107,418	52,918
<b>Cash flows from financing activities</b>			
C.1	Impact of changes in liabilities falling into financial activities	-89,856	292,898
C.2	Impact of a change of equity on cash	100,000	-269,813
C.2.2	Pay-out of equity shares to shareholders	0	-269,813
C.2.6	Paid dividends or profit shares incl. withholding taxes and dealing with VOS partners and general partners in limited partnerships	100,000	0
C*	Net cash flow from financing activities	10,144	23,085
F	Net increase/decrease in cash on hand	-23,112	25,934
R	Balance of cash on hand and financial equivalents at the end of the reporting period	4,834	27,946

## Summary of changes in owner's equity

Accounting period 2020		Initial balance	Increased	Decreased	Final balance
<b>A.</b>	<b>Owner's equity</b>	<b>740,211</b>	<b>180,842</b>	<b>-523,903</b>	<b>397,150</b>
<b>A. I.</b>	<b>Registered capital</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
A. I. 1.	Registered capital	2,000	0	0	2,000
<b>A. II.</b>	<b>Premium and capital funds</b>	<b>269,813</b>	<b>0</b>	<b>-269,813</b>	<b>0</b>
A. II. 2.	Capital funds	269,813	0	-269,813	0
A. II. 2. 1.	Other capital funds	269,813	0	-269,813	0
<b>A. IV.</b>	<b>Net profit/loss from previous years</b>	<b>287,556</b>	<b>180,842</b>	<b>0</b>	<b>468,398</b>
A. IV. 1.	Retained profit or unreimbursed loss from previous reporting periods	287,556	180,842	0	468,398
<b>A. V.</b>	<b>Profit/loss for the reporting period</b>	<b>180,842</b>	<b>0</b>	<b>-254,090</b>	<b>-73,248</b>

Accounting period 2021		Initial balance	Increased	Decreased	Final balance
<b>A.</b>	<b>Owner's equity</b>	<b>397,150</b>	<b>73,248</b>	<b>-196,144</b>	<b>274,254</b>
<b>A. I.</b>	<b>Registered capital</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
A. I. 1.	Registered capital	2,000	0	0	2,000
<b>A. II.</b>	<b>Premium and capital funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A. II. 2.	Capital funds	0	0	0	0
A. II. 2. 1.	Other capital funds	0	0	0	0
<b>A. IV.</b>	<b>Net profit/loss from previous years</b>	<b>468,398</b>	<b>0</b>	<b>-73,248</b>	<b>395,150</b>
A. IV. 1.	Retained profit or unreimbursed loss from previous reporting periods	468,398	0	-73,248	395,150
<b>A. V.</b>	<b>Profit/loss for the reporting period</b>	<b>-73,248</b>	<b>73,248</b>	<b>-122,896</b>	<b>-122,896</b>

# **Annex to the individual financial statements**



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# 1. Description of the company

Českomoravská Nemovitostní a.s. (the "Company") is a joint stock company, which is headquartered in Prague, Václavské nám. 806/62, Czech Republic, Corporate number 051 42 202 The Company has been registered in the Commercial Register of the Municipal Court in Prague under file number B 24261.

The Company is the highest consolidating unit.

Its core activity is the administration of its own property and lease of real estate, residential and nonresidential space.

The Company's scope of business includes production, trade and services not specified in Annexes 1 to 3 of the Trade Licensing Act and accounting consultancy, book-keeping tax records maintenance.

Each Member of the Board of Directors acts independently on behalf of the Company in all matters.

The Company has no organizational unit abroad.

SUPERVISORY AND MANAGING BODIES OF THE PARENT COMPANY AS OF 31/12/2021 WERE AS FOLLOWS:

## **Chairman of the Board of Directors**

Ing. et Ing. RADEK STACHA,

Date of birth: 28 November 1987

Mezírka 741/7, Veveří, 602 00 Brno

Date of appointment: 25 February 2020

## **Vice-Chairman of the Board of Directors**

Ing. Mgr. JOSEF EIM, date of birth 5 April 1984

Tučkova 418/21, Veveří, 602 00 Brno

Date of membership: 25 February 2020

## **Member of the Supervisory Board**

RICHARD BRITTEN-LONG,

Date of birth 22 February 1953

WR66YY Wichenford, Worcester, The Hill Farm,

The United Kingdom of Great Britain and Northern Ireland

Date of membership: 12 October 2021

During the year 2021, the position of member was terminated of the Supervisory Board.

## **Member of the Supervisory Board**

Mgr. JIŘÍ HRUBAN, date of birth 21 March 1978

Havlíčková 158/57, 602 00 Brno

Date of termination of membership: 12 September 2021

## 2. Starting points for elaborating the financial statements

The accompanying individual Financial Statements (unconsolidated) have been prepared in accordance with Act No. 563/1991 Coll., on accounting, as amended (the "Accounting Act") and Implementation Regulation No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll. on accounting, as amended, for accounting entities that are businesses maintaining double-entry accounting, as amended, and Czech accounting standards for businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless otherwise specified), the principle of accounting by the accruals principle, the prudence concept and the going concern assumption of the Group's ability to continue its activities.

The Financial Statements of the Company is compiled as of the Balance Sheet Day 31/12/2021 for the calendar year 2021.

The Company is classified under Sec 1b of Act No. 563/1991 Coll., in the category of a medium-sized accounting entity.

The financial data in these Financial Statements are presented in thousands of Czech Crowns (CZK) unless stated otherwise.

### 3. General accounting principles, accounting methods and their changes and deviations

Valuation methods used by the Company upon elaborating the Financial Statement are as follows:

#### A) NON-CURRENT INTANGIBLE ASSETS

Non-current intangible assets are mainly understood as intangible results of development, royalties and software, whose useful life exceeds one year. Purchased non-current intangible assets are valued at acquisition cost less accumulated depreciation and any recognized impairment loss. Expenses relating to research are charged in the year when they are incurred. Interest and other financial expenses related to the acquisition of non-current intangible assets are not included into their valuation.

Goodwill arises as the difference between the valuation of the business establishment (or part thereof) acquired by transfer or by transfer for consideration, or deposit, or valuation of assets and liabilities within the transformations of a business corporation, and the sum of the individually revaluated components of assets, less assumed debts. Depreciations of goodwill are carried out in case of a positive value at the expense of costs.

Depreciations of non-current intangible assets are calculated based on the acquisition price and the expected useful life of the respective assets. The depreciation plan during use of non-current intangible assets is updated according to expected useful life of assets.

#### B) DLOUHODOBÝ H MOTNÝ MAJETEK

Non-current tangible assets include land, buildings and tangible assets having an estimated useful life greater than one year and valuation greater than CZK 80 thous. in an individual case. Purchased non-current tangible assets are valued at acquisition cost, which includes the acquisition price, transportation costs, customs duty and other acquisition-related costs. Interest and other financial expenses related to the acquisition are not included in their valuation, less accumulated depreciation and any recognized impairment loss.

The costs of technical improvements of non-current tangible assets increase their acquisition price. Repairs and maintenance are expensed as incurred.

Valuation of non-current tangible assets created by own activity includes direct costs, indirect costs causally related to the production of assets by own activity (production overheads) and relating to the period of the given activity. Costs of sales are not included.

Depreciations are calculated based on the acquisition price and the expected useful life of the respective assets. The depreciation plan during use of noncurrent tangible assets is updated according to the expected useful life of assets. If there is a decrease in the book value of non-current tangible assets, the Group will create an adjustment as the difference between the book value and the price based on expert determination.

Gains or losses on the sale or retirement of an asset are determined as the difference between the sales revenues and the book value of the asset at the time of sale and are charged to the Profit and Loss Statement.

### C) NON-CURRENT FINANCIAL ASSETS

Non-current financial assets are understood as loans with maturity exceeding one year, equity interests in undertakings with decisive or significant influence, available-for-sale securities and debt securities with maturity exceeding one year and held to maturity.

Securities and equity interests are valued at acquisition cost at the time of purchase. The acquisition cost of securities includes direct costs related to the acquisition, e.g. fees and commissions paid to brokers, advisors and stock exchanges.

At the time of acquisition of securities and shares, these non-current financial assets are classified by the Company according to their nature as Shares - controlled entity and Shares in accounting entities under significant influence, or debt securities held to maturity or available-for-sale securities and shares.

Shares in companies whose cash flows and operating processes the Company may manage in order to obtain benefits from their activities are classified as Shares - controlled entity.

Shares in companies whose financial flows and operating processes the Company can significantly influence with the aim of gaining benefits from their activities are treated as Shares in accounting entities under significant influence.

As of the date of the Financial Statements:

- equity investments are valued at acquisition costs less adjustments,
- equity securities held for trading are valued at fair value. A change in fair value of equity securities held for trading is charged in the profit for the current period,
- debt securities held to maturity are valued at acquisition cost increased to reflect interest income (including amortization of any premium or discount),
- available-for-sale securities and shares are valued at fair value if determinable. A change in the fair value of available-for-sale securities is charged against valuation differences from revaluation of assets and liabilities within the owner's equity,
- provided loans not revaluated

The fair value represents the market value as published by a domestic or foreign stock exchange, or valuation by qualified estimate or by expert judgment if no market value is available.

### D) CURRENT FINANCIAL ASSETS

Current financial assets form debt securities for trading, debt securities with maturities of up to one year held to maturity, own shares, own bonds and other available-for-sale securities.

Current financial assets are valued at cost upon acquisition. The acquisition cost of securities includes direct costs related to the acquisition, e.g. fees and commissions paid to brokers, advisors and stock exchanges. As of the acquisition date of current financial assets, these current financial assets are classified by the Company based on their nature as current financial assets held for trading or ones that are available for sale. Current

financial assets held for trading are defined as securities that are held for performing transactions on the public market in order to profit from price fluctuations in the short term, but within no more than one year.

As of the date of the Financial Statements, the Company values current financial assets except for securities held to maturity, at fair value if determinable. A change in fair value in the reporting period is recognized in the profit/loss for the period with the exception of available-for-sale securities, for which the revaluation is charged to the owner's equity.

For current financial assets not valued at fair value, adjustments are created in the event of their devaluation.

Debt and equity securities not classified as held-to-maturity or trading securities are classified as available for sale and are reported at fair value.

The fair value of current financial assets represents the market value as published by a domestic or foreign stock exchange, or valuation by qualified estimate or by expert judgment if no market value is available.

Funds are formed of valuables, cash on hand and cash in bank accounts.

#### E) RECEIVABLES

Receivables are initially valued at their nominal value, subsequently reduced by the respective adjustments for doubtful and irrecoverable amounts. Receivables acquired by purchase or deposit are valued at acquisition cost less an adjustment to doubtful and irrecoverable amounts.

Valuation of doubtful receivables is reduced by adjustments to expenses at their realizable value, based on individual assessment of individual borrowers and age structure of receivables.

Estimated receivables are valued on the basis of expert estimates and calculations.

Receivables and estimated receivables are broken down into current (maturity up to 12 months inclusive) and non-current (maturity over 12 months), whereas current ones are due within one year of the Balance Sheet date.

#### F) SHAREHOLDERS' EQUITY

The registered capital of the Company is reported in the amount registered in the Commercial Register maintained at the municipal court. Any increase or decrease in registered capital based on the decision of the General Meeting, which was not registered by the date of the Financial Statements, is reported as changes to the registered capital. Contributions exceeding the registered capital are reported as share premium.

#### G) LIABILITIES

Liabilities are charged at nominal value.

Estimated liability accounts are valued based on expert estimates and calculations and are broken down into current (maturity up to 12 months inclusive) and noncurrent (maturity over 12 months), whereas current ones are due within one year of the Balance Sheet date.

#### H) RELATED-PARTY TRANSACTIONS

Related parties of the Company are understood as:

- parties that may directly or indirectly exercise decisive influence over the Company and companies where these parties have decisive or significant influence,
- parties that can directly or indirectly exercise significant influence over the Company,
- members of statutory, supervisory and management bodies of the Company, or its parent company, and parties close to such parties, including undertakings where these members and parties have significant or decisive influence.

#### I) PROVISIONS

Provisions are for covering liabilities or costs, the nature of which is clearly defined and which, as of the Balance Sheet date, are either likely or certain to be incurred, but their amount or the date on which they will arise is uncertain.

#### J) LEASING

Finance leasing means the acquisition of non-current tangible assets in such a way that after the expiration or over the agreed period of paid use of the assets by the user, ownership of the assets is transferred from the owner to the user and the owner makes acquisition payments within costs by transfer of ownership.

Financial leasing payments are expensed. The increased first installment of a finance lease is amortized and deferred over the lease term to expenses.

#### K) FOREIGN EXCHANGE OPERATIONS

Transactions in foreign currencies made over the year are charged using the respective exchange rates of the Czech National Bank (“CNB”) valid as of the transaction date.

As of the date of the Financial Statements, assets and liabilities in foreign currencies are converted at the CNB exchange rate applicable on the preparation date of the Financial Statements. Realized and unrealized exchange gains and losses are charged to financial income or financial expenses for the current year.

#### L) USE OF ESTIMATES

The preparation of Financial Statements requires Company management to make estimates and assumptions that affect the reported values of assets and liabilities as of the date of the Financial Statements, and the reported amounts of income and expenses during the respective period. Company management has made these estimates and assumptions based on all relevant information available to it. However, as the nature of the estimate suggests, actual values may differ from these estimates in the future.

#### M) CHARGING OF REVENUES AND EXPENSES

Revenues and expenses are charged by accruals and deferrals, i.e. to the period to which they materially and chronologically pertain.

#### N) DUE INCOME TAX

Company management charged a tax liability and tax expense based on the tax calculation starting



from its understanding of the interpretation of tax laws in force in the Czech Republic as of the date of the Financial Statements and is convinced of the correctness of the amount of taxes in accordance with the applicable legislation of the Czech Republic. Given the existence of different interpretations of tax laws and regulations by third parties, including public authorities, the income tax liability as reported in the Company's Financial Statements may change based on the final opinion of the tax authority.

Income tax expense is calculated using the statutory tax rate from the accounting profit increased or decreased by permanently or temporarily nondeductible expenses and non-taxable income (e.g. creation and charging of other provisions and adjustments, entertainment expenses, differences between book and tax depreciation, etc.). Also reflected are items reducing the tax base (donations), deductibles (tax loss, costs of research and development projects) and discounts on income tax.

#### O) DEFERRED INCOME TAX

Deferred tax is accounted for using the balance sheet liability method.

The book value of a deferred tax receivable is assessed as of the date of the Financial Statements, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the receivable to be recovered.

Deferred tax is charged to the Profit and Loss Statement, except cases when it relates to items charged directly to owner's equity, and when such deferred tax is included in the owner's equity.

Deferred tax receivables and liabilities are offset and charged in the Balance Sheet in the total net value, except in cases where some partial tax receivables cannot be offset against partial tax liabilities.

#### P) SUBSEQUENT EVENTS

The impact of events that occurred between the Balance Sheet date and the date of preparation of the Financial Statements is recorded in the Financial Statements in case those events provided additional information on the facts that existed as of the Balance Sheet date.

#### Q) CHANGES IN VALUATION METHOD, DEPRECIATION PROCEDURES AND ACCOUNTING PROCEDURES AS OPPOSED TO THE PREVIOUS REPORTING PERIOD

In the reporting period, no meaningful changes occurred in valuation method, depreciation procedures and accounting procedures compared to the previous reporting period.

## 4. Additional data on balance sheet items

### R) NON-CURRENT INTANGIBLE ASSETS

Non-current intangible assets at their net value include Software that is associated with the Company's Information System. It is mainly used for records of holders of bonds and coupon payments.

Overview of non-current intangible assets in 2020:

thous. CZK	1/1/2020	Entries	Deletions	Transfers	31/12/2020
<b>Gross value</b>					
Software	332	0	0	0	332
<b>Total</b>	<b>332</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>332</b>
<b>Accumulated depreciation</b>					
Software	-61	-111	0	0	-172
<b>Total</b>	<b>-61</b>	<b>-111</b>	<b>0</b>	<b>0</b>	<b>-172</b>
<b>Adjustments</b>					
Software	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>271</b>	<b>-111</b>	<b>0</b>	<b>0</b>	<b>160</b>

Overview of non-current intangible assets in 2021:

thous. CZK	1/1/2021	Entries	Deletions	Transfers	31/12/2021
<b>Gross value</b>					
Software	332	0	0	0	332
<b>Total</b>	<b>332</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>332</b>
<b>Accumulated depreciation</b>					
Software	-172	-111	0	0	-283
<b>Total</b>	<b>-172</b>	<b>-111</b>	<b>0</b>	<b>0</b>	<b>-283</b>
<b>Adjustments</b>					
Software	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>160</b>	<b>-111</b>	<b>0</b>	<b>0</b>	<b>50</b>

## S) NON-CURRENT TANGIBLE ASSETS

Overview of non-current tangible assets in 2020:

thous. CZK	1/1/2020	Entries	Deletions	Transfers	31/12/2020
<b>Gross value</b>					
Buildings	1,918	16,241	-4,810	0	13,349
Equipment	2,609	33	0	0	2,642
<b>Total</b>	<b>4,527</b>	<b>16,274</b>	<b>-4,810</b>	<b>0</b>	<b>15,991</b>
<b>Accumulated depreciation</b>					
Buildings	-19	-156	0	0	-175
Equipment	-842	-622	0	0	-1,464
<b>Total</b>	<b>-861</b>	<b>-778</b>	<b>0</b>	<b>0</b>	<b>-1,639</b>
<b>Adjustments</b>					
Buildings	0	0	0	0	0
Equipment	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>3,666</b>	<b>15,496</b>	<b>-4,810</b>	<b>0</b>	<b>14,352</b>

Overview of non-current tangible assets in 2021:

thous. CZK	1/1/2021	Entries	Deletions	Transfers	31/12/2021
<b>Gross value</b>					
Buildings	13,349	0	0	9,102	22,451
Equipment	2,642	0	0	200	2,842
Unfinished tangible fixed assets	0	9,302	0	-9,302	0
<b>Total</b>	<b>15,991</b>	<b>9,302</b>	<b>0</b>	<b>0</b>	<b>25,293</b>
<b>Accumulated depreciation</b>					
Buildings	-175	-362	0	0	-537
Equipment	-1,464	-633	0	0	-2,097
<b>Total</b>	<b>-1,639</b>	<b>-995</b>	<b>0</b>	<b>0</b>	<b>-2,634</b>
<b>Adjustments</b>					
Buildings	0	0	0	0	0
Equipment	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>14,352</b>	<b>8,307,</b>	<b>0</b>	<b>0</b>	<b>22,658</b>

## T) NON-CURRENT FINANCIAL ASSETS

The company reports non-current financial assets in the amount CZK 683,736 thous. (2020: 655,620 thous.), which is formed mainly of shares in subsidiaries.

Overview of non-current financial tangible assets in 2020:

thous. CZK	1/1/2020	Entries	Deletions	Transfers	31/12/2020
<b>Gross value</b>					
Shares - controlled or controlling entity	438,680	282,945	-74,300	0	647,325
Lending and loans - controlled or controlling entity	192,486	65,591	-258,078	0	0
Loans and credit - other	37,636	42,664	-72,004	0	8,295
Advances on non-current financial assets	51,190	2,400	-53,590	0	0
<b>Total</b>	<b>719,992</b>	<b>393,601</b>	<b>-457,972</b>	<b>0</b>	<b>655,620</b>
<b>Adjustments</b>					
Shares - controlled or controlling entity:	0	0	0	0	0
Lending and loans - controlled or controlling entity	0	0	0	0	0
Loans and credit - other	0	0	0	0	0
Advances on non-current financial assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net value</b>	<b>719,992</b>	<b>393,601</b>	<b>-457,972</b>	<b>0</b>	<b>655,620</b>

Overview of non-current financial tangible assets in 2021:

thous. CZK	1/1/2021	Entries	Deletions	Transfers	31/12/2021
<b>Gross value</b>					
Shares - controlled or controlling entity	647,325	142,520	-55,000	0	734,845
Lending and loans - controlled or controlling entity	0	0	0	0	0
Loans and credit - other	8,295	13,855	-3,259	0	18,891
Advances on non-current financial assets	0	0	0	0	0
<b>Total</b>	<b>655,620</b>	<b>156,374</b>	<b>-58,259</b>	<b>0</b>	<b>753,736</b>
<b>Adjustments</b>					
Shares - controlled or controlling entity:	0	0	-70,000	0	-70,000
Lending and loans - controlled or controlling entity	0	0	0	0	0
Loans and credit - other	0	0	0	0	0
Advances on non-current financial assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-70,000</b>	<b>0</b>	<b>-70,000</b>
<b>Net value</b>	<b>655,620</b>	<b>156,375,</b>	<b>-128,259</b>	<b>0</b>	<b>683,736</b>

**The company is the parent company of the following companies:**

Company name	Registered seat	Basic capital (thous. CZK)	Amount of the share	Assets (thous. CZK)
CMN International Assets a.s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	1,951
Czech-Moravian Properties a.s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	691,848
Českomoravská Poradenská s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	200	100 %	5,339
Českomoravská Projektová a.s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	1,274,828
Českomoravská Projektová II a.s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	1,040,740
Českomoravská Projektová III a.s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	1,530,076
Českomoravská Projektová IV a.s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	636,325
CMN I s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	200	100 %	322,127
CMN II s. r. o.	Václavské náměstí 806/62, Praha 1, 110 00	200	100 %	24,370
CMN Financing s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	20	100 %	4,798,176
CMN RE I a. s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	3,415,978
CMN RE II a.s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	59,989
CMN RE III a.s.	Václavské náměstí 806/62, Praha 1, 110 00	200	100 %	165,630
CMN RE Management a.s.	Václavské náměstí 806/62, Praha 1, 110 00	2,000	100 %	17,955
CMN Servis s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	200	100 %	828
High End Living s.r.o.	Václavské náměstí 806/62, Praha 1, 110 00	20	100 %	1,302



The value of shares in CMN RE II a.s., CMN RE III a.s., CMN Financing s.r.o. and High End Living s.r.o. is higher than the equity of these companies mainly due to the historical cost accounting for real estate and land, the same concept is carried over to the value of the shares in the assets of these companies. At the same time, the accounting records, by virtue of their by their very nature do not reflect the business plans of the abovementioned companies.

**The equity structure of the subsidiaries at the date of the financial statements was as follows:**

Company's business name	Shareholders' equity	Share capital and capital funds	Retained earnings/loss of previous years	Profit/loss of the current period
CMN International Assets a.s.	1,948	2,000	0	-52
Czech-Moravian Properties a.s.	12,612	2,000	5,478	5,134
Českomoravská Poradenská s. r. o.	980	1,300	-424	104
Českomoravská Projektová a.s.	6,486	2,000	1,825	2,661
Českomoravská Projektová II a.s.	5,179	2,000	-2,918	6,097
Českomoravská Projektová III a.s.	5,660	2,000	-1,711	5,371
Českomoravská Projektová IV a.s.	952	2,000	0	-1,048
CMN I s.r.o.	101,554	34 552	63,813	3,189
CMN II s. r. o.	372	2,300	-2,090	162
CMN Financing s.r.o.	141	4,220	0	-4,079
CMN RE I a. s.	1,162,759	833,957	-23,628	352,430
CMN RE II a.s.	-365	9,500	-4,810	-5,055
CMN RE III a.s.	1,400	25,190	0	-23 789
CMN RE Management a.s.	2,920	2,000	-547	1,467
CMN Servis s.r.o.	299	700	-238	-163
High End Living s.r.o.	200	1,320	-999	-121

#### U) RECEIVABLES

The Company's receivables, inter alia, consist of receivables from controlled entities based on concluded service contracts. All transactions with related parties were concluded under standard market conditions.

During the reporting period, the Company did not account for adjustments to receivables

#### V) CURRENT FINANCIAL ASSETS

Current financial assets were comprised of funds in cash and bank accounts.

#### W) ACCRUED EXPENSES

Accrued expenses include, in particular, accruals of costs from legal services and others according to chronological and material accuracy. In the area of liabilities, the Company has no registered accrual accounts as of the date of the Financial Statements.

#### X) SHAREHOLDERS' EQUITY

The Company's registered capital is CZK 2,000,000, which has repaid in full.

Based on the decision of the General Meeting of the Company held on 30 June 2021, the transfer of the loss for the year 2021 in the amount of 73 248 thousand CZK to the account of unpaid loss from previous years.

#### Y) PROVISIONS

The company did not account for provisions in 2021.

#### Z) LIABILITIES

The Company's non-current liabilities consist of mainly a loan from CMN Financing s.r.o. in the amount of 389 683 thousand CZK, the maturity of which is longer than 5 years.

Current liabilities consist mainly of trade relation obligations based on standard trade relations. As of the date of the Financial Statements, the Company had no current liabilities covered by a lien.

The Company records as at the date of the financial statements in short-term liabilities bonds in nominal value of 22 450 thousand CZK maturing in 2022.

#### AA) LEASING

The company has concluded a leasing agreement, the subject of which is the leasing of a passenger vehicle.

#### BB) SUBSIDIES/INVESTMENT INCENTIVES

The accounting entity received neither subsidies nor investment incentives during 2021.

## 5. Additional data on the items of the profit and loss statement

### A) REVENUES

The Company's revenues consist mainly of revenues from the sale of products and services and dividends.

Overview of the Company's revenues:

	2021	2020
Revenue from own products and services	36,538	25,246
Other operating revenues	1,767	129
Revenue from sale of securities and shares	0	0
Income from shares - controlled or controlling person	100,000	0
Interest income	794	9,306
Proceeds from long-term financial assets	0	0
Other financial revenues	950	8,805
<b>Total</b>	<b>140,049</b>	<b>43,485</b>

### B) PRODUCTION CONSUMPTION

The total costs of production consumption amounted to CZK 111,401 thous.

Costs of materials and energy consumption amounting to CZK 5,110 thous. involve mainly

costs for marketing needs and office equipment, including IT hardware, which is not included in non-current tangible assets due to its low unit price.

The costs for services in the amount of CZK 106,291 thous. mainly include the costs of legal, accounting, tax, economic, technical and IT consultancy.

### C) PERSONNEL EXPENSES

Personnel expenses in 2021 amounted to CZK 42,493 thous. The Company had 44 employees as of the date of the Financial Statements. The average number of employees over the reporting period was 38.

### D) INFORMATION ON RELATED PARTY TRANSACTIONS

The Company provides services to controlled persons related to financial and commercial advisory services, asset and property management, etc. For these services The Company charges a market standard fee.

All transactions with related parties were negotiated on an arm's length basis at arm's length terms and conditions.

### E) RESEARCH AND DEVELOPMENT

The company incurred no expenses for research and development.



## 6. Significant events occurring after the balance sheet date

The impact of events that occurred between the Balance Sheet date and the date of the Financial Statements is captured in accounting reports in the case that these events provided supplementary information on facts that existed at the Balance Sheet date.

In case that between the Balance Sheet date and the date of elaborating these Financial Statements, there were significant events reflecting facts that occurred after the Balance Sheet date, the effects of these events are described in the Annex to the Financial Statements, but are not accounted for in the Financial Statements.

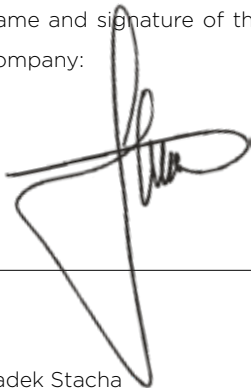
Company management continues to closely monitor the situation regarding the COVID-19 pandemic, and is seeking out ways of minimizing the impact of this pandemic on the activity of the Company. Company management has considered the potential impacts of COVID-19 on its activities and business and concluded that they do not have any significant influence on the going concern assumption. In view of this, the Financial Statements as of 31/12/2021 were prepared under the assumption that the Company will be able to continue its activities without serious complications caused by the aforementioned coronavirus.

## 7. Assumption of continuous duration of the company

The Company posted an after-tax loss in 2021 of CZK -122,896 thous. CZK. The Company Owner's equity as of the date of the Financial Statements reached an amount of CZK 274,254 thous. In light of this and the Company's strategic plans, the Financial Statements were elaborated as of 31/12/2021 under the going concern assumption of the Company.

Compiled on:  
9/5/2022

Name and signature of the statutory body of the Company:

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by 'adek Stacha'. The signature is written over a horizontal line.

Radek Stacha  
Chairman of the Board of Directors

# Report on relationships

Report of the statutory body of Českomoravská Nemovitostní a.s., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 051 42 202, registered in the Commercial Register administered by the Municipal Court in Prague, File B 24262 (the "Company"), on relationships between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity, elaborated in accordance with the provisions of Sec 82 et seq. of Act No. 90/2012 Coll., on commercial companies and cooperatives, as amended (the "Act on Business Corporations").

## SECTION I. STRUCTURE OF RELATIONS BETWEEN THE CONTROLLED AND THE CONTROLLING PERSON

### CONTROLLING PERSON

Ing. et Ing. Radek Stacha, date of birth: 28 November 1987, residing at Mezírka 741/7, Veveří, 602 00 Brno

### PERSONS CONTROLLED BY THE COMPANY

As at 31 December 2021, the Company's statutory body had knowledge of the following controlled companies Company:

- Českomoravská Projektová a.s., with registered office Wenceslas Sq. 806/62, Nové Město, 110 00 Praha 1, ID No.: 073 75 115, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 24251;
- Českomoravská Projektová II a.s., with registered office Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID No.: 081 69 926, registered in the Commercial Register kept by the Municipal Court in Prague, file no. B 24412;
- Českomoravská Projektová III a.s., with registered office Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID No.: 090 48 189, registered in the Commercial Register kept by the Municipal Court in Prague, file no. B 25198;
- Českomoravská Projektová IV a.s., with registered office Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID No.: 109 23 705, registered in the Commercial Register kept by the Municipal Court in Prague, file no. B 26362;
- Českomoravská Poradenská s.r.o., with registered office Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID No.: 055 59 812, registered in the Commercial Register maintained by the Regional Court of Court in Brno, file No. C 96190;
- ČMN RE I a.s., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 065 94 191, registered in the Commercial Register registered with the Municipal Court in Prague, file no. B 24177;
- ČMN RE II a.s., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 065 94 484, registered in the Commercial Register registered with the Municipal Court in Prague, file no. B 24176;
- ČMN RE III s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00

- Prague 1., ID no: 096 39 110, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 339462;
- ČMN I s.r.o., with registered office at Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID no: 049 38 453, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 309183;
  - ČMN II s.r.o., with registered office in Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID no: 053 72 321, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 310795;
  - ČMN Alpha s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1., ID no: 062 22 960, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 311004;
  - ČMN Gama s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 063 33 311, registered in the Commercial Register registered with the Regional Court in Brno, file no. C 101486;
  - High End Living s.r.o., with its registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID No.: 038 85 216, registered in the Commercial Register register maintained by the Regional Court in Brno, No. C 87242;
  - ČMN RE Management a.s., with registered office Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID No.: 079 49 898, registered in the Commercial Register kept by the Municipal Court in Prague, file no. B 24244;
  - ČMN Servis s.r.o., with registered office at Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID no: 085 99 181, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 321738;
  - Sokolovská 967 s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID No.: 060 36 163, registered in the Commercial Register register kept by the Municipal Court No. C 311987;
  - ČMN Husova s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1., ID No.: 064 37 885, registered in the Commercial Register register kept by the Municipal Court No. C 311990;
  - Anilit RE s.r.o., with registered office in Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID no: 080 53 332, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 312191;
  - Blixit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 080 53 359, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 312194;
  - Dixenit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 080 53 421, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 312197;
  - Fangit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 080 53 499, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 312201;
  - Gyrolit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 080 53 511, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 312202;
  - Holtit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1., ID no: 080 53 537, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 312203;
  - Chenit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00



- Prague 1, ID no: 080 53 533, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 312204;
- Czech-Moravian Properties a.s., with registered office Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID No.: 063 58 764, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 25711;
  - REZIDENCE KRÁLOVSKÁ TŘÍDA, s.r.o., located at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1., ID No.: 067 67 591, registered in the Commercial Register maintained by No. C 288518;
  - Inezit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 080 53 561, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 312205 (for completion the statutory body states, that this company was controlled indirectly Company until August 2021);
  - Jamesit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1., ID no: 096 76 678, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 340259;
  - Kasolit RE s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1., ID no: 096 76 732, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 340260;
  - Belvoir s.r.o., with registered office at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, ID no: 090 16 228, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 329197;
  - RE Slovakia I s.r.o., established and existing under Slovak law, with its registered office at Laurinská 18, Staré Město, 811 01 Slovak Republic, ID No: 53405226, registered in Slovak Commercial Register maintained by the District Court Bratislava I, Insert No. 148427/B;
  - Langit RE s.r.o., with registered office at Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID no: 099 48 121, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 344725 (for completion the statutory body states, that this company was controlled indirectly Company since March 2021);
  - Natanit RE s.r.o., with registered office in Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID No: 099 24 035, registered in the Commercial Register registered with the Municipal Court in Prague, file no. C 344726 (for completion the statutory body states, that this company was controlled indirectly Company since March 2021);
  - ZIRKON Real Invest s.r.o., with registered office at Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID No.: 281 63 940, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 129848 (for completion the statutory body states that this company has been indirectly controlled by the Company since October 2021);
  - CORSO Karlín, s.r.o., with registered office at Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID No.: 281 68 615, registered in the Commercial Register kept by the Municipal Court No. C 130188 (to supplement the statutory body states that this company has been indirectly controlled by the Company since October 2021);
  - ČMN Financing s.r.o., with its registered office at Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID No.: 099 24 019, registered in

the Commercial Register maintained by the Municipal Court No. C 344727;

- CMN International Assets a.s., with registered office Wenceslas Square 806/62, Nové Město, 110 00 Prague 1, ID No.: 098 85 404, registered in the Commercial Register maintained by B 26061.

(hereinafter referred to as "Controlled Persons").

The statutory body of the Company declares that has exercised due diligence to ascertain the scope of other connected persons for the purpose of processing of this report.

## SECTION II. ROLE OF THE COMPANY

Within the Group and in terms of the Company, it is an independent company that intends to develop its activities within the framework of renting real estate, apartment units and non-residential space, and within the framework of managing its own assets.

## SECTION III. METHOD AND MEANS OF CONTROL

The Company is a holding company controlling directly/indirectly Controlled Entities through the direct/indirect exercise of voting rights in the Controlled Entities.

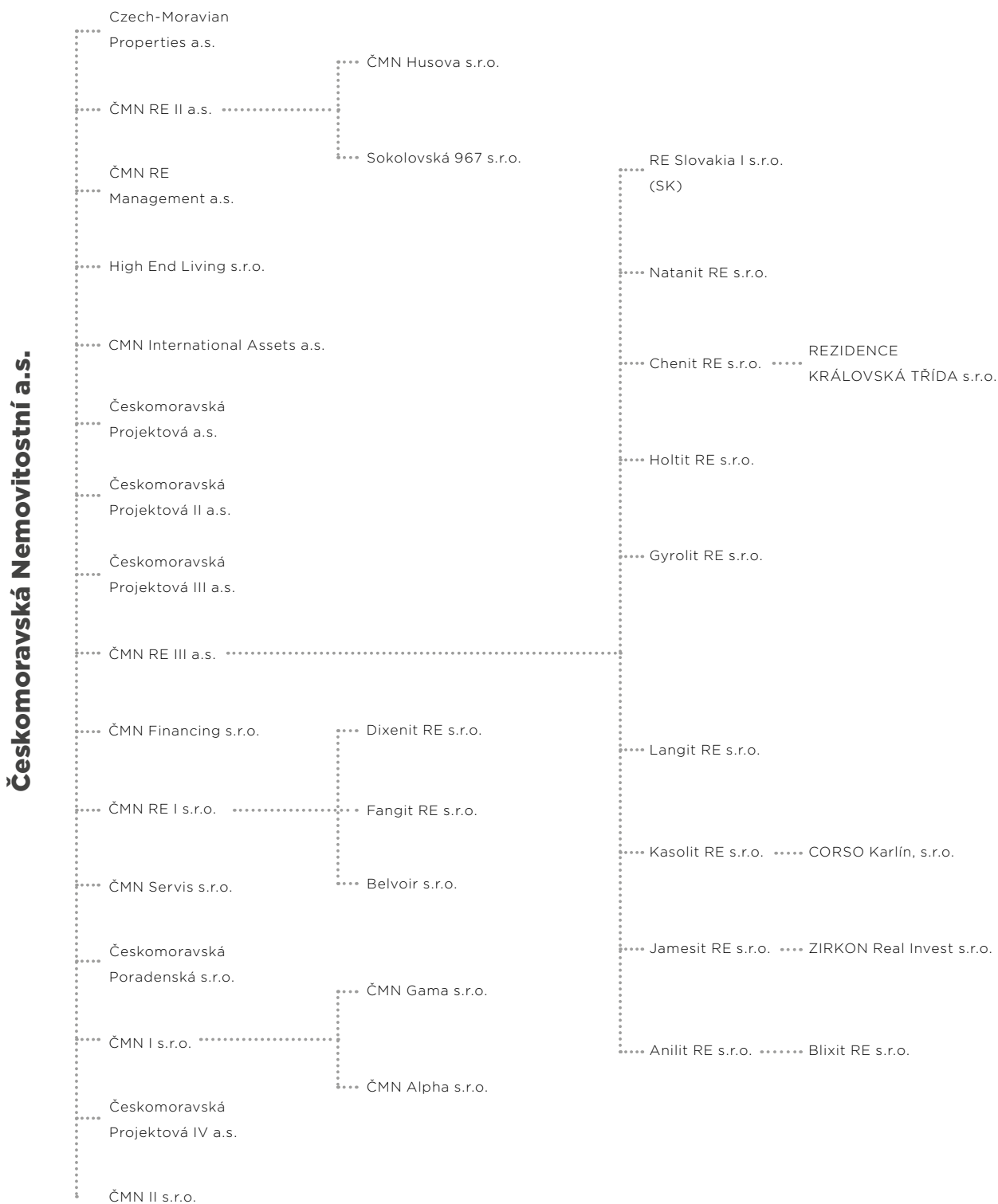
## SECTION IV. DECISIVE PERIOD

This Report has been elaborated for the period of 1/1/2021 to 31/12/2021.

## SECTION V. OVERVIEW OF ACTS TAKEN AT THE INITIATIVE OR IN THE INTEREST OF CONTROLLING ENTITIES OR ENTITIES

CONTROLLED BY THEM, IN SO FAR AS SUCH CONDUCT CONCERNED ASSETS OF A VALUE EXCEEDING 10% OF THE COMPANY'S SHAREHOLDERS' EQUITY

The Company knows of no acts taken at the initiative or in the interest of controlling persons or entities controlled by them.



SECTION VI. AGREEMENTS CONCLUDED BETWEEN THE COMPANY AND CONTROLLED PERSONS OR PERSONS CONTROLLED BY THEM

Entity	Name of agreement	Date concluded	Performance provided from the company	Performance removed on the part of Companies	Damage
ČMN Financing s.r.o.	Loan agreement, based on the assignment agreement of 30 April 2021	1/1/2019	Interest	Loan	none
Sokolovská 967 s.r.o.	Provision of Services Agreement, as amended	20/11/2019	Services	Remuneration	none
ČMN Alpha s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN Gama s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN I s.r.o.	Provision of Services Agreement	10/12/2019	Services	Remuneration	none
ČMN II s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN RE I a.s.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN RE II a.s.	Provision of Services Agreement	10/12/2019	Services	Remuneration	none
ČMN Husova s.r.o.	Provision of Services Agreement	10/12/2019	Services	Remuneration	none
Českomoravská Poradenská s.r.o.	Provision of Services Agreement	1/3/2020	Services	Remuneration	none
ČMN Servis s.r.o.	Provision of Services Agreement	29/1/2020	Services	Remuneration	none
REZIDENCE KRÁLOVSKÁ TRÍDA, s.r.o.	Provision of Services Agreement	29/1/2020	Services	Remuneration	none
Czech-Moravian Properties a.s.	Provision of Services Agreement, as amended	26/8/2019	Services	Remuneration	none
Českomoravská Projektová a.s.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Českomoravská Projektová II a.s.	Provision of Services Agreement, as amended	26/8/2019	Services	Remuneration	none
Českomoravská Projektová III a.s.	Provision of Services Agreement, as amended	20/4/2020	Services	Remuneration	none
ČMN RE Management a.s.	Provision of Services Agreement, as amended	10/6/2019	Services	Remuneration	none
Anilit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none

Entity	Name of agreement	Date concluded	Performance provided from the company	Performance removed on the part of Companies	Damage
Blixit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Dixenit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Fangit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Gyrolit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Holtit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Chenit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Belvoir s.r.o.	Provision of Services Agreement	22/2/2021	Services	Remuneration	none
CMN International Assets a.s.	Provision of Services Agreement	22/2/2021	Services	Remuneration	none
ČMN RE III s.r.o.	Provision of Services Agreement	22/2/2021	Services	Remuneration	none
High End Living s.r.o.	Provision of Services Agreement	22/2/2021	Services	Remuneration	none
Jamesit RE s.r.o.	Provision of Services Agreement	22/2/2021	Services	Remuneration	none
Kasolit RE s.r.o.	Provision of Services Agreement	22/2/2021	Services	Remuneration	none
ČMN Financing s.r.o.	Provision of Services Agreement	12/3/2021	Services	Remuneration	none
Langit RE s.r.o.	Provision of Services Agreement	12/3/2021	Services	Remuneration	none
Natanit RE s.r.o.	Provision of Services Agreement	12/3/2021	Services	Remuneration	none
Českomoravská Projektová IV a.s.	Provision of Services Agreement	30/7/2021	Services	Remuneration	none
Českomoravská Poradenská s.r.o.	Provision of Services Agreement	1/11/2019	Incentive	Services	none
ČMN I s.r.o.	Provision of Services Agreement	1/8/2018	Surcharge		none
ČMN I s.r.o.	Provision of Services Agreement	31/12/2018	Surcharge		none

Entity	Name of agreement	Date concluded	Performance provided from the company	Performance removed on the part of Companies	Damage
ČMN I s.r.o.	Confirmation of refund of surcharge	5.11.2020		Refund of surcharge	none
ČMN I s.r.o.	Confirmation of refund of surcharge	5.2.2021		Refund of surcharge	none
ČMN RE I a.s.	Contract for the granting of a supplement	30.4.2020	Surcharge		none
ČMN RE I a.s.	Contract for the granting of a supplement	1.7.2021	Surcharge		none
High End Living s.r.o.	Contract for the granting of a supplement	27.12.2021	Surcharge		none
ČMN RE II a.s.	Contract for the granting of a supplement	1.10.2021	Surcharge		none
ČMN RE III s.r.o.	Contract for the granting of a supplement	1.10.2021	Surcharge		none
ČMN Financing s.r.o.	Contract for the granting of a supplement	27.12.2021	Surcharge		none
ČMN Servis s.r.o.	Contract for the granting of a supplement	27.12.2021	Surcharge		none
Českomoravská Poradenská s.r.o.	Contract for the granting of a supplement	31.12.2019	Surcharge		none
ČMN II s.r.o.	Contract for the granting of a supplement	31.12.2019	Surcharge		none

## SECTION VII. CONCLUSION

The statutory body of the Company further declares that in its opinion, all pecuniary benefits, or consideration, provided on the basis of relationships stated in Sections V - VI of this Report, were in the usual amount, and that on the basis of performances stated in Sections V - VI of this Report, the Company has incurred no damage. The result is that from the Company's relationship with controlled persons, no disadvantages or possible risks to the Company result, which by their nature or extent would exceed the risks arising from similar agreements with persons not related.

In Prague, 31/3/2021

Českomoravská Nemovitostní a.s.



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Radek Stacha  
Chairman of the Board of Directors

# Contacts

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