

# FINANCIAL INFORMATION

## 2020



Including the  
Consolidated financial statements  
and  
Report of the Réviseur d'Entreprises  
for the financial year ended as at 31 December 2020

CPI FIM SA \* Société Anonyme \* 40 rue de la Vallée, L2661 Luxembourg

R. C. S. Luxembourg – B 44.996

# SUMMARY

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# Management Report as at 31 December 2020

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CPI FIM SA, société anonyme (the “**Company**”) and its subsidiaries (together the “**Group**” or “**CPI FIM**”), is an owner of income-generating real estate primarily in Poland and in the Czech Republic as well as of land bank and development projects intended for future rent. The Company is a subsidiary of CPI Property Group (also “**CPI PG**” and together with its subsidiaries as the “**CPI PG Group**”), which holds 97.31% of the Company shares. The Company is also involved in providing of equity loans and management services to other entities within the CPI PG Group.

The Company is a joint stock company incorporated for an unlimited term and registered in Luxembourg. The address of its registered office is 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg. The trade registry number of the Company is B 44 996.

The Company’s shares registered under ISIN code LU0122624777 are listed on the regulated markets of the Luxembourg Stock Exchange and the Warsaw Stock Exchange.

## MESSAGE FROM THE MANAGEMENT

Despite the COVID-19 outbreak in 2020 which negatively impacted the global economy, the Group demonstrated resilient performance in the period. This was largely due to the Group's high exposure to office properties and land bank, swift actions taken by governments in our region, the resilience of our tenants and careful cost management.

Total assets increased by €1,260.3 million (24%) to €6,504.4 million as at 31 December 2020. The EPRA Net Reinstatement Value (former EPRA NAV) per share as at 31 December 2020 was €0.74 compared to €0.66 as at 31 December 2019. At the end of December 2020, the EPRA Net Disposal Value (former EPRA NNNAV) amounted to €0.68 per share compared to €0.63 at the end of 2019.

The Group achieved an operating profit of €177.3 million in 2020 compared to €28.7 million in 2019. Total net profit was €145.5 million in 2020 compared to €72.5 million in 2019.

Resulting from the Company's integration into CPI Property Group ("CPIPG") in 2016, one of its roles is to serve as an intergroup financing vehicle to the entities within CPIPG. As at 31 December 2020, the outstanding balance of the provided loans to CPIPG Group amounted to approximately €4,298.0 million. The Company also continues in providing strategic management and advisory services to entities within CPIPG group.

During 2020, the Group's office portfolio was increased by 47 thousand sqm. This increase relates to the addition of Bubenská 1 (a large redevelopment in Prague 7, the new Prague headquarters of WPP) and ZET.office (the first modern development in the disused area of the former Zbrojovka factory).

During the annual general meeting in May 2020, the Company's shareholders approved the statutory and annual accounts in addition to the allocation of financial results for the year ending 31 December 2019. The meeting resolved to appoint Anita Dubost, David Greenbaum, Edward Hughes, and Scot Wardlaw to the Board of Directors of the Company. David Greenbaum and Martin Němeček were also elected Managing Director (administrateur délégué) of the Company.

Given the uncertainties due to the coronavirus pandemic, the Group will consistently monitor the situation, with a focus on business continuity and the well-being of our employees and tenants.



David Greenbaum,  
Managing Director

## YEAR 2020 AND POST-CLOSING KEY EVENTS

### Managerial Changes

On 4 March 2020, the Company's board of directors appointed Martin Němeček and Jiri Dedera as managing directors (administrateurs délégués).

Later in March, the Company mutually agreed to terminate the collaboration with Jiri Dedera. Mr. Dedera had worked for the Company on various senior positions since 2013. Mr. Dedera's positions of the CEO and Managing Director terminated as of 31 March 2020. The senior executive duties have been taken over by David Greenbaum, Managing Director.

### Admission of 200 million shares on the regulated market of the Warsaw Stock Exchange

The Management Board of the Warsaw Stock Exchange (the "WSE") decided to admit 200,000,000 shares of the Company to exchange trading on the Main List of the WSE as of 25 February 2020.

Since 25 February 2020, 314,507,629 Company shares registered under ISIN code LU0122624777 are traded in parallel on the regulated markets of both the Luxembourg Stock Exchange and the WSE. The remaining 1,000,000,000 shares shall remain in registered form and non-tradeable on a stock exchange.

### Annual general meeting of shareholders

The annual general meeting of shareholders of the Company was held on 28 May 2020 in Luxembourg (the "Annual Meeting"), with approximately 97.3% of the voting rights present or represented.

The Annual Meeting approved the statutory annual accounts and consolidated annual accounts for the financial year ending 31 December 2019, as well as the allocation of financial results for the financial year ending 31 December 2019.

The Annual Meeting further granted a discharge to the members of the Company's Board of Directors as well as to the auditors for the performance of their duties during the financial year ending 31 December 2019.

The Annual Meeting also resolved to appoint the following persons as members of the Company's Board of Directors until the annual general meeting of 2021: Anita Dubost, David Greenbaum, Edward Hughes, and Scot Wardlaw. The Annual Meeting also approved Ernst & Young S.A., Luxembourg as an auditor of the Company until the annual general meeting of 2021.

The Company's Board of Directors acknowledged the results of the Annual Meeting and elected David Greenbaum and Martin Němeček to serve as Managing Directors (administrateurs délégués) of the Company.

### Completion of office building Bubenská 1

The major redevelopment of the functionalist building in Prague popularly known as Elektrické podniky (Electrical Enterprises) was completed at the end of 2020.

The first and largest tenant of the administrative part of the building is the WPP group. The WPP group includes twelve world-renowned creative, media, digital, content and research agencies such as Ogilvy, GroupM, Kantar, Wunderman, Young & Rubicam and many others. Individual WPP companies, formerly operating in various Prague buildings, have their new home under one common roof.

The office building Bubenská 1 has over 26,500 sqm of lettable area. Twelve WPP agencies occupy a total of nearly two thirds of the area (16,317 sqm). The long-term lease agreement is concluded from 2020 for 18 years.

### Zoning approvals and new tenants in Nová Zbrojovka, Brno

The Group received approval for a zoning change relating to the Group's project in Nová Zbrojovka, Brno. The entire project has now been given approval, enabling the Group to commence the regeneration and

redevelopment of one of the largest brownfields in Brno. After completing the site's first office building and its surroundings, the first tenants, Kiwi.com and Axians, moved into ZET.office during 2020, together occupying more than 60% of the property's gross lettable area.

#### **New tenant relocates into Mayhouse, Prague**

The biggest publishing house in the Czech Republic, Albatros Media, a.s., is moving its headquarters to the Mayhouse office building on Prague's 5. května street. The publisher will occupy around 2,200 sqm. It will start operating at the new address from 1 September 2021.

#### **Intergroup financing**

Resulting from the Company's integration into CPIPG group in 2016, one of its roles is to function as an intergroup financing vehicle to the entities within CPIPG group. In 2020, the Group continued to provide the equity loans to other entities within the CPIPG group. As at 31 December 2020, the outstanding balance of the provided loans to CPI PG Group amounted to €4,298.0 million.

#### **Disposal of CPIPG shares**

In February 2021, the Company disposed 252,302,248 shares of CPIPG at the price of EUR 0.616 per share. The disposal occurred as part of the share buy-back of CPIPG. The Company's subsidiary Pietroni continues to hold 67,000,000 shares of CPIPG, representing 0.77% shareholding in CPIPG.

#### **COVID-19 impact**

Despite the COVID-19 outbreak in the year 2020 and the negative impact of the pandemic on the global economy, the Group demonstrated resilient performance in the period. This was largely attributed to the Group's high exposure to office properties and land bank, swift actions taken by governments in our region, the resilience of our tenants and careful cost management. The Group is consistently monitoring the situation, with a focus on business continuity and the well-being of our employees and tenants.



## MARKET ENVIRONMENT

### *Global macro-economic conditions*

#### *Czech Republic<sup>1</sup>*

The COVID-19 pandemic had a significant impact on the Czech Republic's economic fundamentals that had supported growth until 2020 – domestic demand, tax revenues, and exports. Declines in all three meant that the Czech economy contracted by 6.5% in 2020, but this was a slower decline than the EU average 6.8%. The quarterly pattern followed the same see-saw effect witnessed across the Eurozone. A rebound in activity in the third quarter was cut short in Q4 as the second wave of the pandemic spread, and the country re-entered lockdown. However, output increased 0.3% in seasonally-adjusted quarter-on-quarter terms in Q4, beating market expectations of a 2.5% fall.

The Czech economy had already shown signs of slowing before the outbreak of COVID-19 amid slower growth in Germany and trade uncertainties caused by Brexit. With slowing real wage growth, the relatively early reopening of the economy following the pandemic's first wave did not contribute significantly to economic activity. This was further heightened by an increase in food prices, leading to a higher inflation rate of 3.3%, up from 2.9% in 2019 and above the Czech Central Bank's tolerance band of 1-3%. Czech exports continued to fall as the automotive industry, already challenged by regulatory and technological changes, was significantly impacted by the pandemic.

The unemployment rate rose to 3.1% in 2020 from a near-record low of 2% a year earlier. The impact of COVID-19 on employment has been more contained compared with most European countries, and the unemployment rate remains well below the EU average. The Czech government's strong support for individuals and businesses and swift reaction to the pandemic helped, supporting incomes, employment and liquidity as the government pledged more than 1 trillion crowns to help offset the economic damage from the pandemic. Combined with lower tax revenues, government debt is estimated to have reached 39.1% in 2020, against 30.2% a year earlier.

The Czech National Bank remains focused on fiscal stability and manages the national currency carefully to maintain close parity with the Euro. Through a series of cuts, the two-week repo rate decreased a total of 200 basis points since mid-March to 0.25% and has remained at that level. This led to a moderate weakening in the Czech Koruna versus the Euro on an intra-year basis, though it had recovered some lost ground by the end of the year.

Low business confidence and uncertainties are expected to limit recovery in 2021, with a GDP growth forecast of 5.1%. Additional containment measures, high uncertainty and weak sentiment amid further outbreaks could delay economic recovery until widespread vaccination of the population has been achieved during 2021. Fiscal support will help maintain household consumption, but investment will take longer to rebound.

#### *Poland<sup>2</sup>*

Real GDP in Poland fell by 2.8% year-on-year in 2020. Over the full year, household consumption fell by 3% year-on-year, and investment fell by 8.4% year-on-year. Net exports provided strong support to GDP, as reflected by a rebound in manufacturing in Q4 2020. As in other countries, the pandemic's economic impact in Q4 2020 was significantly lower compared to Q2. Economies, supported by substantial fiscal packages, have adjusted to administrative anti-pandemic constraints, and the resilience of the economy to the restrictions is growing.

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<sup>1</sup> Sources: Nordea: Czech Republic Economic and Political Overview, OECD: Czech Republic Economic Snapshot, Focus Economics

<sup>2</sup> Sources: Trading Economics, Focus Economics, ING, Nordea

Nevertheless, the impact of the pandemic was felt on the unemployment rate, which increased to 6.2% by the end of the year.

### ***Selected market focus***

#### *Prague office market<sup>3</sup>*

Overall in 2020, total new supply reached 150,600 m<sup>2</sup>, and at the end of the year, total modern office stock increased to 3.75 million m<sup>2</sup>. The largest office district is still Prague 4 (26% of the total stock), followed by Prague 5 (17%) and Prague 8 (15%). In Q4 2020, the only office building completed was the Group's major refurbishment Bubenská 1 in Prague 7.

The slowdown of construction activity in 2020 continued during Q4 with 136,400 m<sup>2</sup> currently under construction (-50% below the 5-year average). The total new supply for 2021 is estimated to reach 98,100 m<sup>2</sup>, which would be the lowest annual new supply since 2016.

In 2020, leasing volumes were impacted by economic uncertainty, as gross take-up reached 332,800 m<sup>2</sup> (-24% y-o-y) while net take-up (excluding renewals) amounted to 179,100 m<sup>2</sup> (-34% y-o-y). However, the last quarter of the year is traditionally strong in leasing activity, and Q4 2020 was no exception, with net take-up 61% and gross take-up 18% higher in Q4 versus Q3, respectively, demonstrating a more favourable market backdrop heading into 2021.

Compared to the end of 2019, prime headline rents in the city centre softened slightly to €21.00–22.00 m<sup>2</sup>/month. However, the inner city and outer city rents held relatively firm.

In Q4 2020, net absorption was positive and reached about 19,200 m<sup>2</sup>. During the entire year, net absorption amounted to 75,200 m<sup>2</sup>, representing a decrease of 58% compared to 2019. In 2020, total new supply (150,600 m<sup>2</sup>) exceeded the net absorption, and therefore the vacancy rate increased from 5.4% at the end of 2019 to the current level of 7.0% at the end of 2020. Nevertheless, the vacancy rate remains relatively low in a historical context. The COVID-19 pandemic had a more marked impact on the sublease market, which has continued to grow over the year.

#### *Warsaw office market<sup>4</sup>*

Demand for office space in 2020 was 31% lower than in 2019, with the vacancy rate increasing by 2.2 p.p. by the end of the year. Despite the raft of new supply expected in 2020, several projects have been pushed into 2021.

In terms of demand for traditional offices in Warsaw in 2020, the total was 602,000 m<sup>2</sup>. The two top districts, comprising over  $\frac{2}{3}$  of total demand, are the City Centre and Mokotów. Renewals in occupied office buildings accounted for 37% of tenant activity.

In 2020, new supply was 314,000 m<sup>2</sup>. However, after many years, developer activity is now beginning to slow down, and they are more cautious about starting new construction.

The dampened market sentiment influenced the vacancy rate. In Q4 2020, it increased to 9.9% in Warsaw (8.5% in Central zones and 10.8% in the Non-Central zones), which was a 2.1 p.p. increase versus the end of 2019. Subleasing activity increased notably, with approximately 130,000 m<sup>2</sup> on the Warsaw market at the end of 2020, with around 60% of this located in central parts of the city. Flexible space providers have also seen increased interest in their product.

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<sup>3</sup> Source: JLL

<sup>4</sup> Source: Cushman & Wakefield, CBRE

Despite the pandemic and its implications, 2020 turned out to be surprisingly strong in the investment market. Office investments in Warsaw totalled €1.3 billion, down 47% on 2019's record-breaking result but still up 21% on the ten-year average (2009-2019). As in previous years, office assets, located in Warsaw's city centre, attracted the most interest, representing 59% of total turnover.

At the end of 2020, prime office yields in Warsaw were at around 4.50%. Discounts, observed in the previous year, diverged between 25 and 50 bps compared to pre-COVID expectations.

## OPERATIONS OF THE GROUP IN 2020

The Group is engaged in financing of and rendering of services to entities within the CPIPG group and also holds and operates significant property portfolio.

### **Financing of CPIPG group**

The Group acts as an internal financing entity within the CPIPG group and shall finance the real estate companies (SPVs) by intra-group loans. In order to fund the intra-group loans, CPIPG raises external financing and provides these funds to CPI FIM. Subsequently, CPI FIM provides the funds in a form of loans to the respective SPVs.

In 2020, the Group continued to provide the equity loans to other entities within the CPIPG group.

The Group generated interest income of €170 million in 2020 which represents an increase by €20 million, compared to 2019.

As at 31 December 2020, the Group provided loans to related parties in the amount of €4,346 million, which represents an increase by €800 million compared to 31 December 2019. As at 31 December 2020, the loans provided in the amount of €115 million and €4,234 million were classified as current and non-current, respectively.

### **Rendering of services to CPIPG group**

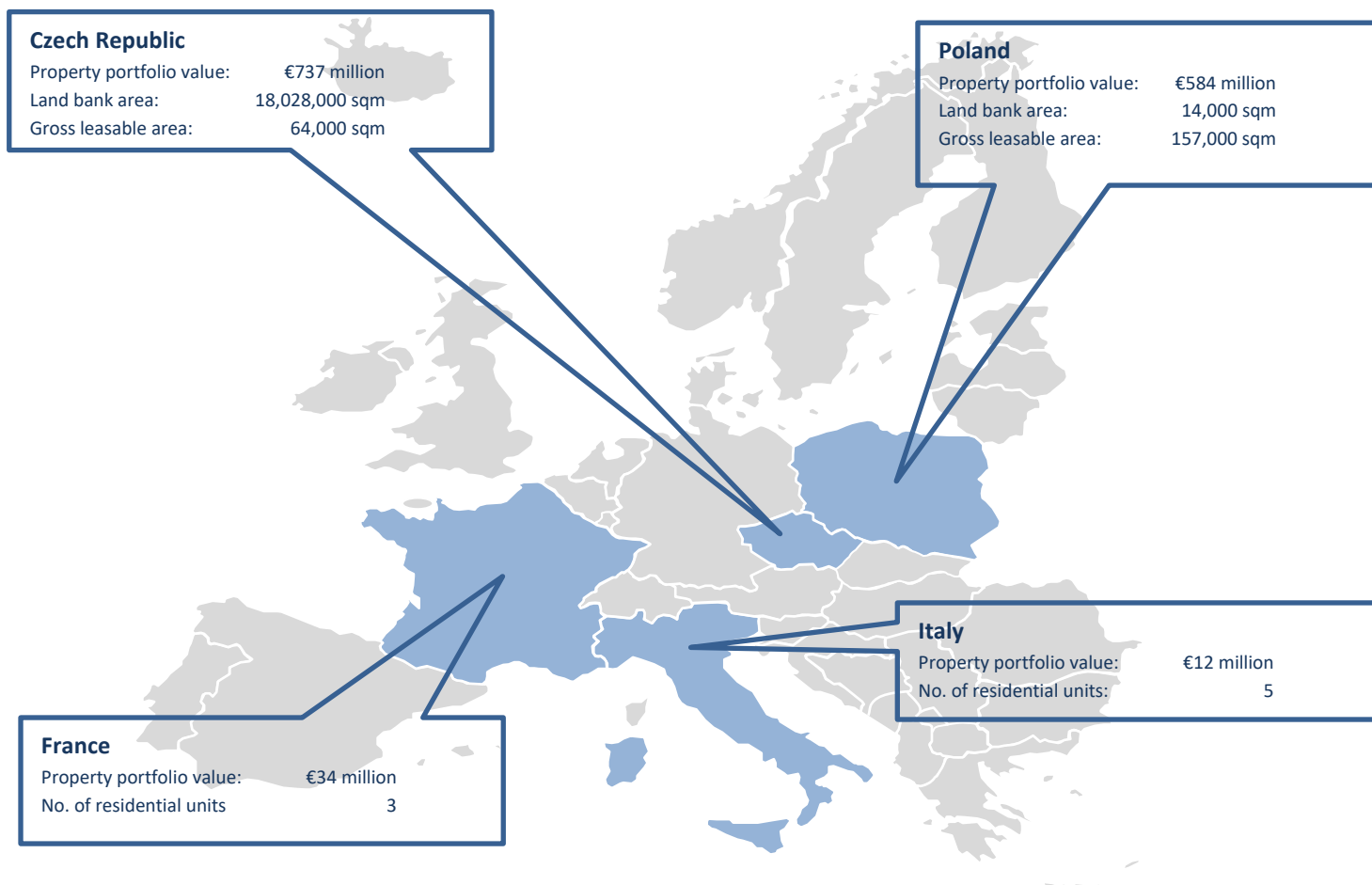
CPI FIM, as the main service company within the CPIPG group provides its affiliates with a wide range of management and key business services. Key strategic services provided by CPI FIM mainly include development of investment strategies and plans for SPVs, communication with banks and financial strategy planning, analyses of markets, negotiations and relationship with key tenants.

In 2020, the Group provided CPIPG and its subsidiaries with services for a total amount of €22.4 million.

## PROPERTY PORTFOLIO

### Total Property Portfolio

The Group concentrates on long-term investments and real-estate lease, primarily in the Central European region. The Group owns rental income-generating properties mainly in the office segment but is also focused on an extensive portfolio of land plots in the Czech Republic.



The property portfolio of the Group is reported on the balance sheet under the following positions:

- Investment property
- Property, plant and equipment
- Inventories
- Assets held for sale

“Investment property” consists of rental properties, investment property under development and land bank. Investment property under development represents projects currently in progress, which will be reclassified by the Group as rental properties after completion. Land bank represents properties held for development and/or capital appreciation.

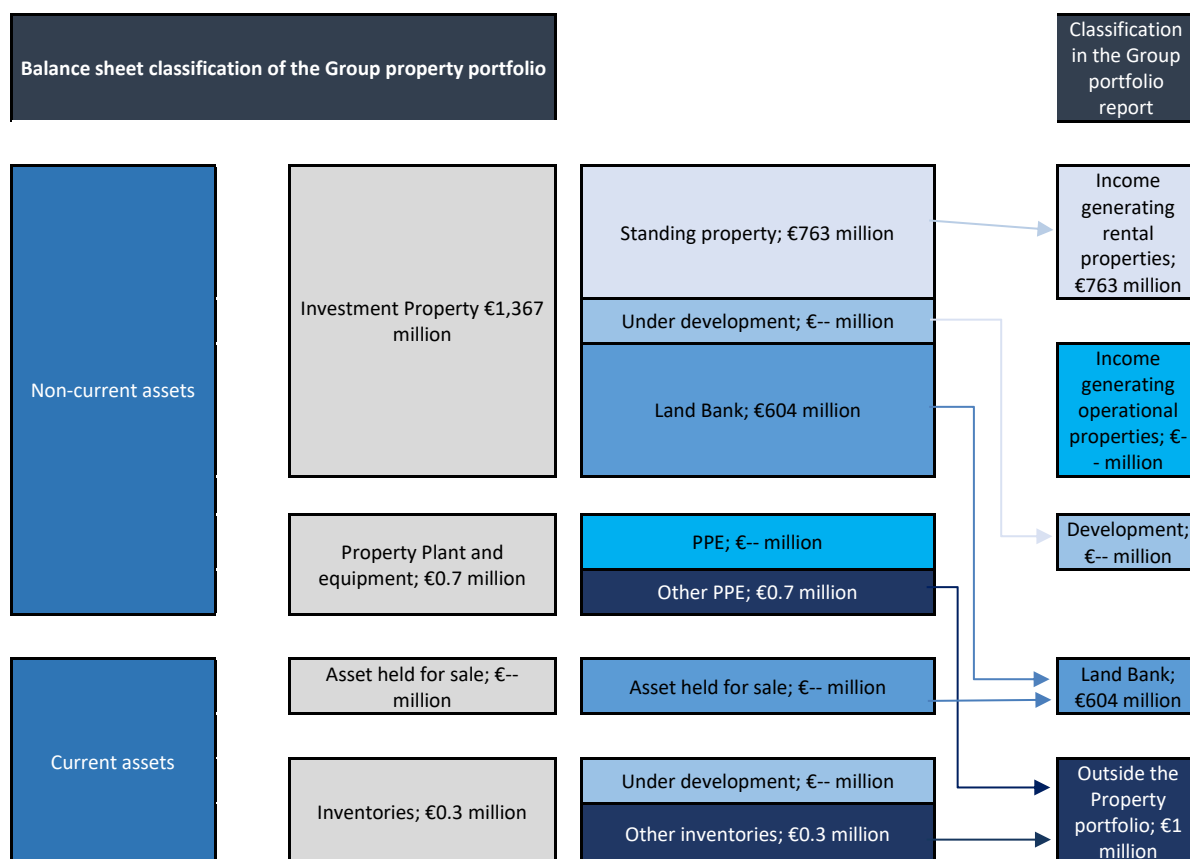
“Property, plant and equipment” consists advances paid for construction works on the projects.

“Inventories” comprise properties that are under development or have been finished and are intended for a future sale in the ordinary course of business.

“Assets held for sale” consist of properties presented in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” which are to be sold due to the intention of the management.

The property portfolio report covers all properties held by the Group, independent of the balance sheet classification. These properties are reported as income generating properties (generating rental income or income from operations), development projects (investment property projects under development and inventories) or land bank.

The following chart reconciles the property assets of the Group as reported on the balance sheet as at 31 December 2020 with the presentation in our portfolio report:



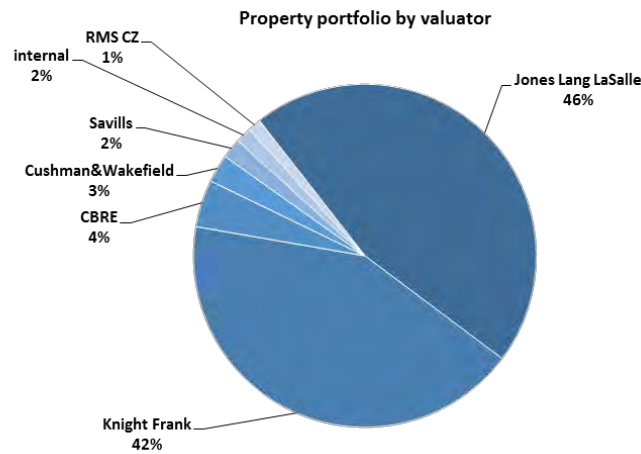
### Property Valuation

The consolidated financial statements of the Group as at 31 December 2020 were prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by European Union, which include the application of the fair value method. Since the Investment properties owned by the Group must be stated at fair value, the regular valuation of these properties by independent experts is recommended.

The property portfolio valuation as at 31 December 2020 is based on reports issued by:

- Jones Lang LaSalle (further “JLL”). JLL is a financial and professional services firm specializing in real estate services and investment management. JLL has more than 93,000 employees across 251 corporate offices in more than 80 countries and serve the local, regional and global real estate needs of their clients.
- Knight Frank. Knight Frank provides a worldwide service that’s personalised, clear and considered advice on all areas of property in all key markets. Knight Frank has a headquartered in London and has more than 480 offices across 57 territories and employing more than 20,000 people.

- CBRE is a commercial real estate services and investment firm. It is the largest company of its kind in the world. It is based in Los Angeles, California and operates more than 530 offices worldwide and serves clients in more than 100 countries, employing more than 100,000 global professionals.
- Cushman&Wakefield (further "C&W"). C&W is a one of the leading commercial real estate services company, providing a full range of services to real estate occupiers, developers and investors on a local and international basis. C&W has about 400 offices in 60 countries, employing more than 53,000 professionals.
- Savills. Savills provides in-depth knowledge and expert advice across all property sectors, so they can help with everything from asset management to valuation. Savills operates in 70 countries around the world (across the Americas, Europe, Asia Pacific, Africa and the Middle East) and draws on the expertise of over 39,000 professionals.
- RSM in CZ&SK (further "RSM"). RSM is part of the sixth largest network of professional firms RSM International. RSM International operates in 120 countries, has 810 offices and more than 43,000 professionals. RMS provides clients with services in the field of mergers & acquisitions, valuations, tax, trustee services, accounting and payroll.



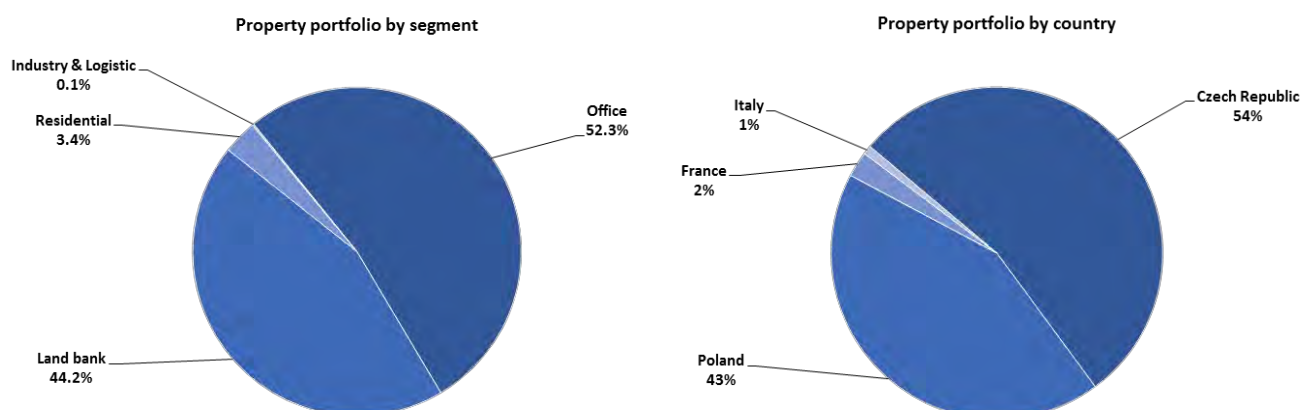
The following table shows the carrying value of the Group's property portfolio as at 31 December 2020 and 31 December 2019:

PROPERTY PORTFOLIO as at 31 December 2020	No of properties	No. of units	GLA thousand sqm	Office € million	Residential € million	Industry and logistics € million	Development € million	Land bank € million	PP value € million	PP value %
Czech Republic	4	--	64	131	--	2	--	604	737	54%
Poland	4	--	157	584	--	--	--	0.4	584	43%
France	--	3	--	--	34	--	--	--	34	2%
Italy	--	5	--	--	12	--	--	--	12	1%
<b>The GROUP</b>	<b>8</b>	<b>8</b>	<b>221</b>	<b>715</b>	<b>46</b>	<b>2</b>	<b>--</b>	<b>604</b>	<b>1,367</b>	<b>100%</b>

PROPERTY PORTFOLIO as at 31 December 2019	No of properties	No. of units	GLA thousand sqm	Office € million	Residential € million	Industry and logistics € million	Development € million	Land bank € million	PP value € million	PP value %
Czech Republic*	4	--	17	22	--	2	59	492	575	48%
Poland	4	--	157	567	--	--	--	0.4	567	48%
France	--	3	--	--	35	--	--	--	35	3%
Italy	--	5	--	--	16	--	--	--	16	1%
<b>The GROUP</b>	<b>8</b>	<b>8</b>	<b>174</b>	<b>589</b>	<b>51</b>	<b>2</b>	<b>59</b>	<b>492</b>	<b>1,193</b>	<b>100%</b>

\*Asset held for sale included

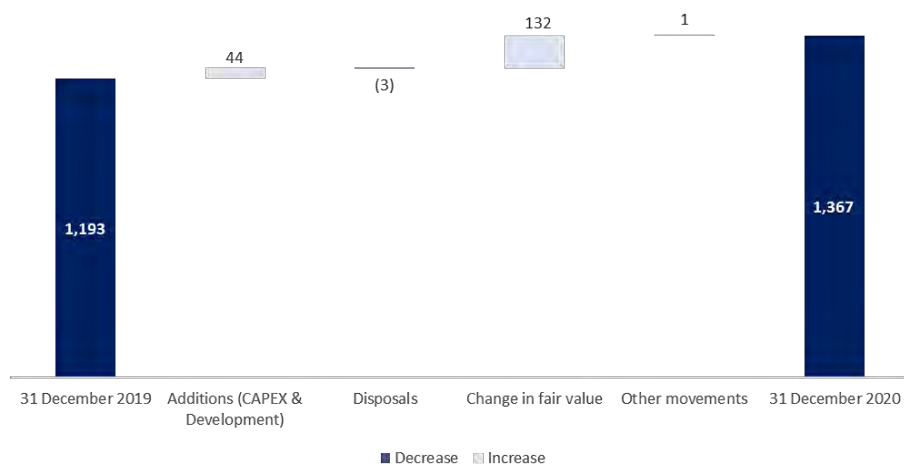
The Group property value totals €1,367 million as at 31 December 2020 (31 Dec 2019: €1,193 million), of which 52% is represented by office and 44% is represented by land bank. The majority of the Group property portfolio is located in Czech Republic with 54%, Poland with 43%, followed by France with 2% and Italy with 1%.





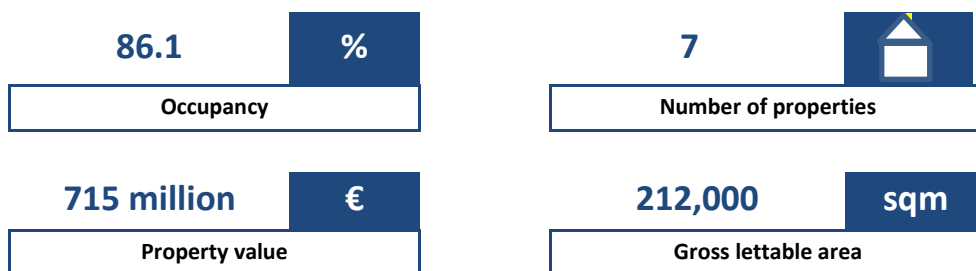
The total net change of €174 million in the portfolio value in 2020 was mainly attributable to the following:

- Additions of €44 million mainly spent on Investment Property within the whole Group;
- Disposals of €3 million, comprising especially land bank in the Czech Republic;
- Change in fair value of €132 million, represented mainly by land bank and office in the Czech Republic;
- Other movements of €1 million.



## Office

Key Figures – December 2020



Office portfolio represents an important segment of investment activities of the Group. As at 31 December 2020 the Group owns buildings in Poland and in the Czech Republic.

OFFICE 31 December 2020	N° of properties	PP value € million	PP value %	GLA thds. sqm	Occupancy %	Rent per sqm €	Outstanding financing € million
Poland	4	584	82%	157	96.2%	17.1	--
Czech Republic	3	131	18%	55	57.5%	16.5	--
<b>The GROUP</b>	<b>7</b>	<b>715</b>	<b>100%</b>	<b>212</b>	<b>86.1%</b>	<b>17.0</b>	<b>--</b>

OFFICE 31 December 2019	N° of properties	PP value € million	PP value %	GLA thds. sqm	Occupancy %	Rent per sqm €	Outstanding financing € million
Poland	4	567	96%	157	96.6%	15.3	--
Czech Republic	1	22	4%	8	39.4%	13.3	--
<b>The GROUP</b>	<b>5</b>	<b>589</b>	<b>100%</b>	<b>165</b>	<b>93.9%</b>	<b>15.3</b>	<b>--</b>

- **Eurocentrum Office, Warsaw**

Eurocentrum Office has a highest LEED level of certification, i.e. PLATINUM and offers over 85,000 sqm of lettable space. Eurocentrum Office is a modern office building with many eco-friendly solutions, for example: rainwater is used for flushing toilets and watering greenery in atrium - savings in drinking water consumption; savings in electricity consumption for general building systems; heat island effect reduction with the employment of high light reflecting roof membrane etc.



Furthermore Eurocentrum has 1,500 sqm atrium with natural vegetation, a wide range of shops and restaurants, excellent access to daylight as a result of large glazing areas, fresh air exchange process well above average, office space is not overheated in the summer and amenities dedicated to persons using alternative means transportation: parking spaces for bicycles (over 200 parking place), changing rooms and showers and 22 charging stations for electric cars. In 2016, a sky apiary was created on the roof of the Eurocentrum office building.

- **Warsaw Financial Center, Warsaw**

Warsaw Financial Center, one of Warsaw's most prestigious skyscraper (LEED Gold), was completed in 1998 and offers almost 50,000 sqm of grade A office space across 32 floors. It was designed by the American architects Kohn Pedersen Fox Associates in cooperation with A. Epstein & Sons International. Warsaw Financial Center has a very good location. WFC is located only 0.6 km from Warsaw's main train station, 8.3 km from international Warsaw Chopin Airport and 39.3 km from Warsaw Modlin Airport.



Warsaw Financial Center is a 32-story high skyscraper with sixteen elevators, open space offices with colorful walls, huge Marilyn Monroe prints, and comfortable sofas for creative brainstorming, or classic timeless interiors in understated hues support uniqueness of the building. At any time during the day, the first six floors of the building offer 350 parking spaces for cars and bicycles.

Currently, WFC ranks among the most prestigious high-rise buildings in Poland. Top Polish and international corporations have been attracted by its outstanding quality (Google, Bloomberg and Kompania Piwowarska).

- **Equator IV Offices, Warsaw**

Equator IV Offices was constructed in 2018 and is of a modern A-class specification (BREEAM Very Good). It has 16 aboveground and 4 underground levels comprising 226 parking spaces. The Property consists of stand-alone office building comprising more than 21,000 leasable sqm, situated on a site with a total area of 2,900 sqm.



Property is located in Warsaw within Ochota district, in a distance of ca. 3 km to the Palace of Culture and Science, considered as a central point of Warsaw. The office building is situated at the main east-west arterial road in Warsaw – Al. Jerozolimskie within a third largest office district in Warsaw – “Jerozolimskie corridor”. The area is a recognized office location providing direct access and reasonable distance to the city centre as well as convenient access to the Warsaw ring road.

- **Diana Office, Warsaw**

The property was constructed in 2004 and comprises 1,400 sqm of rentable area. The Property is located in Warsaw city centre, along Chmielna Street, which forms one of the best recognizable retail streets of the city. The building is of a reinforced concrete structure with hip roof. The property is fully let to one tenant - Goethe Institut.



- **Bubenská, Prague**

The property was constructed during the 1930s. The building belongs to the most distinguished functionalist buildings in Prague. The property offers primarily office space as well as retail, wellness, premises for social events, storage and 157 car parking spaces situated in the property basement. The parking is provided in the form of automatic loading system.



The main and largest tenant of the administrative part of the building became the WPP group, who signed a lease for 18 years and occupies over 60% of the total GLA.

- **ZET.office in Nová Zbrojovka, Brno**

The ZET.office is a modern office building in the disused area of the former Zbrojovka factory. The property is of a rectangular shape, concrete construction, flat roof with a facade combined of glass and metal, incl. insulation. The structure provides accommodation on nine above ground levels. ZET.office offers modern office and co-working spaces, cafes and a fitness facility. There is also an indoor car park on the 1st and 2nd above ground floor.



- **Mayhouse, Prague**

The Mayhouse office building is located in the sought-after area of Pankrác, Prague 4. Mayhouse has an excellent accessibility. Only a few minutes' walk is situated metro line C Pražského povstání and tram station Vozovna Pankrác is just around the corner. By car, you can promptly reach the historic city centre as well as to the Prague ring road and D1 motorway.



The office building has six above ground floors and offers almost 8,000 sqm of leasable modern space. The interior of the premises comprises modern, 'A' grade office areas, which include air-conditioned offices with suspended ceilings, double floors, openable windows, kitchenettes and the electronic access system. Fitness, showers, bike storage and lounge are situated on the ground floor. There are also 69 parking spaces in the underground parking garage.

## Land Bank

Key Figures – December 2020

<b>604 million</b>	<b>€</b>	<b>18,042,000</b>	<b>sqm</b>
Property value		Total area	

Land bank is comprised of an extensive portfolio of land plots primarily in the Czech Republic. Plots are often in attractive locations, either separate or adjacent to existing commercial buildings or in the city centre and their value continues to increase with the growth of surrounding infrastructure. Out of the total plots area, approximately 8.9% are with zoning.

LAND BANK 31 December 2020	Total area	Area with zoning	Area without zoning	PP value	PP value	Outstanding financing
	thds. sqm	thds. sqm	thds. sqm	€ million	%	€ million
Czech Republic	18,028	1,591	16,437	604	99.9%	--
Poland	14	14	--	0.4	0.1%	--
<b>THE GROUP</b>	<b>18,042</b>	<b>1,605</b>	<b>16,437</b>	<b>604</b>	<b>100%</b>	<b>--</b>

LAND BANK 31 December 2019	Total area	Area with zoning	Area without zoning	PP value	PP value	Outstanding financing
	thds. sqm	thds. sqm	thds. sqm	€ million	%	€ million
Czech Republic*	18,054	1,506	16,548	492	99.9%	--
Poland	14	14	--	0.4	0.1%	--
<b>THE GROUP</b>	<b>18,068</b>	<b>1,520</b>	<b>16,548</b>	<b>492</b>	<b>100%</b>	<b>--</b>

\*Asset held for sale included

Among land bank plots, the Land Bank portfolio includes:

- **Former brownfield:**
  - (1) **Praga** in Prague amounting to circa 64,200 sqm, which are zoned, are prepared for residential development with expected start in 2021;
  - (2) **Nová Zbrojovka** in Brno with 231,300 sqm that will be used for mixed development (Commercial & Residential).
- **Bubny** located close to the city centre. Bubny remains the last brownfield plot in the centre of Prague and the Group intends to develop mixed-use area consisting of residential and commercial units, offices and shops as well as educational, medical, and cultural facilities. In addition, a modern train terminal at Vltavská metro station and large green spaces will be incorporated. The main goal for the mid-term period is to continue the process of changing the Bubny masterplan. The plot of Bubny amounting to over 200,000 sqm of land in Prague 7 is at the core of the commercial development pipeline in Central Europe.  
On 26 June 2018, the Group disposed of 80% stake of Bubny Development, s.r.o. In accordance with IFRS 10, through remaining 20% stake the Group retained control over this subsidiary which is why it's being consolidated by the Company.
- **Land plot Holešovice** (at the metro line C, station Nádraží Holešovice) of 10,000 sqm is strategically located nearby Group's existing land bank in Bubny. The land plot was leased back to the seller and will continue to operate as a bus terminal.

In 2020, the Group extended its land bank portfolio by 25,000 sqm. On the other hand, the Group disposed 51,000 sqm of land bank representing selected projects in the Czech Republic.

## Residential

Key Figures – December 2020



The Group currently owns 8 residential units. Three of them are located in the district of Saint-Anne and Mont Boron in France. A building with five residential units is located on Piazza della Pigna in Rome, Italy.

RESIDENTIAL 31 December 2010	PP value € million	PP value %	Occupancy* %	No. of units	No. of rented units	Outstanding financing € million
France	34	74%	0.0%	3	--	21
Italy	12	26%	0.0%	5	--	--
<b>The GROUP</b>	<b>46</b>	<b>100%</b>	<b>0.0%</b>	<b>8</b>	<b>--</b>	<b>--</b>

\* Occupancy based on rented units

RESIDENTIAL 31 December 2019	PP value € million	PP value %	Occupancy* %	No. of units	No. of rented units	Outstanding financing** € million
France	35	68%	0.0%	3	--	36
Italy	16	32%	0.0%	5	--	--
<b>The GROUP</b>	<b>51</b>	<b>100%</b>	<b>0.0%</b>	<b>8</b>	<b>--</b>	<b>36</b>

\* Occupancy based on rented units

\*\* Restated

- **Villa Lou Paradou**

Neo provençal style villa dating from the 1970's is exposed to the South-West side and it is used as residential accommodation. It consists of walk-up basement, a ground floor with one adjoining service house (studio) below the main house and a swimming pool. There is also a horse stable at the entrance of the property.



- **Villa Mas Du Figuer**

The property consists of a private villa used as residential accommodation, arranged over a basement, a ground floor and first upper floor. There is also a guest house (comprised 4 bedrooms and a guard house), a gym and a garage. The outside facilities include two swimming-pools and a tennis court.



- **High-end residence**

Former 5\* hotel transformed into a high-end residence. Property has common areas and facilities, a large outdoor pool with sea views and spacious gardens. The property benefits from its location. It is situated on the waterfront within the city limits of Nice. There is an easy access to city centre or public beaches.



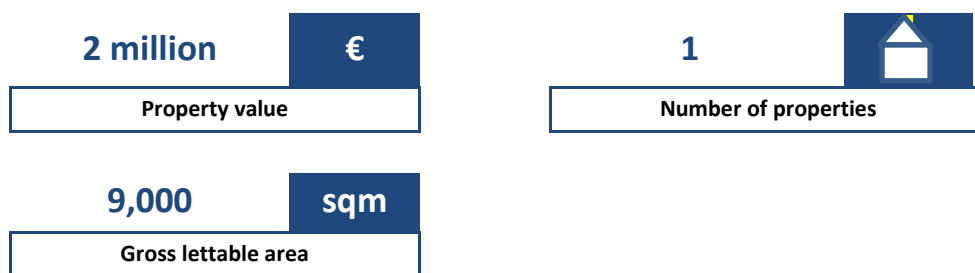
- **Residential property Piazza della Pigna**

The sixteenth-century building has five above-ground floors, a warehouse and car parking on the underground level, and a winter garden on the ground floor. The rooms are built around a staircase connecting the five floors, all decorated with highend finishes and superb marble and wood inlays.



## Industry and Logistics

Key Figures – December 2020



The Group currently owns about 9,000 sqm of rental space and manages complex Industrial Park Stříbro used for light industry, located in Plzeňský region in the Czech Republic.

INDUSTRY AND LOGISTICS 31 December 2020	N° of properties	PP value € million	PP value %	GLA thds. sqm	Occupancy %	Rent per sqm €	Outstanding financing € million
Czech Republic	1	2	100%	9	0.0%	--	--
<b>The GROUP</b>	<b>1</b>	<b>2</b>	<b>100%</b>	<b>9</b>	<b>0.0%</b>	<b>--</b>	<b>--</b>

INDUSTRY AND LOGISTICS 31 December 2019	N° of properties	PP value € million	PP value %	GLA thds. sqm	Occupancy %	Rent per sqm €	Outstanding financing € million
Czech Republic	1	2	100%	9	74.6%	1.8	--
<b>The GROUP</b>	<b>1</b>	<b>2</b>	<b>100%</b>	<b>9</b>	<b>74.6%</b>	<b>1.8</b>	<b>--</b>



## Development

The Group's major development projects Bubenská 1 in Prague and ZET.office in Brno were completed during the second half of 2020. At the end of 2020, the Group has no active development project in the portfolio.

DEVELOPMENT 31 December 2020	N° of properties	Potential GLA thds. sqm	Potential GSA thds. sqm	Development for rental € million	Development for sale € million	Development for rental %	Development for sale %	Outstanding financing € million
Czech Republic	--	--	--	--	--	--	--	--
<b>THE GROUP</b>	--	--	--	--	--	--	--	--

DEVELOPMENT 31 December 2019	N° of properties	Potential GLA thds. sqm	Potential GSA thds. sqm	Development for rental € million	Development for sale € million	Development for rental %	Development for sale %	Outstanding financing € million
Czech Republic	2	46	--	59	--	100%	--	--
<b>THE GROUP</b>	2	46	--	59	--	100%	--	--

## FINANCING

### **Cash and cash equivalents**

As at 31 December 2020, cash and cash equivalents consist of cash at bank of €249.2 million (2019: €129.4 million) and cash on hand for €2 thousand (2019: €7 thousand).

### **Financial liabilities**

Financial debts amount to €5,231.9 million including mainly loans from CPIPG (€4,679.8 million).

Financial debts increased by €1,092,6 million. This variation is mainly due to additional drawdowns of long-term loans provided by CPI PG (€844.5 million) and new drawdown of loans provided by GSG Group to the Company in total amount of €121.2 million.

## RESULTS AND NET ASSETS

### Income statement

Income statement for the year ended 31 December 2020 is as follows:

	12 month period ended	
	31 December 2020	31 December 2019 Adjusted*
Gross rental income	34,142	4,207
Sale of services	32,469	19,503
Cost of service charges	(10,803)	(1,959)
Property operating expenses	(3,413)	(1,949)
<b>Net service and rental income</b>	<b>52,395</b>	<b>19,802</b>
Total revenues	66,611	23,710
Total direct business operating expenses	(14,216)	(3,908)
<b>Net business income</b>	<b>52,395</b>	<b>19,802</b>
Net valuation gain on investment property*	146,433	17,129
Net gain on the disposal of investment property and subsidiaries	(602)	2,522
Amortization, depreciation and impairments	(7,400)	3,249
Administrative expenses	(13,252)	(12,951)
Other operating income	406	122
Other operating expenses	(673)	(1,204)
<b>Operating result</b>	<b>177,307</b>	<b>28,669</b>
Interest income	169,821	150,185
Interest expense	(141,693)	(89,200)
Other net financial result*	(9,955)	13,764
<b>Net finance income</b>	<b>18,173</b>	<b>74,749</b>
Share of profit of equity-accounted investees (net of tax)	3,320	(217)
<b>Profit before income tax</b>	<b>198,800</b>	<b>103,201</b>
Income tax expense	(53,286)	(30,753)
<b>Net profit from continuing operations</b>	<b>145,514</b>	<b>72,448</b>

\* Comparative financial information adjusted due to change in accounting policy, for more information refer to note 2.4 of the Consolidated Financial Statements as at 31 December 2020.

### Rendering of services

Service income increased to €32.5 million in 2020 (2019: €19.5 million). The increase is due to acquisitions of offices in Poland by EUR 8.2 million and also increased due to advisory and management services provided to entities controlled by the ultimate shareholder of the Group.

### Net valuation gain

The net valuation gain amounts to €146.4 million (€17.1 million in 2019) and comprised of valuation gain of €156.1 million and valuation loss of €9.7 million. The valuation gain was mainly attributable to projects in Brno (€72.4 million) and Prague (€43.4 million). Its gain was driven primarily by the general market conditions, zoning approvals as well as by improved assumptions retained by the external valuation expert, for more details please refer to note 7.5 of the Consolidated Financial Statements as at 31 December 2020.

### Administrative expenses

Administrative expenses increased to €13.3 million in 2020 compared to €13.0 million in 2019. In 2020, administrative expenses increase due to acquisitions of offices in Poland by EUR 3.3 million and on the other hand there was a decrease of management services provided to CPI FIM by related parties.

### Net finance income

Total net finance income has decreased from €74.7 million in 2019 to €18.2 million in 2020. The interest income increased from €150.2 million in 2019 to €169.8 million in 2020. The increase in interest income reflects the increase in loans provided by the Company to entities within the CPI PG Group and other related parties. The interest expense increased from €89.2 million in 2019 to €141.7 million in 2020. The increase in interest expense reflects the increase in loans received by the Company from entities within the CPI PG Group and other related parties.

The other net financial result has decreased from a gain of €13.8 million in 2019 to a loss of €10 million in 2020. The other net foreign exchanges and losses was driven by retranslation of loans provided to related parties in foreign currencies.

### Balance sheet

Balance sheet as at 31 December 2020 corresponds to consolidated financial statements.

	31 December 2020	31 December 2019
<b>NON-CURRENT ASSETS</b>		
Intangible assets	15	1,123
Investment property	1,367,184	1,191,435
Property, plant and equipment	662	662
Equity accounted investees	7,044	3,672
Other investments	188,884	188,293
Loans provided	4,234,093	3,442,619
Trade and other receivables	-	12
Deferred tax asset	142,019	153,126
<b>Total non-current assets</b>	<b>5,939,901</b>	<b>4,980,942</b>
<b>CURRENT ASSETS</b>		
Inventories	300	341
Current tax receivables	81	36
Derivative instruments	1,694	-
Trade receivables	6,511	7,175
Loans provided	115,168	103,908
Cash and cash equivalents	249,190	129,447
Other receivables	188,232	17,299
Other non-financial assets	3,289	3,394
Assets held for sale	-	1,504
<b>Total current assets</b>	<b>564,465</b>	<b>263,104</b>
<b>TOTAL ASSETS</b>	<b>6,504,366</b>	<b>5,244,046</b>
<b>EQUITY</b>		
Equity attributable to owners of the Company	899,041	826,356
Non-controlling interests	204,531	171,522
<b>Total equity</b>	<b>1,103,572</b>	<b>997,878</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial debts	4,855,740	3,886,792
Deferred tax liability	78,500	38,200
Provisions	-	1,594
Other financial liabilities	8,904	10,794
<b>Total non-current liabilities</b>	<b>4,943,144</b>	<b>3,937,380</b>
<b>CURRENT LIABILITIES</b>		
Financial debts	376,179	252,538
Trade payables	8,618	10,543
Income tax liabilities	20	747
Other financial liabilities	68,677	41,044
Other non-financial liabilities	4,156	3,895
Liabilities held for sale	-	21
<b>Total current liabilities</b>	<b>457,650</b>	<b>308,788</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,504,366</b>	<b>5,244,046</b>

### Total assets and total liabilities

Total assets increased by €1,260.3 million (24%) to €6,504.4 million as at 31 December 2020. The main reason is the increase of long-term loans provided to entities within the CPI PG Group.

Non-current and current liabilities total €5,400.8 million as at 31 December 2020 which represents an increase by €1,154.6 million (27.2%) compared to 31 December 2019. Main driver of this increase was an additional drawdown of loan provided to the Company by CPI PG SA and GSG Group.

**EPRA NRV (former EPRA NAV) and EPRA NDV (former EPRA NNNAV)**

In October 2019, the European Public Real Estate Association (EPRA) published new Best Practice Recommendations (BPR). EPRA Net Asset Value (NAV) and EPRA Triple Net Asset Value (NNNAV) are replaced by three new Net Asset Valuation metrics: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets and EPRA Net Disposal Value (NDV). The Company provides below the calculation of EPRA NRV as an equivalent of former EPRA NAV and the calculation of EPRA NDV as an equivalent of former EPRA NNNAV.

As at 31 December 2020, the consolidated equity increased by €72.7 million. The main driver of this increase is the profit for the period amounting to €112.5 million and increase of revaluation reserve by €0.6 million. On the other hand, the translation reserve decrease by €40.4 million.

The EPRA Net Reinstatement Value per share as at 31 December 2020 is €0.74 compared to €0.66 as at 31 December 2019.

	December 2020	December 2019
<b>Consolidated equity</b>	<b>899,041</b>	<b>826,356</b>
Deferred taxes on revaluations	79,708	38,288
<b>EPRA Net reinstatement value</b>	<b>978,749</b>	<b>864,644</b>
Existing shares (in thousands)	1,314,508	1,314,508
Net reinstatement value in € per share	0.74	0.66
<b>EPRA Net reinstatement value</b>	<b>978,749</b>	<b>864,644</b>
Deferred taxes on revaluations	(79,708)	(38,288)
<b>EPRA Net disposal value</b>	<b>899,041</b>	<b>826,356</b>
Fully diluted shares	1,314,508	1,314,508
Net disposal value in € per share	0.68	0.63

The EPRA Net Disposal Value amounts to €0.84 per share as at 31 December 2020 compared to €0.68 at the end of 2019.

## CORPORATE GOVERNANCE

### Principles

Good corporate governance improves transparency and the quality of reporting, enables effective management control, safeguards shareholder interests and serves as an important tool to build corporate culture. The Company is dedicated to acting in the best interests of its shareholders and stakeholders. Towards these ends, it is recognized that sound corporate governance is critical. The Company is committed to continually and progressively implementing industry best practices with respect to corporate governance and has been adjusting and improving its internal practices in order to meet evolving standards. The Company aims to communicate regularly to its shareholders and stakeholders regarding corporate governance and to provide regular updates on its website.

Since the Company was founded in 1991, its accounts have been audited regularly each year. KPMG has served as auditor of the Company since 2013. In 2019, the Company tendered a new auditor. The Company's Audit Committee recommended an appointment of Ernst & Young S.A., Luxembourg as Group's new auditor for the financial year commencing on 1 January 2019, which was approved by shareholders' general meeting. The 2020 annual general meeting of shareholders resolved unanimously to appoint Ernst & Young S.A., Luxembourg, as the approved auditor (réviseur d'entreprises agréé) of the Company until the annual general meeting of shareholders of the Company to be held in 2021.

In addition, the Company's portfolio of assets is regularly evaluated by independent experts.

In 2007, the Company's Board of Directors adopted the Director's Corporate Governance Guide and continues to communicate throughout the Group based on the values articulated by this guide. As a company incorporated in Luxembourg, the Company's primary regulator is the Commission de Surveillance du Secteur Financier (the "CSSF"). The Company's procedures are designed to comply with applicable regulations, in particular those dealing with market abuse. The Company also has a risk assessment procedure designed to identify and limit risk. In addition, the Company aims to implement corporate governance best practices inspired by the recommendations applicable in Luxembourg and Poland.

On 23 May 2012, the Board of Directors elected the Ten Principles and their Recommendations of the Luxembourg Stock Exchange as a reference for its Corporate Governance Rules (<https://www.bourse.lu/corporate-governance>).

The Company's parent company CPIPG has implemented industry best practices with respect to corporate governance and external reporting. In 2019, the CPIPG group approved the "Code of Business Ethics and Conduct of CPI Property Group" and also newly updated policies governing procurement, supplier and tenants' conduct, anti-bribery and corruption, anti-money laundering, sanctions and export controls, whistleblowing, human capital and employment and corporate social responsibility (CSR). These were adopted for the Group (for more details regarding the application of the CSR policies across the CPIPG group kindly refer to annual report of CPIPG).

### Board of Directors

The Company is administered and supervised by a Board of Directors made up of at least three members.

### *Appointment of Directors*

The Directors are appointed by the general meeting of shareholders for a period of office not exceeding six years. They are eligible for re-election and may be removed at any time by decision of the general meeting of shareholders by simple majority vote. In the event of a vacancy in the office of a Director, the remaining Directors may provisionally fill such vacancy, in which case the general meeting of shareholders will hold a final election at the time of its next meeting.

**Current Board of Directors**

As at 31 December 2020 the Board of Directors consisted of: 2 members representing the management of CPIPG group, Mr. David Greenbaum and Mrs. Anita Dubost, and 2 independent members, Mr. Edward Hughes and Mr. Scot Wardlaw.

**Anita Dubost**, 1979, Tax Manager, executive member.

Anita Dubost was appointed to the Board of Directors in May 2019. Before joining the CPIPG, she worked at Tristan Capital Partners as Senior Tax Manager within Luxembourg Operations team. In her role she was in charge of overseeing the tax structuring of the Tristan-managed funds. She was also member of the Investment Committee. Anita began her career at Atoz (member of the international Tax and network) where she was Senior Associate advising multi-national clients. Anita holds a Master's Degree in Law and in Business Administration specialized in finance and tax.

**David Greenbaum**, 1977, Chief Financial Officer of CPI Property Group, executive member.

David Greenbaum was appointed to the Board of Directors in May 2019. Before joining the CPIPG, he worked for nearly 16 years at Deutsche Bank, where he was most recently co-head of debt capital markets for the CEEMEA region. David began his career at Alliance Capital Management in 1999. In 2000 he joined Credit Suisse First Boston before moving to Deutsche Bank in 2002. David graduated magna cum laude from Cornell University with a degree in English language and literature.

**Edward Hughes**, 1966, independent, non-executive member.

Edward Hughes Edward has been the member of the Board of Directors since March 2014. He has been engaged in real estate investment, consultancy and brokerage activities in Central Europe for more than 20 years. Edward is an experienced real estate and finance professional having engaged in many significant asset acquisition, and development projects in the region. Edward is a Chartered Accountant, after starting his career with Arthur Andersen (London - 1988), in September 1991 he transferred to the Prague office. Since this time, he has been almost exclusively focused on Central Europe including during his employment as an Associate Director of GE Capital Europe. Edward is a graduate of Trinity College, Dublin where he majored in Business and Economics with Honours (1988).

**Scot Wardlaw**, 1967, independent, non-executive member.

Scot Wardlaw was appointed to the Board of Directors in May 2020. Scot has over two decades experience in project and process management in the fields of IT, software and product development in an international environment. He currently serves as Managing Director for various real estate investment platforms based in Luxembourg and is part of Central Business Development at SIMRES Real Estate where he manages the group's strategic development. Scot graduated magna cum laude from Savannah College of Art & Design with a degree in Computer Art and Art History.

The current members of the Board of Directors are appointed until the annual general meeting of 2021 concerning the approval of the annual accounts of the Company for the financial year ending 31 December 2020.

The independent directors are not involved in management, are not employees or advisors with a regular salary and do not give professional services such as external audit services or legal advice. Furthermore, they are not related persons or close relatives of any management member or majority shareholder of the Company.

The Board of Directors meetings are held as often as deemed necessary or appropriate. All members, and in particular the independent and non-executive members, are guided by the interests of the Company and its business, such interests including but not limited to the interests of the Company's shareholders and employees.

***Powers of the Board of Directors***

The Board of Directors represents the shareholders and acts in the best interests of the Company. Each member, whatever his/her designation, represents the Company's shareholders.

The Board of Directors is empowered to carry out all and any acts deemed necessary or useful in view of the realisation of the corporate purpose; all matters that are not reserved for the general meeting by law or by the present Articles of Association shall be within its competence. In its relationship with third parties, the Company shall even be bound by acts exceeding the Company's corporate purpose, unless it can prove that the third party knew such act exceeded the Company's corporate purpose or could not ignore this taking account of circumstances.

***Deliberations***

The Board of Directors may only deliberate if a majority of its members are present or represented by proxy, which may be given in writing, by telegram, telex or fax. In cases of emergency the Directors may vote in writing, by telegram, telex, fax, electronic signature or by any other secured means.

The decisions of the Board of Directors must be made by majority vote; in case of a tie, the Chairman of the meeting shall have the deciding vote.

Resolutions signed unanimously by the members of the Board of Directors are as valid and enforceable as those taken at the time of a duly convened and held meeting of the Board.

The Board will regularly evaluate its performance and its relationship with the management. During 2020, the Board held seven meetings, with all members being present or represented.

***Delegations of powers to Managing Directors***

The Board of Directors may delegate all or part of its powers regarding the daily management as well as the representation of the Company with regard to such daily management to one or more persons (administrateur délégué), who need not be Directors (a "Managing Director"). The realization and the pursuit of all transactions and operations basically approved by the Board of Directors are likewise included in the daily management of the Company. Within this scope, acts of daily management may include particularly all management and provisional operations, including the realization and the pursuit of acquisitions of real estate and securities, the establishment of financings, the taking of participating interests and the placing at disposal of loans, warranties and guarantees to group companies, without such list being limitative.

David Greenbaum and Martin Němeček are elected as Managing Directors (administrateurs délégués) of the Company.

***Signatory powers within the Board of Directors***

The Company may be validly bound either by the joint signatures of any two Directors or by the single signature of a Managing Director.

***Special commitments in relation to the election of the members of the Board of Directors***

The Company is not aware of commitments that are in effect as of the date of this report by any parties relating to the election of members of the Board of Directors.

***Management of the Company***

The management is entrusted with the day-to-day running of the Company and among other things to:

- be responsible for preparing complete, timely, reliable and accurate financial reports in accordance with the accounting standards and policies of the Company;



- submit an objective and comprehensible assessment of the company's financial situation to the Board of Directors;
- regularly submit proposals to the Board of Directors concerning strategy definition;
- participate in the preparation of decisions to be taken by the Board of Directors;
- supply the Board of Directors with all information necessary for the discharge of its obligations in a timely fashion;
- set up internal controls (systems for the identification, assessment, management and monitoring of financial and other risks ), without prejudice to the Board's monitoring role in this matter; and
- regularly account to the Board for the discharge of its responsibilities.

The members of the management meet on a regular basis to review the operating performance of the business lines and the containment of operating expenses.

As at 31 December 2020, the Company's management consisted of the following members:

David Greenbaum, Managing Director,

Martin Němeček, Managing Director,

Erik Morgenstern, Chief Financial Officer,

Anita Dubost, Tax Manager.

#### **Committees of the Board of Directors**

As at 31 December 2020 the Board of Directors has the following committees:

- Audit Committee
- Remuneration, Appointment and Related Party Transaction Committee

The implementation of decisions taken by these committees enhances the Company's transparency and corporate governance.

Independent and non-executive directors are always in majority of the members of these committees.

#### ***Audit Committee***

Following the changes in the Board of Directors composition throughout in 2020 the Audit Committee is now comprised of Mr. Edward Hughes, Mr. Scot Wardlaw, and Mrs. Anita Dubost. Mr. Edward Hughes is the president of the Audit Committee.

The Audit Committee reviews the Company's accounting policies and the communication of financial information. In particular, the Audit Committee follows the auditing process, reviews and enhances the Company's reporting procedures by business lines, reviews risk factors and risk control procedures, analyzes the Company's group structure, assesses the work of external auditors, examines consolidated accounts, verifies the valuations of real estate assets, and audits reports. The Audit Committee has therefore invited persons whose collaboration is deemed to be advantageous to assist it in its work and to attend its meetings.

During 2020, the Audit Committee held five meetings (with 2 absences).

#### ***Remuneration, Appointment and Related Party Transaction Committee***

Following the changes in the Board of Directors composition in 2020 the Remuneration, Appointment and Related Party Transaction Committee (the "Remuneration Committee") is now comprised of of Mr. Edward

Hughes, Mr. Scot Wardlaw, and Mr. David Greenbaum. Mr. Edward Hughes is the president of the Remuneration Committee.

The Remuneration Committee presents proposals to the Board of Directors about remuneration and incentive programs to be offered to the management and the Directors of the Company. The Remuneration Committee also deals with related party transactions.

The role of the Remuneration Committee is among other things to submit proposals to the Board regarding the remuneration of executive managers, to define objective performance criteria respecting the policy fixed by the Company regarding the variable part of the remuneration of top management (including bonus and share allocations, share options or any other right to acquire shares) and that the remuneration of non-executive Directors remains proportional to their responsibilities and the time devoted to their functions.

During 2020 the role of the Remuneration Committee has been assumed directly by the Board of Directors.

#### **Description of internal controls relative to financial information processing.**

The Company has organized the management of internal control by defining control environment, identifying the main risks to which it is exposed together with the level of control of these risks, and strengthening the reliability of the financial reporting and communication process.

#### ***Control Environment***

For the annual closure, the Company's management fills an individual questionnaire so that any transactions they have carried out with the Company as "Related parties" can be identified.

The Audit Committee has a specific duty in terms of internal control; the role and activities of the Audit Committee are described in this Management Report.

#### **Remuneration and benefits**

##### ***Board of Directors***

See note 1 of the Consolidated financial statements as at 31 December 2020.

#### **Corporate Governance rules and regulations**

In reference to the information required by paragraphs (a) to (k) of Article 11(1) of the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, the Board of Directors states the following elements:

(a) The structure of the capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents:

The share capital of the Company is represented by only one class of shares carrying same rights.

The Company shares (ISIN LU0122624777) had been listed on the regulated market of Euronext Paris since 2000 and until their delisting as at 18 February 2016. Out of 1,314,507,629 Company shares the 314,507,629 Company shares (representing app. 23.9% of the total share capital) have been admitted to trading on the regulated markets of the Luxembourg Stock Exchange and the Warsaw Stock Exchange.

(b) Any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34/EC:

There is no restriction on the transfer of securities of the Company as at 31 December 2020.

(c) Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC:

To the best of the Company's knowledge, the following table sets out information regarding the ownership of the Company's shares as at 30 June 2020. The information collected is based on the notifications received by the Company from any shareholder crossing the thresholds of 5%, 10%, 15%, 20%, 33 1/3%, 50% and 66 2/3% of the aggregate voting rights in the Company.

Shareholder	Number of shares	% of capital / voting rights
CPI PROPERTY GROUP (directly)	1,279,198,976	97.31%
Others	35,308,653	2.69%
<b>Total</b>	<b>1,314,507,629</b>	<b>100.0%</b>

In 2013, the Company transferred 1 share to Edward Hughes for free and until he holds the Board function.

(d) The holders of any securities with special control rights and a description of those rights:

None of the Company's shareholders has voting rights different from any other holders of the Company's shares.

On 8 June 2016 CPI Property Group's fully owned subsidiary Nukasso Holdings Limited directly and indirectly acquired approximately 97.31% of shares in the Company. As a consequence, Nukasso Holdings Limited from the CPI Property Group became obliged to launch a mandatory takeover bid to purchase any and all of the ordinary shares of the Company (the "Mandatory Takeover Offer"). On 22 August 2016, the Czech Office for the Protection of Competition granted the merger clearance for the acquisition of the Company by CPI Property Group, whereas its decision became final and binding on 23 August 2016.

On 8 December 2017 the CSSF published press releases in which it stated, inter alia, that it has decided not to approve the offer document in the Mandatory Takeover Offer as a consequence of the existence of an undisclosed concern action with respect to the Company. On 15 March 2018 the CSSF published a press release informing that the decisions detailed in the above-mentioned CSSF press releases of 8 December 2017 have been challenged before the Luxembourg administrative courts.

As of the date of this report, the Company has not received any formal decision in relation to the Mandatory Takeover Offer.

(e) The system of control of any employee share scheme where the control rights are not exercised directly

by the employees:

This is not applicable. The Company has no employee share scheme.

(f) Any restrictions on voting rights, such as limitation on the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities:

There is no restriction on voting rights.

(g) Any agreements between shareholders which are known to the company and may result in restrictions

on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC:

To the knowledge of the Company, no shareholder agreements have been entered by and between shareholders that are in effect as of the date of this report.

97.31% of shares in the Company are held directly by CPI PROPERTY GROUP.

(h) the rules governing the appointment and replacement of board members and the amendment of the articles of association:

See section Appointment of Directors of this report.

*(i) the powers of board members, and in particular the power to issue or buy back shares:*

*See section Powers of the Board of Directors of this report and section Authorized capital not issued.*

*(j) any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements:*

*Under the Securities Note and Summary dated 22 March 2007, with respect to the issue of the 2014 Warrants, the occurrence of a Change of Control (as described in Condition 4.1.8.1.2.1 of the Securities Note and Summary dated 22 March 2007) could result in a potential liability for the Company due to “Change of Control Compensation Amount”.*

*On 10 June 2016 the Company received a major shareholder notification stating, that NUKASSO (CYP) and CPI PROPERTY GROUP, which are ultimately held by Mr. Radovan Vitek, hold directly and indirectly 1,279,198,976 of the Company’s shares corresponding to 97.31% of voting rights as at 8 June 2016. Accordingly, the Company issued a Change of Control Notice notifying the holders of the 2014 Warrants that the Change of Control, as defined in the Securities Note and the Summary for the 2014 Warrants, occurred on 8 June 2016.*

*In accordance with the judgement of the Paris Commercial Court (the “Court”) pronounced on 26 October 2015 concerning the termination of the Company’s Safeguard Plan, liabilities that were admitted to the Safeguard, but are conditional or uncalled (such as uncalled bank guarantees, conditional claims of the holders of 2014 Warrants registered under ISIN code XS0290764728, provided that they were admitted to the Safeguard plan), will be paid according to their contractual terms. Pre-Safeguard liabilities that were not admitted to the Company’s Safeguard will be unenforceable. As such, only claims of holders of the 2014 Warrants, whose potential claims were admitted to the Company’s Safeguard Plan, could be considered in respect of the present Change of Control. Claims of holders of the 2014 Warrants that were not admitted to the Company’s Safeguard will be unenforceable against the Company.*

*To the knowledge of the Company, no other agreements have been entered by the Company.*

*(k) any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid:*

*As at 31 December 2020, there are no potential termination indemnity payments in place payable to the members of the Company's management in the event of termination of their contracts in excess of the compensation as required by the respective labour codes.*

## **Additional information**

### ***Legal form and share capital***

CPI FIM is a public limited company (“société anonyme”) incorporated and existing under Luxembourg law. Its corporate capital, subscribed and fully paid-up capital of €13,145,076.29 is represented by 1,314,507,629 shares without nominal value. The accounting par value price is €0.01 per share.

### ***Date of incorporation and termination***

The Company was incorporated by deed drawn on 9 September 1993 by Maître Frank Baden, for an indeterminate period of time.

### ***Jurisdiction and applicable laws***

The Company exists under the Luxembourg Act of 10 August 1915 on commercial companies, as amended.

***Object of business***

As described in article 4 of the updated Articles of Association of the Company, its corporate purpose is the direct acquisition of real property, the holding of ownership interests and the making of loans to companies that form part of its group. Its activity may consist in carrying out investments in real estate, such as the purchase, sale, construction, valorization, management and rental of buildings, as well as in the promotion of real estate, whether on its own or through its branches.

It has as a further corporate purpose the holding of ownership interests, in any form whatsoever, in any commercial, industrial, financial or other Luxembourg or foreign companies, whether they are part of the group or not, the acquisition of all and any securities and rights by way of ownership, contribution, subscription, underwriting or purchase options, or negotiation, and in any other way, and in particular the acquisition of patents and licenses, their management and development, the granting to undertakings in which it holds a direct or indirect stake of all kinds of assistance, loans, advances or guarantees and finally all and any activities directly or indirectly relating to its corporate purpose. It may thus play a financial role or carry out a management activity in enterprises or companies it holds or owns.

The Company may likewise carry out all and any commercial, property, real estate and financial operations likely to relate directly or indirectly to the activities defined above and susceptible to promoting their fulfillment.

***Trade register***

RCS Luxembourg B 44 996.

***Financial year***

The Company's financial year begins on the first day of January and ends on the thirty-first day of December.

***Distribution of profits and payment of dividends***

Each year, at least five per cent of the net corporate profits are set aside and allocated to a reserve. Such deduction ceases being mandatory when such reserve reaches ten per cent of the corporate capital, but will resume whenever such reserve falls below ten per cent. The general meeting of shareholders determines the allocation and distribution of the net corporate profits.

Payment of dividends:

The Board of Directors is entitled to pay advances on dividends when the legal conditions listed below are fulfilled:

- an accounting statement must be established which indicates that the available funds for the distribution are sufficient;
- the amount to be distributed may not exceed the amount of revenues since the end of the last accounting year for which the accounts have been approved, increased by the reported profits and by the deduction made on the available reserves for this purpose and decreased by the reported losses and by the sums allocated to reserves in accordance with any legal and statutory provision;
- the Board of Directors' decision to distribute interim dividends can only be taken within two months after the date of the accounting statement described above;
- the distribution may not be determined less than six months after the closing date of the previous accounting year and before the approval of the annual accounts related to this accounting year;
- whenever a first interim dividend has been distributed, the decision to distribute a second one may only be taken at least three months after the decision to distribute the first one; and
- the statutory and independent auditor(s) in its (their) report to the Board of Directors confirm(s)
- the conditions listed above are fulfilled.

Under general Luxembourg law, the conditions for making advances on dividends are less stringent than the conditions listed above, however, the more restrictive provisions of the Company's Articles of Association will

prevail as the recent changes under Luxembourg law have not yet been reflected in the Articles of Association of the Company.

When an advance distribution exceeds the amount of dividend subsequently approved by the general meeting of shareholders, such advance payment is considered an advance on future dividends.

#### ***Exceeding a threshold***

Any shareholder who crosses a threshold limit of 5%, 10%, 15%, 33 1/3%, 50% or 66 2/3% of the total of the voting rights must inform the Company, which is then obliged to inform the relevant controlling authorities. Any shareholder not complying with this obligation will lose his voting rights at the next general meeting of shareholders, and until proper major shareholding notification is made.

#### ***Documents on display***

Copies of the following documents may be inspected at the registered office of the Company (tel: +352 26 47 67 1), 40 rue de la Vallée, L-2661 Luxembourg, on any weekday (excluding public holidays) during normal business hours:

1. Articles of Association of the Company;
2. Audited consolidated financial statements of the Company as of and for the years ended 31 December 2020, 2019, and 2018, prepared in accordance with IFRS adopted by the European Union;

The registration document(s) and most of the information mentioned are available on the Company's website:

[www.cpfimsa.com](http://www.cpfimsa.com)

The registration document(s) is available on the website of Luxembourg Stock Exchange: [www.bourse.lu](http://www.bourse.lu).

#### ***External Auditors***

Ernst & Young S.A., Luxembourg have been elected as Group's new approved auditor (réviseur d'entreprises agréé) for the financial year commencing on 1 January 2019. The 2020 annual general meeting of shareholders held in May 2020 resolved to approve Ernst & Young S.A., Luxembourg as auditors for the financial year ending 31 December 2020.

#### **Reporting**

Consolidated management report and the stand-alone management report are presented under the form of a sole report.

## SHAREHOLDING

### Share capital and voting rights

The subscribed and fully paid-up capital of the Company of €13,145,076.29 is represented by 1,314,507,629 shares without nominal value. The accounting par value is €0.01 per share.

In addition to the issued and subscribed corporate capital of €13,145,076.29, the Company has also an authorized, but unissued and unsubscribed share capital set at €10,000,000.

All the shares issued by the Company are fully paid and have the same value. The shares will be either in the form of registered shares or in the form of bearer shares, as decided by the shareholder, except to the extent otherwise provided by law.

The shareholder can freely sell or transfer the shares. The shares are indivisible and the Company only recognizes one holder per share. If there are several owners per share, the Company is entitled to suspend the exercise of all rights attached to such shares until the appointment of a single person as owner of the shares. The same applies in the case of usufruct and bare ownership or security granted on the shares.

Joint owners of shares must be represented within the Company by one of them considered as sole owner or by a proxy, who in case of conflict may be legally designated by a court at the request of one of the owners.

### Shareholder holding structure

To the best of the Company's knowledge, the following table sets out information regarding the ownership of the Company's shares as at 31 December 2020. The information collected is based on the notifications received by the Company from any shareholder crossing the thresholds of 5%, 10%, 15%, 20%, 33 1/3%, 50% and 66 2/3% of the aggregate voting rights in the Company.

Shareholder	Number of shares	% of capital / voting rights
CPI PROPERTY GROUP (directly)	1,279,198,976	97.31%
Others	35,308,653	2.69%
<b>Total</b>	<b>1,314,507,629</b>	<b>100.0%</b>

### Authorized capital not issued

The Company's extraordinary general meeting of 2 May 2016 resolved to modify, renew and replace the then existing authorized share capital and to set it to an amount of twenty million euro (€20,000,000.00) for a period of five (5) years from 2 May 2016. Following the capital increase implemented in 2016, the Company now has the authorized, but unissued and unsubscribed share capital set at €10,000,000, which would authorize the issuance of up to one billion (1,000,000,000) new ordinary shares in addition to the 1,314,507,629 shares currently outstanding.

The Company's Board of Directors was thus granted an authorization to increase the Company's share capital in accordance with article 32-3 (5) of the 1915 Luxembourg company law. The Board of Directors was granted full power to proceed with the capital increases within the authorized capital under the terms and conditions it will set, with the option of eliminating or limiting the shareholders' preferential subscription rights as to the issuance of new shares within the authorized capital.

The Board of Directors was authorized, during a period of five (5) years from the date of the general meeting of shareholders held on 2 May 2016, without prejudice to any renewals, to increase the issued capital on one or more occasions within the limits of the authorized capital. The Board of Directors was authorized to determine the conditions of any capital increase including through contributions in cash or in kind, among others, the conversion of debt into equity, by offsetting receivables, by the incorporation of reserves, issue premiums or retained earnings, with or without the issue of new shares, or following the issue and the exercise of subordinated or nonsubordinated bonds, convertible into or repayable by or exchangeable for shares (whether

provided in the terms at issue or subsequently provided), or following the issue of bonds with warrants or other rights to subscribe for shares attached, or through the issue of stand-alone warrants or any other instrument carrying an entitlement to, or the right to subscribe for, shares.



## POTENTIAL RISKS AND OTHER REPORTING REQUIREMENTS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow interest rate risk and other risks), credit risk and liquidity risk. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Supervision of the Group's risk is accomplished through discussions held by executive management in appropriate frameworks together with reporting and discussions with the Board of Directors.

### **Subsequent closing events including COVID-19 impact**

Please refer to note 12 of the Consolidated financial statements as at 31 December 2020.

### **Other reporting requirements**

- The Company does not have any activities in research and development.
- The Company does not have any branch.

### **Financial Risks exposure**

For a thorough description of the principal risks and uncertainties, please refer to note 7 of the Consolidated financial statements as at 31 December 2020.

The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Supervision of the Group's risk is accomplished through discussions held by executive management in appropriate frameworks together with reporting and discussions with the Board of Directors.

### **Certain subsidiaries may be in breach of loan covenants**

As of the date of this report, none of the Company's subsidiaries are in breach of financial ratios specified in their respective loan agreements and administrative covenants.

### **The Group's financing arrangements could give rise to additional risk**

When the Group acquires a property using external financing, the Group usually gives a mortgage over the acquired property and pledges the shares of the specific subsidiary acquiring the property. There can be no assurance that the registration of mortgages and pledges has been concluded in accordance with applicable local law, and a successful challenge against such mortgages or pledges may entitle the lender to demand early repayment of its loan to the Group. The Group's financing agreements contain financial covenants that could, among other things, require the Group to maintain certain financial ratios. In addition, some of the financing agreements require the prior written consent of the lender to any merger, consolidation or corporate changes of the borrower and the other obligors. Should the Group breach any representations, warranties or covenants contained in any such loan or other financing agreement, or otherwise be unable to service interest payments or principal repayments, the Group may be required immediately to repay such borrowings in whole or in part, together with any related costs. If the Group does not have sufficient cash resources or other credit facilities available to make such repayments, it may be forced to sell some or all of the properties comprising the Group's investment portfolio, or refinance those borrowings with the risk that borrowings may not be able to be refinanced or that the terms of such refinancing may be less favorable than the existing terms of borrowing.

## **Market risk**

### Foreign currency risk

Currency risk is applicable generally to those business activities and development projects where different currencies are used for repayment of liabilities under the relevant financing to that of the revenues generated by the relevant property or project. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk mainly on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the CZK, but also others (see note 7.3 Market risk of the Consolidated financial statements as at 31 December 2020). Functional currency of the most Group companies is the Czech koruna and a significant portion of revenues and costs are realised primarily in the Czech koruna.

For more detail, please refer to note 7.3 - Foreign currency risk of the Consolidated financial statements as at 31 December 2020.

### Price risk

To manage its price risk arising from investments in equity securities and such embedded derivatives, the Group diversifies its portfolio or only enters these operations if they are linked to operational investments.

For more detail, please refer to note 7.3 - Price risk of the Consolidated financial statements as at 31 December 2020.

### Interest rate risk

The Group uses fixed rate debt financing to finance the purchase, development, construction and maintenance of its properties. When floating rate financing is used, the Group's costs increase if prevailing interest rate levels rise. While the Group generally seeks to control its exposure to interest rate risks by entering into interest rate swaps, not all financing arrangements are covered by such swaps and a significant increase in interest expenses would have an unfavorable effect on the Group's financial results and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Rising interest rates could also affect the Group's ability to make new investments and could reduce the value of the properties. Conversely, hedged interests do not allow the Company to benefit from falling interest rates.

For more detail, please refer to note 7.3 - Interest rate risk of the Consolidated financial statements as at 31 December 2020.

### Other risks

The Group is also exposed to property price and property rentals risk but it does not pursue any speculative policy. Even though the Group's activities are focused on one geographical area (Central Europe) such activities are spread over several business lines (residences, offices) and different countries.

## **Credit risk**

The Group has no significant concentrations of commercial credit risk. Rental contracts are made with customers with an appropriate credit history. Credit risk is managed by local management and by Group management.

For more detail, please refer to note 7.1 Credit risk of the Consolidated financial statements as at 31 December 2020.

## **Liquidity risk**

For more detail, please refer to note 7.2 Liquidity risk of the Consolidated financial statements as at 31 December 2020.

**Capital management**

For more detail, please refer to note 7.4 Capital management of the Consolidated financial statements as at 31 December 2020.

**Risks associated with real estate and financial markets**

Changes in the general economic and cyclical parameters may negatively influence the Group's business activity.

The Group's core business activity is mainly based on the letting and sale of real estate property. The revenues from rents and revenues from sales of real estate property investments are key figures for the Group's value and profitability. Rents and sales prices depend on economic and cyclical parameters, which the Group cannot control.

The Group's property valuations may not reflect the real value of its portfolio, and the valuation of its assets may fluctuate from one period to the next.

The Group's investment property portfolio is valued at least once a year by an independent appraiser. The Group's property assets were valued as at 31 December 2020. The change in the appraised value of investment properties, in each period, determined on the basis of expert valuations and adjusted to account for any acquisitions and sales of buildings and capital expenditures, is recorded in the Group's income statements. For each euro of change in the fair value of the investment properties, the net income of the Group changes by one euro. Changes in the fair value of the buildings could also affect gains from sales recorded on the income statement (which are determined by reference to the value of the buildings) and the rental yield from the buildings (which is equal to the ratio of rental revenues to the fair value of the buildings). Furthermore, adverse changes in the fair value of the buildings could affect the Group's cost of debt financing, its compliance with financial covenants and its borrowing capacity.

The values determined by independent appraisers are based on numerous assumptions that may not prove correct, and also depend on trends in the relevant property markets. An example is the assumption that the Company is a "going concern", i.e., that it is not a "distressed seller" whose valuation of the property assets may not reflect potential selling prices. In addition, the figures may vary substantially between valuations. A decline in valuation may have a significant adverse impact on the Group's financial condition and results, particularly because changes in property values are reflected in the Group's consolidated net profit. Reversely, valuations may be lagging soaring market conditions, inadequately reflecting the fair property values at a later time.

The Group is also exposed to valuation risk regarding the receivables from its asset sales. Management values these receivables by assessing the credit risk attached to the counterparties for the receivables. Any change in the credit worthiness of a counterparty or in the Group's ability to collect on the receivable could have a significant adverse impact on the Group's financial position and results.

Changing residential trends or tax policies may adversely affect sales of developments.

The Group is involved in residential, commercial and retail development projects. Changing residential trends are likely to emerge within the markets in Central and Eastern Europe as they mature and, in some regions, relaxed planning policies may give rise to over-development, thereby affecting the sales potential of the Group's residential developments. Changing real estate taxes or VAT taxes may also have a notable impact on sales (such as for example a hike in sales before implementation of a tax increase followed by structurally lower sales). These factors will be considered within the investment strategy implemented by the Group but may not always be anticipated and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

## CORPORATE RESPONSIBILITY

Corporate responsibility and sustainable development is at the core of the strategy of the Company. The Group top management actively foster best practices as an opportunity to improve the cost efficiency of internal processes and the value creation of our it main activity - development of properties, providing of equity loans and management services to other entities within the CPIPG group.<sup>5</sup>

### **Environmental, social and ethical matters**

The Group is committed to high standards in environmental, social and ethical matters. Our staff receive training on our policies in these areas, and are informed when changes are made to the policy. Our environmental policy is to comply with all applicable local regulations, while pursuing energy-efficient solutions and green / LEED certification wherever possible. Ethical practice is a core component of our corporate philosophy; we have achieved top-quality standards in reporting and communications, and have invested in the best professionals. From a social perspective, we care deeply about all our stakeholders. Our corporate culture is centered around respect and professionalism, and we believe in giving back to our community.

### **Environmental matters**

The Group follows a pragmatic approach to environmental aspects of its business. Environmental criteria are one of the main aspects of the Group's development and construction projects.

Before each potential asset investment, the Group examines the environmental risks. Project timing, progress and budgets are carefully monitored, mostly with the support of external project monitoring advisors. Health, safety and environmental risks are monitored before and during construction.

Health and safety, as well as the technical and security installations are periodically inspected for checking of their status and the conformity with applicable legislation and local regulation.

As a priority item for apartment building renovations, the Group replaces older heating systems with natural gas systems, and seeks to improve the overall level of thermal insulation in its buildings.

### **Social matters**

The Group follows Corporate Social Responsibility of its parent company CPIPG.

The Group aims to promote personal development of its employees. The Group provides a work environment that is motivating, competitive and reflects the needs of the employees. The Group promotes diversity and equal opportunity in the workplace.

Employees of the Group conduct annual reviews with their managers, covering also the relationships of the employees with their work and working place, as well as the Group in general.

### **Ethical matters**

The Group has policies addressing conduct, including conflicts of interest, confidentiality, abuse of company property and business gifts.

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<sup>5</sup> For the CSR related statements, also applicable to the Company, please refer to the annual report of CPI PROPERTY GROUP.

## GLOSSARY & DEFINITIONS

### **Alternative Performance Measures**

The Company presents alternative performance measures (APMs). The APMs used in our report are commonly referred to and analysed amongst professionals participating in the Real Estate Sector to reflect the underlying business performance and to enhance comparability both between different companies in the sector and between different financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. The presentation of APMs in the Real Estate Sector is considered advantageous by various participants, including banks, analysts, bondholders and other users of financial information:

- APMs provide additional helpful and useful information in a concise and practical manner.
- APMs are commonly used by senior management and Board of Directors for their decisions and setting of mid and long-term strategy of the Group and assist in discussion with outside parties.
- APMs in some cases might better reflect key trends in the Group's performance which are specific to that sector, i.e. APMs are a way for the management to highlight the key value drivers within the business that may not be obvious in the consolidated financial statements.

For new definitions of measures or reasons for their change, see below.

### **EPRA NRV (former EPRA NAV)**

EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity. The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.

The performance indicator has been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide, available on EPRA's website ([www.epra.com](http://www.epra.com)).

### **EPRA NRV per share**

EPRA NRV divided by the diluted number of shares at the period end.

### **EPRA NDV (former EPRA NNAV)**

EPRA NDV represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. The objective of the EPRA NDV measure is to report net asset value including fair value adjustments in respect of all material balance sheet items which are not reported at their fair value as part of the EPRA NRV.

The performance indicator has been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide, available on EPRA's website ([www.epra.com](http://www.epra.com)).

### **EPRA NDV per share**

EPRA NDV divided by the diluted number of shares at the period end.

### **Equity ratio**

Equity ratio is a measure that provides a general assessment of financial risk undertaken and is calculated as total equity as reported divided by total assets as reported.

### **Project Loan-to-Value**

With respect to a structure of financing, the Group no longer provides the calculation of this measure, since it might be confusing for the reader.

### **EPRA NAV and EPRA NAV per share**

The Group no longer provides the calculation of these measures, since they were replaced by the calculation of EPRA NRV and EPRA NRV per share.

### **EPRA NNNAV and EPRA NNNAV per share**

The Group no longer provides the calculation of these measures, since they were replaced by the calculation of EPRA NDV and EPRA NDV per share.

### **Other definitions**

#### **EPRA**

European Public Real Estate Association.

#### **Development for rental**

Development for Rental represents carrying value of developed assets – ie. under development or finished assets – being held by the Group with the intention to rent the assets in the foreseeable future.

#### **Development for sale**

Development for Sale represents carrying value of developed assets – ie. under development or finished assets – being held by the Group with the intention to sell the assets in the foreseeable future.

#### **Gross Asset Value (GAV) or Fair value of Property portfolio or Property portfolio value**

The sum of fair value of all real estate assets held by the Group on the basis of the consolidation scope and real estate financial investments (being shares in real estate funds, loans to third parties active in real estate or shares in non-consolidated real estate companies).

#### **Gross Leasable Area (GLA)**

GLA is the amount of floor space available to be rented. GLA is the area for which tenants pay rent, and thus the area that produces income for the property owner.

#### **Gross Saleable Area (GSA)**

GSA is the amount of floor space held by the Group with the intention to be sold. GSA is the area of property to be sold with a capital gain.

**Market value**

The estimated amount determined by the Group's external valuer in accordance with the RICS Valuation Standards, for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing.

**Occupancy rate**

The ratio of leased premises to leasable premises

**Potential gross leasable area**

Potential Gross Leasable Area is the total amount of floor space and land area being developed which the Group is planning to rent after the development is complete.

**Potential gross saleable area**

Potential Gross Saleable Area is the total amount of floor space and land area being developed which the Group is planning to sell after the development is complete.

**CPI FIM S.A.**  
40 rue de la Vallée  
L-2661 Luxembourg  
R.C.S. Luxembourg B 44996  
(the “Company”)

**DECLARATION LETTER  
FINANCIAL REPORTS  
AS AT 31 DECEMBER 2020**

**1.1. Person responsible for the Annual Financial Report**

- Mr. David Greenbaum, acting as Managing Director of the Company, with professional address at 40 rue de la Vallée, L-2661 Luxembourg, Grand-Duchy of Luxembourg, email: D.Greenbaum@cpipg.com.

**1.2. Declaration by the person responsible for the Annual Financial Report**

The undersigned hereby declares that, to the best of his knowledge:

- the consolidated financial statements of the Company as at 31 December 2020, prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and results of the Company and its subsidiaries included in the consolidation taken as a whole; and
- that the Management Report as at 31 December 2020 provides a fair view of the development and performance of the business and the position of the Company and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

Approved by the Board of Directors and signed on its behalf by Mr. David Greenbaum.

Luxembourg, on 31 March 2021



Mr. David Greenbaum  
Managing Director



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# CPI FIM SA

CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2020 AND FOR THE YEAR THEN ENDED

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Year-ended	
		31 December 2020	31 December 2019 Adjusted*
Gross rental income	5.1	34,142	4,207
Sale of services	5.2	32,469	19,503
Cost of service and other charges		(10,803)	(1,959)
Property operating expenses		(3,413)	(1,949)
<b>Net service and rental income</b>		<b>52,395</b>	<b>19,802</b>
Total revenues		66,611	23,710
Total direct business operating expenses		(14,216)	(3,908)
<b>Net business income</b>		<b>52,395</b>	<b>19,802</b>
Net valuation gain*	5.3	146,433	17,129
Net gain/(loss) on the disposal of investment property and subsidiaries		(602)	2,522
Amortization, depreciation and impairments	5.4	(7,400)	3,249
Administrative expenses	5.5	(13,252)	(12,951)
Other operating income		406	122
Other operating expenses		(673)	(1,204)
<b>Operating result</b>		<b>177,307</b>	<b>28,669</b>
Interest income	5.6	169,821	150,185
Interest expense	5.6	(141,693)	(89,200)
Other net financial result*	5.7	(9,955)	13,764
<b>Net finance income</b>		<b>18,173</b>	<b>74,749</b>
Share of profit/(loss) of equity-accounted investees (net of tax)	6.2	3,320	(217)
<b>Profit before income tax</b>		<b>198,800</b>	<b>103,201</b>
Income tax expense	5.8	(53,286)	(30,753)
<b>Net profit from continuing operations</b>		<b>145,514</b>	<b>72,448</b>
<b>Items that may or are reclassified subsequently to profit or loss</b>			
Translation difference		(40,417)	4,339
Fair value changes of financial assets		597	26,425
<b>Other comprehensive income for the period, net of tax</b>		<b>(39,820)</b>	<b>30,764</b>
<b>Total comprehensive income for the year</b>		<b>105,694</b>	<b>103,212</b>
<b>Profit attributable to:</b>			
Owners of the Company		112,505	67,441
Non-controlling interests		33,009	5,007
<b>Profit for the year</b>		<b>145,514</b>	<b>72,448</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		72,685	98,205
Non-controlling interests		33,009	5,007
<b>Total comprehensive income for the year</b>		<b>105,694</b>	<b>103,212</b>
<b>Earnings per share</b>			
Basic earnings in EUR per share	6.9	0.09	0.05
Diluted earnings in EUR per share	6.9	0.09	0.05

\* Comparative financial information adjusted due to change in accounting policy, for more information refer to note 2.4.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The accompanying notes form an integral part of these consolidated financial statements.

	Note	31 December 2020	31 December 2019
<b>Non-current assets</b>			
Intangible assets		15	1,123
Investment property	6.1	1,367,184	1,191,435
Property, plant and equipment		662	662
Equity accounted investees	6.2	7,044	3,672
Other investments	6.3	188,884	188,293
Loans provided	6.4	4,234,093	3,442,619
Other receivables		-	12
Deferred tax asset	5.8	142,019	153,126
		<b>5,939,901</b>	<b>4,980,942</b>
<b>Current assets</b>			
Inventories		300	341
Income tax receivables		81	36
Derivative instruments		1,694	-
Trade receivables	6.5	6,511	7,175
Loans provided	6.4	115,168	103,908
Cash and cash equivalents	6.6	249,190	129,447
Other receivables	6.7	188,232	17,299
Other non-financial assets		3,289	3,394
Assets held for sale	6.8	-	1,504
		<b>564,465</b>	<b>263,104</b>
<b>Total assets</b>		<b>6,504,366</b>	<b>5,244,046</b>
<b>Equity</b>			
Equity attributable to owners of the Company	6.9	899,041	826,356
<i>Share capital</i>		13,145	13,145
<i>Share premium</i>		784,670	784,670
<i>Other reserves</i>		72,689	112,509
<i>Retained earnings</i>		28,537	(83,968)
Non-controlling interests	6.9	204,531	171,522
		<b>1,103,572</b>	<b>997,878</b>
<b>Non-current liabilities</b>			
Financial debts	6.10	4,855,740	3,886,792
Deferred tax liability	5.8	78,500	38,200
Provisions		-	1,594
Other financial liabilities	6.11	8,904	10,794
		<b>4,943,144</b>	<b>3,937,380</b>
<b>Current liabilities</b>			
Financial debts	6.10	376,179	252,538
Trade payables	6.12	8,618	10,543
Income tax liabilities		20	747
Other financial liabilities	6.13	68,677	41,044
Other non-financial liabilities	6.14	4,156	3,895
Liabilities held for sale	6.8	-	21
		<b>457,650</b>	<b>308,788</b>
<b>Total equity and liabilities</b>		<b>6,504,366</b>	<b>5,244,046</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
<b>As at 1 January 2020</b>		<b>13,145</b>	<b>784,670</b>	<b>26,430</b>	<b>86,079</b>	<b>(83,968)</b>	<b>826,356</b>	<b>171,522</b>	<b>997,878</b>
<b>Profit for the year</b>		-	-	-	-	<b>112,505</b>	112,505	<b>33,009</b>	145,514
Total comprehensive income		-	-	(40,417)	597	-	(39,820)	-	(39,820)
<b>Total comprehensive income for the period</b>		-	-	<b>(40,417)</b>	<b>597</b>	<b>112,505</b>	<b>72,685</b>	<b>33,009</b>	<b>105,694</b>
<b>Balance as at 31 December 2020</b>		<b>13,145</b>	<b>784,670</b>	<b>(13,987)</b>	<b>86,676</b>	<b>28,537</b>	<b>899,041</b>	<b>204,531</b>	<b>1,103,572</b>

	Note	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
<b>As at 1 January 2019</b>		<b>13,145</b>	<b>784,670</b>	<b>22,091</b>	<b>33,916</b>	<b>(151,409)</b>	<b>702,413</b>	<b>166,453</b>	<b>868,866</b>
<b>Profit for the year</b>		-	-	-	-	<b>67,441</b>	67,441	<b>5,007</b>	72,448
Total comprehensive income		-	-	4,339	26,425	-	30,764	-	30,764
<b>Total comprehensive income for the period</b>		-	-	<b>4,339</b>	<b>26,425</b>	<b>67,441</b>	<b>98,205</b>	<b>5,007</b>	<b>103,212</b>
Common control transaction	3.4	-	-	-	25,738	-	25,738	-	25,738
Disposal of non-controlling interests under common control	3.5	-	-	-	-	-	-	62	62
<b>Balance as at 31 December 2019</b>		<b>13,145</b>	<b>784,670</b>	<b>26,430</b>	<b>86,079</b>	<b>(83,968)</b>	<b>826,356</b>	<b>171,522</b>	<b>997,878</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Year-ended	
		31 December 2020	31 December 2019 Adjusted*
<b>Profit before income tax</b>		<b>198,800</b>	<b>103,201</b>
<i>Adjusted by:</i>			
Net valuation gain*	5.3, 6.1	(146,433)	(17,129)
Net (gain)/loss on the disposal of investment property and subsidiaries		602	(2,522)
Depreciation and amortisation	5.4	1	10
Impairment/ (reversal of impairment)	5.4	7,399	(3,259)
Net interest income		(28,128)	(60,985)
Other net finance (income)/costs	5.7	728	(250)
Share of (profit)/loss of equity accounted investees	6.2	(3,320)	217
Unrealized exchange rate differences and other non-cash transactions		1,747	952
<b>Profit before changes in working capital and provisions</b>		<b>31,396</b>	<b>20,235</b>
Decrease/(increase) in inventories		41	(102)
Increase in trade and other receivables		(168,370)	(8,876)
Increase/(decrease) in trade and other payables		23,351	(57,246)
Changes in provisions		(1,532)	33
Income tax paid		(1,123)	(204)
<b>Net cash from operating activities</b>		<b>(116,237)</b>	<b>(46,160)</b>
Acquisition of subsidiaries, net of cash acquired	3.3	-	(551,568)
Purchase and expenditures on investment property	6.1	(43,549)	(97,177)
Proceeds from sale of investment property		2,294	334
Purchase of intangible assets		-	(1,109)
Proceeds from disposals of subsidiaries, net of cash disposed		-	31
Loans provided		(948,780)	(1,316,273)
Loans repaid		154,646	218,950
Interest received		108,035	79,865
<b>Net cash used in investing activities</b>		<b>(727,354)</b>	<b>(1,666,947)</b>
Disposal of non-controlling interests under common control	3.5	-	63
Drawdowns of loans and borrowings	6.10	1,083,127	1,929,650
Repayments of loans and borrowings	6.10	(24,882)	(40,428)
(Repayments)/ drawdowns of lease liabilities	6.10	(327)	20
Interest paid	6.10	(94,584)	(61,456)
<b>Net cash from financing activities</b>		<b>963,334</b>	<b>1,827,849</b>
<b>Net increase in cash</b>		<b>119,743</b>	<b>114,742</b>
Cash and cash equivalents at the beginning of the year	6.6	129,447	14,705
<b>Cash and cash equivalents at the end of the year</b>		<b>249,190</b>	<b>129,447</b>

\* Comparative financial information adjusted due to change in accounting policy, for more information refer to note 2.4.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 General information

CPI FIM SA, société anonyme (the “Company”) and its subsidiaries (together the “Group” or “CPI FIM”), is an owner of income-generating real estate primarily in Poland and in the Czech Republic as well as of land bank and development projects intended for future rent. The Company is a subsidiary of CPI Property Group (also “CPI PG” and together with its subsidiaries as the “CPI PG Group”), which holds 97.31% of the Company shares. The Company is also involved in providing of equity loans and management services to other entities within the CPI PG Group.

The Company is a joint stock company incorporated for an unlimited term and registered in Luxembourg. The address of its registered office is 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg. The trade registry number of the Company is B 44 996.

The Company’s shares registered under ISIN code LU0122624777 are listed on the regulated markets of the Luxembourg Stock Exchange and the Warsaw Stock Exchange.

### Description of the ownership structure

As at 31 December 2020, CPI PG directly owns 97.31% of the Company shares. CPI PG is a Luxembourg joint stock company (*société anonyme*), whose shares registered under ISIN code LU0251710041 are listed on the regulated market of the Frankfurt Stock Exchange in the General Standard segment.

As at 31 December 2020, Radovan Víttek, the ultimate beneficial owner of the Group, indirectly owns 90.70% of CPI PG outstanding shares (94.18% voting rights).

For the list of shareholders as at 31 December 2020 refer to note 6.9.

### Board of Directors

As at 31 December 2020, the Board of Directors consists of the following directors:

Mrs. Anita Dubost

Mr. David Greenbaum

Mr. Edward Hughes

Mr. Scot Wardlaw

## 2 Basis of preparation and significant accounting policies

### 2.1 Basis of preparation of consolidated financial statements

#### (a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

All the figures are presented in thousands of Euros, except if explicitly indicated otherwise.

The consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements were authorized for issue by the Board of Directors on 30 March 2021. For analysis of the impact of COVID-19 pandemic on the Group, including its ability to continue as a going concern, refer to note 12.

#### (b) New and amended standards and interpretations

For the preparation of these consolidated financial statements, the following amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2020. The amendments and interpretations apply for the first time in 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and effect of the changes as a result of adoption of these amended standards and interpretations are described below.

##### *Amendments to IFRS 3: Definition of a Business*

The amendments help entities to determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods.

##### *Amendments to IAS 1 and IAS 8: Definition of Material*

The amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors were issued to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments had no impact on the Group's consolidated financial statements.

##### *Conceptual Framework for Financial Reporting issued on 29 March 2018*

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the Group's consolidated financial statements.

#### (c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following material items in the consolidated statement of financial position, which are measured as indicated below at each reporting date:

- Inventories at lower of cost or net realisable value;
- Investment property is measured at fair value;
- Derivative instruments are measured at fair value;
- Non-derivative financial instruments at fair value through profit or loss are measured at fair value;

#### (d) Functional and presentation currency

These consolidated financial statements are presented in Euro (EUR), which is the Company's functional currency. All financial information presented in EUR has been rounded to the nearest thousand (TEUR), except when otherwise indicated. The functional currencies of other entities within the Group are listed in note O(b).

#### (e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience, internal calculations and various other factors that the management believes to be reasonable under the circumstances. The actual result might differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2(c) – Classification of investment property
- Note 2.2(l) – Service charges: Gross versus net revenue recognition.

Information about assumptions and estimation uncertainties that have a significant risk of a material adjustment within the next financial year are included in the following notes:

- Note 2.2(i) - Impairment test;
- Note 2.3 – Determination of fair value;
- Note 5.9 – Income tax expenses;
- Note 7 – Financial risk management.

The Group's assumptions and estimation is based on the evidence available as of the date of these consolidated financial statements. The assumptions and estimates are however sensitive to development of the current COVID-19 world-wide pandemic and its negative impacts on the Company's real estate portfolio. The uncertainty caused by the COVID-19 pandemic is considered primarily in the below assumptions and estimates:

- the fair value measurement of investment property, hotels and biological assets (for more details, refer to note 7.5.2);
- the credit risk and liquidity risk assessment (for more details, refer to note 7.1 and 7.2, respectively);
- the assessment of the Group's ability to continue as a going concern (for more details, refer to note 12).

## 2.2 Significant accounting policies

Except for the changes described above in note 2.1(b). New standards, the accounting policies used in preparing the consolidated financial statements are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

### (a) Basis of consolidation

#### (i) Business combinations

The Group uses the direct method of consolidation, under which the financial statements are translated directly into the presentation currency of the Group, EUR. Subsidiaries are fully consolidated from the date of the acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within the equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The interest of non-controlling shareholders at the date of the business combination is generally recorded at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, which are generally at fair value, unless Group management has any other indicators about the non-controlling interest fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### (ii) Business combinations involving entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are not in scope of IFRS 3. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the financial statements of the acquiree or at deemed costs if the local standards are different from IFRS adopted by EU. Components of equity of the acquired entities are added to the corresponding equity components of the Group and any gain or loss arising is recognised in equity.

#### (iii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as a debt investment at fair value through OCI depending on the level of influence retained.

#### (iv) Equity accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.



Interests in associates and joint ventures are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence is obtained until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Property asset acquisition

Transaction that does not represent a business combination, because the acquired entity does not constitute a business in accordance with the IFRS 3, are accounted for as an asset acquisition.

(b) Foreign currency

(i) Functional currencies

Functional currencies of the companies in the Group are the currencies of the primary economic environment in which the entities operate, and the majority of its transactions are carried out in this currency.

The Group's consolidated financial statements are presented in EUR. The table below presents functional currencies of all Group's subsidiaries having non EUR functional currency. Each Group's subsidiary determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency. For the purposes of inclusion in the consolidated financial statements, the statement of financial position of entities with non-EUR functional currencies are translated to EUR at the exchange rates prevailing at the balance sheet date and the income statements are translated at the average exchange rate for each month of the relevant year. The resulting net translation difference is recorded in OCI. When a foreign operation is disposed of, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as a part of gain or loss on the disposal.

Group's entities in different countries that have non-EUR functional currency:

Country	Functional currency
Czech Republic	CZK
Poland	PLN

(ii) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at exchange rates valid at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for the differences arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective, which are recognised in OCI.

The Group translates the foreign currency operations and transactions using the foreign exchange rates declared by relevant central banks.

(c) Investment property and investment property under development

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Cost of investment property includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of material and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

External independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, valued the portfolio of investment property at the year end of 2020 and 2019 respectively.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Property that is being constructed or developed for future use is measured at fair value until construction or development is completed. Any gain or loss arising on the measurement is recognised in profit or loss.

The Group capitalises external borrowing costs on qualifying investment properties under development.

## (d) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are accounted for as described in accounting policy 2.2 (m).

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Short-term leases and leases of low-value assets: The Group applies the short-term lease recognition exemption to its short-term leases. Short term leases have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

## (e) Property, plant and equipment

## (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 2.2 (i)).

Other items of property, plant and equipment are measured at the lower of cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use, capitalised borrowing costs and an appropriate proportion of production overheads.

Where components of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

## (ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property and remeasured to fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses the previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

## (iii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

## (iv) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are ready for use.

The estimated useful lives for the current and comparative period are as follows:

Assets	2020	2019
Property	50 - 80 years	50 - 80 years
Equipment	5 - 10 years	5 - 10 years
Fittings	3 - 20 years	3 - 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## (f) Intangible assets

## (i) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortization (see (iii) below) and accumulated impairment losses (see accounting policy 2.2 (i)).

## (ii) Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

## (iii) Amortization

Except for goodwill and intangible assets with indefinite useful life, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## (g) Inventories

Inventories represent trading property and are measured at the lower of cost and net realisable value.

Cost includes expenditure that is directly attributable to the acquisition of the trading property. The cost of self-constructed trading property includes the cost of material and direct labour, any other costs directly attributable to bringing the trading property to a condition for their intended use and capitalised borrowing costs. Deemed costs of trading property reclassified from existing investment property is the fair value of such property.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

## (h) Financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition: as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The Group measures financial assets at *amortised cost* if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is classified and measured at *fair value through OCI* if it meets both of the following conditions:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or fair value through OCI as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset, that otherwise meets the requirements to be classified and measured at amortised cost or at fair value through OCI, to be classified and measured at fair value through profit or loss if it eliminates or reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group. The Group's financial assets at amortised cost include trade receivables, and loans provided.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

- *Financial assets at fair value through OCI (debt instruments)*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

- *Financial assets designated at fair value through OCI (equity instruments)*

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Investment in an equity instrument that does not have a quoted market price in an active market and for which other methods of reasonably estimating fair value are inappropriate are carried at cost.

- *Financial assets at fair value through profit or loss*

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

*Derecognition*

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(i) *Non-derivative financial assets*

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

*Loans provided*

Loans are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, provided loans are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy 2.2(i)).

Finance charges, including premiums receivable on settlement or redemption and direct issue costs, are recognised in profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The Group classifies any part of long-term loans, that is due within one year from the reporting date, as current.

*Trade and other receivables*

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy 2.2(i)).

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term cash commitments. Bank accounts and call deposits that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash-flow statement.

The Company treats cash deposited as a security in accordance with bank loan covenants as cash and cash equivalents for cash flow purposes.

The cash flow statement of the Group is prepared based on the indirect method from the consolidated statement of financial position and consolidated statement of profit and loss.

In 2020, the Company agreed a cash-pool contracts with related subsidiaries of CPI PG Group. The Company classifies the provided and received cash pool balances including interests as other current receivables and other financial current liabilities, respectively.

(ii) *Non-derivative financial liabilities*

Non-derivative financial liabilities comprise loans and borrowings, bonds issued, bank overdrafts, and trade and other payables.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including financial liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities as the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the contractual cash flows of the financial liability.

Financial debts and bonds are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial debts and bonds are measured at amortised cost using the effective interest method.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which it arises.

The Group classifies any part of long-term loans or bonds, that is due within one year from the date of the consolidated statement of financial position, as current liabilities.

#### *Bond transaction costs*

Bonds payable are initially recognized at the amount of the proceeds from issued bonds less any attributable transaction costs.

Bond transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### (iii) Share capital

##### *Ordinary shares*

Incremental costs directly attributable to the issue of new shares and shares options, other than upon a business combination, are recognised as a deduction from equity, net of any tax effects.

#### (i) Impairment

##### (i) Impairment of non-derivative financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the discounted cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience.

The Group considers a non-derivative financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding amounts in full. A non-derivative financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Determination of ECLs for loans provided to related parties is based on Group's risk assessment and estimated rating of the borrower.

##### (ii) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property (see accounting policy 2.2(c)), property plant and equipment (only partially, see accounting policy 2.2(e)), inventories (see accounting policy 2.2(g)), and deferred tax assets (see accounting policy 2.2(p)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. For the purpose of impairment testing, assets are grouped together into cash generating units (CGU's) - the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(k) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups comprising assets and liabilities, are classified as held-for-sale when it is highly probable that they will be recovered primarily through sale rather than through continuing use. The following criteria must be met for an asset or disposal group to be classified as held for sale: the Group is committed to selling the asset or disposal group, the asset is available for immediate sale, an active plan of sale has commenced, the sale is expected to be completed within 12 months and the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value.

Such assets, or disposal groups, are measured at the lower of carrying amount and fair value less costs to sell.

(l) Revenue

(i) Rental revenue

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

The term of the lease is the non-cancellable period of the lease. Any further term for which the tenant has the option to continue the lease is not considered by the Group.

(ii) Services rendered

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iii) Service charges and other income

Income arising from expenses recharged to tenants is recognized in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in net rental income gross of the related costs. The Group determined that it does control the services before they are transferred to tenants and therefore that the Group acts rather as a principal in these arrangements.

(iv) Sale of investment property and trading property, investment in subsidiaries and equity-accounted investees

Revenue from the sale of investment and trading property, investments in subsidiaries and equity-accounted investees is recognised in profit or loss by the Group at point of time when the control over the property is transferred to a customer, usually on the date on which the application is submitted to the Land Registry for transfer of legal ownership title. The property must be completed, and the apartments are ready for sale, including the necessary regulatory permissions.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sale arrangement.

(m) Expenses

(i) Service costs and property operating expenses

Service costs and property operating expenses are expensed as incurred. Expenditures that relate to multiple accounting periods are deferred and recognised over those accounting periods irrespective of the timing of the consideration given or liability incurred.

(n) Interest income, interest expense and other net financial result

Interest income comprises interest income on funds invested, such as bank interest, interest on provided loans, interest on bonds purchased and interest on non-current receivables.

Interest expense comprises interest expense on loans and borrowings, on leases, on bonds issued and interest charges related to leases.

Other net financial result comprises dividend income, gains on disposal of debt investments at fair value through OCI, gains on derivative instruments that are recognised in profit or loss and reclassifications of amounts (losses) previously recognised in OCI, bank charges, losses on disposal of debt investments at fair value through OCI, losses on derivative instruments that are recognised in profit or loss and reclassifications of amounts (gains) previously recognised in OCI and foreign currency gains and losses that are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements result in a net gain or net loss position.

Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Borrowing costs that are not directly attributable to the acquisition or construction of a qualifying asset are recognised in profit or loss using the effective interest method.

(o) Current income tax

Current income tax assets and liabilities recognised are the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income.

The estimated current income tax expense is calculated using the accounting profit for the period and an estimate of non-deductible expenses of each entity of the Group and the corresponding income tax rate applicable to the given country and accounting period.

Current and deferred income tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(p) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss (asset acquisition);
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(r) Entity wide disclosures

The Group has applied the criteria of IFRS 8, 'Operating Segments' to determine the number and type of operating segments. From second half of 2018, the Group reports as a single operating segment entity. Previously, the Group reported the three operating segments: Income generating rental properties, Land bank and Development. The entity wide disclosures are determined based on the nature of the business and how

the business is managed by the Board of Directors, the Group's chief operating decision maker and reflect the internal reporting structure.

Reasons supporting the change of operating segments in 2018 are:

- The chief operating decision maker no longer focuses on the differentiation based on the asset types but reviews and manages the business as a whole.
- Income generating rental properties, land bank and development, previously reported as individual operating segments, became less significant business considering the Group's financing function.

As required by IFRS 8, the Group provides information on the business activities in which, the Group engages including split of revenue and investment property per asset portfolio.

## (s) Key management personnel

The Group discloses the total remuneration of key management personnel as required by IAS 24 – Related party disclosures. The Group includes within key management personnel all individuals (and their family members, if applicable) who have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel include all members of the Management Board and the senior executives of the Group.

## 2.3 Determination of fair value

Investment properties are stated at fair value as at 31 December 2020 and 2019 based on external valuations performed by professionally qualified valuers. The Group's property portfolio in the Czech Republic, Poland and France is valued mainly by Jones Lang LaSalle, Knight Frank, Cushman & Wakefield, CBRE, RSM and Savills. Four assets were valued internally (one in France, Italy, Czechia and Poland).

Independent valuations are reviewed by the Group's management and represent a basis for the management's estimate of the investment properties' fair value. Those estimates considered the results of current and prior external valuations, information from comparable selling and purchase transactions, the deferred tax impact and current market conditions.

Valuations reflect, where appropriate, the type of tenants in occupation or responsible for meeting the lease commitments and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property.

The following valuation methods of investment property were used:

The real estate market in Central and Eastern Europe is considered small and transactions with real estate portfolios of the size similar to that of the Group's portfolio are rare. Global volatility of the financial system is reflected also in local residential and commercial real estate markets. Therefore, in arriving at the estimates of market values of investment property as at 31 December 2020 and 31 December 2019, the reliance placed on comparable historical transactions was limited. Due to the need to use the market knowledge and professional judgements of the valuers to a greater extent, there was higher degree of uncertainty than which would exist in a more developed and active market.

## (i) Office, Industry and Logistics

Office, logistics and industry properties have been valued using predominantly income capitalization and discounted cash flow valuation techniques. Income capitalization method is based on the capitalization of the net annual income the property generates or is potentially able to generate. On lease expiry, future income flows have been capitalized into perpetuity at the estimated rental value, taking into account expiry voids and rent free periods. The net income is the total rental income reduced by the costs the landlord cannot cover from the tenants. The capitalisation yield (equivalent yield) is determined by the market transactions achieved at the sale of the property or similar properties in the market between the willing buyer and the willing seller in the arm's length transaction. A yield reflects the risks inherent in the net cash flows applicable to the net annual rentals to arrive at the property valuation. The sales comparison valuation technique has been used for smaller special retail assets in Czech Republic.

## (ii) Land and vacant buildings

Land and vacant buildings have been valued using the direct comparison method to arrive at the value of the property in its existing state. Comparison was performed with other similarly located and zoned plots of land/buildings that are currently on the market. This valuation method is most useful when several similar properties have recently been sold or are currently for sale in the subject property market. Using this approach a value indication by comparing the subject property to prices of similar properties is produced.

The sale prices of the properties that are judged to be most comparable tend to indicate a range in which the value indication for the subject property will fall. The valuer estimated the degree of similarity or difference between the subject property and the comparable sales by considering various elements of comparison. Percentage adjustments were then applied to the sale prices of the comparables because the prices of these properties are known, while the value of the subject property is not.

## (iii) Investment property under development / developments

The valuer used the Residual Value Approach for the valuation of the investment property under development. In order to assess the market value of the sites, the valuer undertook a development appraisal to assess the potential value (Gross Development Value) of the fully completed and leased development as currently proposed, and deducted hard costs, soft costs, financing costs and a developer's expected required profit (which reflects the required level of return to a developer and the risk of undertaking the project).

In assessing the Gross Development Value, the valuator adopted a market approach by estimating the market rental values for the accommodation being developed, and the appropriate capitalisation rate which a potential investor would require, to arrive at the Market Value of the completed and leased building.

For sensitivity analysis on changes in assumptions of Investment property valuation refer to note 7.5.



## 2.4 Changes in accounting policies

### *Change in classification of foreign exchange gains or losses on revaluation of the investment properties*

The Group reclassified effect of changing foreign exchange rates on the revaluation of the investment property from the Net valuation gain or loss to the Other net financial result which includes all other effects of changing foreign exchange rates. The management finds the adjusted presentation more relevant.

Comparative information as of 31 December 2019 was adjusted accordingly. The change in the accounting policy had no impact on the statement of financial position, the impact on the statement of comprehensive income is presented in the table below:

	31 December 2019	Effect of the accounting policy change	31 December 2019 Adjusted
Net business income	19,802	-	19,802
Net valuation gain	7,963	9,166	17,129
<b>Operating result</b>	<b>19,503</b>	<b>9,166</b>	<b>28,669</b>
Other net financial result	22,930	(9,166)	13,764
Net finance income	83,915	(9,166)	74,749
Profit before income tax	103,201	-	103,201
<b>Net profit from continuing operations</b>	<b>72,448</b>	-	<b>72,448</b>

### 3 The Group structure

CPI FIM SA is the Group's ultimate parent company.

As at 31 December 2020, the Group comprises its parent company and 40 subsidiaries (42 subsidiaries as at 31 December 2019) controlled by the parent company and two joint ventures. For list of subsidiaries refer to Appendix I.

#### 3.1 Changes in the Group structure in 2020

In 2020, the Group not acquired or founded any subsidiary.

In 2020, the Group disposed or liquidated the following subsidiaries:

Entity	Change	Group's share	Date
CEREM S.A.	Liquidation	100.00%	3 January 2020
Brillant 1419. GmbH & Co. Verwaltungs KG	Liquidation	49.00%	30 June 2020
Endurance Real Estate Management Comapny	Liquidation	100.00%	28 December 2020

#### 3.2 Changes in the Group structure in 2019

In 2019, the Group acquired, founded or demerged (within the Group) the following subsidiaries:

Entity	Change	Group's share	Date
GCA Property Development Sp. z o.o. (1)	Acquisition	100.00%	5 August 2019
CT Development Sp. z o.o. (2)	Acquisition	100.00%	3 September 2019
Equator II Development Sp. z o.o. (3)	Acquisition	100.00%	3 September 2019
Equator IV Offices Sp. z o.o. (4)	Acquisition	100.00%	7 November 2019
Eurocentrum Offices Sp. z o.o. (5)	Acquisition	100.00%	27 November 2019
LES MAS DU FIGUIER	Acquisition	100.00%	29 November 2019
Pietroni, s.r.o.	Acquisition	100.00%	29 November 2019
SCP Reflets	Acquisition	100.00%	29 November 2019
Castor Investments Sp. z o.o.	Acquisition	100.00%	5 December 2019
Castor Investments Sp. z o.o. S.K.A.	Acquisition	100.00%	5 December 2019
WFC Investments Sp. z o.o.	Acquisition	100.00%	5 December 2019
Vysočany Office, a.s.	Founded	100.00%	23 April 2019
CPI Pigna S.r.l.	Founded	100.00%	18 October 2019
CPI REV Italy II S.r.l.	Founded	100.00%	18 October 2019
Moniuszki Office Sp. z o.o.	Founded	100.00%	24 October 2019

(1) Changed its name from Saint Barthelemy Sp. z o.o. to GCA Property Development Sp. z o.o. with effective date of 6 September 2019.

(2) Changed its name from San Andres Sp. z o.o. to CT Development Sp. z o.o. with effective date of 8 November 2019.

(3) Changed its name from Gimsoy Sp. z o.o. to Equator II Development Sp. z o.o. with effective date 30 September 2019.

(4) Changed its name from Cirrus Real Sp. z o.o. to Equator IV Offices Sp. z o.o. with effective date 18 December 2019.

(5) Changed its name from Dakota Investments Sp. z o.o. to Eurocentrum Offices Sp. z o.o. with effective date 18 December 2019.

In 2019, the Group disposed or liquidated the following subsidiaries:

Entity	Change	Group's share	Date
Vinohrady S.a.r.l.	Disposal	100.00%	14 November 2019
CT Development Sp. z o.o. (2)	Disposal	100.00%	14 November 2019
Moniuszki Office Sp. z o.o.	Disposal	100.00%	14 November 2019
Equator II Development Sp. z o.o. (3)	Disposal	100.00%	2 December 2019
GCA Property Development Sp. z o.o. (1)	Disposal	100.00%	18 December 2019
Brillant 1419. GmbH & Co. Verwaltungs KG	Liquidation	100.00%	13 October 2019

### 3.3 Property asset acquisitions in 2019

#### Acquisition of offices in Warsaw, Poland

The acquisitions were recognized as a property asset acquisition as the companies do not represent a business as defined by IFRS 3.

- Equator IV Offices sp. z o.o.

On 7 November 2019, the Group acquired Equator IV Offices with more than 20,800 square metres of gross lettable area and 226 parking spaces. The property benefits from about 90% occupancy with further upside potential.

The consideration paid for the 100% stake amounted to EUR 14.6 million.

	EUR million
Investment property	56.6
Cash and cash equivalents	0.8
Other non-financial current assets	0.2
<b>Identifiable assets</b>	<b>57.6</b>
Financial debts	(42.4)
Trade payables	(0.4)
Other financial current liabilities	(0.2)
<b>Identifiable liabilities</b>	<b>(43.0)</b>
<b>Net identifiable assets acquired</b>	<b>14.6</b>

Due to the acquisition, the Group acquired cash and cash equivalents in the amount of EUR 0.8 million. The net cash outflow connected with the acquisition amounted to EUR 13.8 million. As part of the acquisition, financial debts of EUR 41.5 million were also repaid by the Group.

- Eurocentrum Offices sp. z o.o.

On 27 November 2019, the Group acquired Eurocentrum office complex in Warsaw. Eurocentrum boasts over 85,100 square metres of gross lettable area in one of the most sought-after business districts close to the city center.

The consideration paid for the 100% stake amounted to EUR 105.4 million.

The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	EUR million
Investment property	242.5
Cash and cash equivalents	1.9
<b>Identifiable assets</b>	<b>244.4</b>
Financial debts	(136.2)
Trade payables	(2.7)
Other non-financial current liabilities	(0.1)
<b>Identifiable liabilities</b>	<b>(139.0)</b>
<b>Net identifiable assets acquired</b>	<b>105.4</b>

Due to the acquisition, the Group acquired cash and cash equivalents in the amount of EUR 1.9 million. The net cash outflow connected with the acquisition amounted to EUR 103.5 million. As part of the acquisition, financial debts of EUR 136.2 million were also repaid by the Group.

- WFC Investments sp. z o.o.

On 5 December 2019, the Group acquired Warsaw Financial Center located in Central Warsaw. WFC is one of the most prestigious high-rise buildings providing 50,000 square meters of grade-A office space across 32 floors. WFC is the sole shareholder of the company Casto Investments sp. z o. o. and WFC has also 100% shares in Castor Investments sp.z o.o. S.K.A. These entities are empty.

The consideration paid for the 100% stake amounted to EUR 272.3 million.

The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	EUR million
Intangible assets	0.2
Investment property	261.2
Trade receivables	1.3
Cash and cash equivalents	15.7
<b>Identifiable assets</b>	<b>278.4</b>
Financial debts	(3.6)
Other non-current liabilities	(1.7)
Trade payables	(0.8)
<b>Identifiable liabilities</b>	<b>(6.1)</b>
<b>Net identifiable assets acquired</b>	<b>272.3</b>

Due to the acquisition, the Group acquired cash and cash equivalents in the amount of EUR 15.7 million. The net cash outflow connected with the acquisition amounted to EUR 256.6 million.

### 3.4 Common control transaction in 2019

#### Acquisition of Pietroni, s.r.o.

On 29 November 2019, the Group acquired 100% shares in Pietroni, s.r.o. along with its subsidiaries Sasu Les Mas Du Figuer and SCP Reflects, luxury properties located in South of France, as well as CPI PG shares. The company was acquired from the Group's main shareholder Mr. Vitek for the consideration paid of EUR 1. The Group treated the transaction as common control transaction. The company does not represent a business as defined by IFRS 3.

The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	EUR million
Investment property	34.0
Property, plant and equipment	0.7
Trade receivables	0.1
Cash and cash equivalents	0.1
CPI PG shares	36.5
<b>Identifiable assets</b>	<b>71.4</b>
Financial debts	(35.5)
Other financial current liabilities	(10.1)
<b>Identifiable liabilities</b>	<b>(45.6)</b>
<b>Net identifiable assets acquired</b>	<b>25.8</b>

The fair value of the CPI PG shares held by Pietroni, s.r.o. was determined based on the Group's EPRA NAV per share calculated as at 30 September 2019. Value of the investment property was determined by the independent valuer as of the date of acquisition.

Net identifiable assets of subsidiary acquired at the date of acquisition amounted to EUR 25.8 million, the amount is classified as capital contribution by the Group's majority shareholder.

Due to acquisition, the Group acquired cash and cash equivalents in the amount of EUR 0.1 million. The net cash outflow connected with the acquisition amounted to EUR -0.1 million.

### 3.5 Disposal of subsidiaries in 2019

The Group disposed the following subsidiary, since it was considered as a non-core asset:

- Vinohrady S.a.r.l. in France was sold for EUR 0.5 thousand on 14 November 2019.

The Group sold the following subsidiaries (acquired from third party in 2019) to related company CPI a.s.:

- On 14 November 2019 was sold CT Development sp. z o.o. for EUR 2 thousand,
- Moniuszki Office sp. z o.o. was sold for EUR 2 thousand on 14 November 2019,
- On 2 December 2019 was sold Equator II Development sp. z o.o. for EUR 2 thousand,
- GCA Property Development sp. z o.o. was sold for EUR 2 thousand on 18 December 2019.

On 29 July 2019, the Company completed the transfer of 80% stake in Vysočany Office, a.s., to related company GSG Europa Beteiligungs GmbH ("GSG Europa") for EUR 62.5 thousand.

## 4 Entity-wide disclosures

The management of the Group reviews financial information that is principally the same as that based on the accounting policies described in note 2.2. For all asset types, discrete financial information is provided to the Board of Directors, which is the chief operating decision maker, on an individual entity basis.

The group is engaged primarily in financing of CPI PG group; the Group's other business activities consist of:

- rendering of advisory and other services to CPI PG group;
- investing in land bank and development portfolio in the Czech Republic;
- managing of office portfolio in Poland;
- managing of residential portfolio in France and Italy.

### 4.1 Financing

Interest income by countries

	2020		2019	
	Amount	In %	Amount	In %
Poland	20	-	2	-
Luxembourg	169,801	100%	150,183	100%
<b>Total</b>	<b>169,821</b>	<b>100%</b>	<b>150,185</b>	<b>100%</b>

Loans provided by country of the creditor

	31 December 2020		31 December 2019	
	Amount	In %	Amount	In %
Luxembourg	4,234,093	97%	3,442,619	97%
<b>Non-current loans provided</b>	<b>4,234,093</b>	<b>97%</b>	<b>3,442,619</b>	<b>97%</b>
Czech Republic	-	-	3,881	-
Luxembourg	115,168	3%	100,027	3%
<b>Current loans provided</b>	<b>115,168</b>	<b>3%</b>	<b>103,908</b>	<b>3%</b>
<b>Total</b>	<b>4,349,261</b>	<b>100%</b>	<b>3,546,527</b>	<b>100%</b>

### 4.2 Other business activities

Revenues by countries

	2020		2019	
	Amount	In %	Amount	In %
<b>Czech Republic</b>	<b>3,466</b>	<b>5%</b>	<b>2,038</b>	<b>9%</b>
- Land bank	714	1%	1,226	5%
- Office	2,449	4%	400	2%
- Industry and logistics	303	-	412	2%
<b>Luxembourg</b>	<b>22,492</b>	<b>34%</b>	<b>17,873</b>	<b>75%</b>
- Rendering of services	22,416	34%	17,799	75%
- Other	76	-	74	-
<b>Poland - Office</b>	<b>40,628</b>	<b>61%</b>	<b>3,799</b>	<b>16%</b>
<b>France - Residential</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>66,611</b>	<b>100%</b>	<b>23,710</b>	<b>100%</b>

Investment property by countries

	31 December 2020		31 December 2019	
	Amount	In %	Amount	In %
<b>Czech Republic</b>	<b>736,749</b>	<b>54%</b>	<b>573,039</b>	<b>48%</b>
- Land bank	604,267	44%	490,412	41%
- Office	130,822	10%	21,586	2%
- Development	-	-	59,241	5%
- Industry and logistics	1,660	-	1,800	-
<b>Poland</b>	<b>584,615</b>	<b>43%</b>	<b>567,628</b>	<b>48%</b>
- Office	584,251	43%	567,238	48%
- Land bank	364	-	390	-
<b>Other – residential</b>	<b>45,820</b>	<b>3%</b>	<b>50,768</b>	<b>4%</b>
<b>Total</b>	<b>1,367,184</b>	<b>100%</b>	<b>1,191,435</b>	<b>100%</b>

## 5 Consolidated statement of comprehensive income

### 5.1 Gross rental income

	2020	2019
Gross rental income	34,142	4,207

In 2020, the gross rental income increased due to acquisitions of offices in Poland at the end of 2019 (see note 3.3).

### 5.2 Sale of services

	2020	2019
Service revenue	22,431	18,099
Service charge income	9,968	1,114
Revenues from sales of utilities	70	290
<b>Total</b>	<b>32,469</b>	<b>19,503</b>

In 2020, the service charge income increased due to acquisitions of offices in Poland by EUR 8.2 million. In 2020, the service revenue increased due to advisory and management services provided to entities controlled by the ultimate shareholder of the Group.

### 5.3 Net valuation gain

	2020	2019 Adjusted*
Valuation gain	156,072	23,836
Valuation loss	(9,639)	(6,707)
<b>Total</b>	<b>146,433</b>	<b>17,129</b>

\* The Group reclassified effect of changing foreign exchange rates on the revaluation of the investment properties from the Net valuation gain to the Other net financial result. Comparative information was adjusted accordingly, refer to note 2.4 for more details.

In 2020 and 2019, the valuation gain primarily relates to the Group's portfolio located in the Czech Republic (EUR 137.9 million and EUR 22.8 million, respectively).

For the assumptions, the independent valuers used in the property valuations as at 31 December 2020 and 2019, refer to note 7.5.

### 5.4 Amortization, depreciation and impairments

	2020	2019
Depreciation and amortization	(1)	(10)
(Impairment of assets)/reversal of impairment	(7,399)	3,259
<b>Total</b>	<b>(7,400)</b>	<b>3,249</b>

In 2020, the impairment of assets relates primarily to loans provided to related parties.

### 5.5 Administrative expenses

	2020	2019
Advisory and tax services	(9,719)	(8,644)
Audit services	(346)	(288)
Personnel expenses	(1,021)	(1,215)
Legal services	(404)	(1,374)
Other administrative expenses	(1,762)	(1,430)
<b>Total</b>	<b>(13,252)</b>	<b>(12,951)</b>

In 2020 and 2019, the advisory expenses primarily include the management services received from related parties in amount of EUR 4.9 million and EUR 7.7 million, respectively.

In 2020, the audit, tax and advisory expenses also include the cost of services provided by the Group's auditor of EUR 0.6 million (0.6 million in 2019), of which EUR 0.3 million (EUR 0.3 million in 2019) related to audit services with remaining amount related primarily to benchmarking for transfer pricing.

#### Personnel administrative expenses

	2020	2019
Wages and salaries	(857)	(985)
Social and health security contributions	(157)	(224)
Other social expenses	(7)	(6)
<b>Total</b>	<b>(1,021)</b>	<b>(1,215)</b>

As at 31 December 2020 and 2019, the Group had 12 and 13 employees, respectively.

### 5.6 Interest income and expense

Interest income on loans and receivables relates primarily to loans provided to related parties (see note 6.4 and 11).

Interest expense relates primarily to loans received from related parties, (see note 6.10 and 11).

## 5.7 Other net financial result

	2020	2019 Adjusted*
Net foreign exchange gain/ (loss) on investment property	44,986	(9,166)
Other net foreign exchange gain/(loss)	(54,213)	22,680
Other net financial result	(506)	409
Bank charges	(222)	(159)
<b>Total</b>	<b>(9,955)</b>	<b>13,764</b>

\* The Group reclassified effect of changing foreign exchange rates on the revaluation of the investment properties in the amount of EUR -9.2 million from the Net valuation gain to the Other net financial result. Comparative information was adjusted accordingly, refer to note 2.4 for more information.

In 2020 and 2019, the other net foreign exchanges and losses was driven by retranslation of loans provided to related parties in foreign currencies.

## 5.8 Income tax expense

### Tax recognized in profit or loss

	2020	2019
Current income tax expense	(1,024)	(330)
Adjustment for prior year	439	(1)
<b>Income tax expense</b>	<b>(585)</b>	<b>(331)</b>
Temporary differences	(38,132)	(3,889)
Utilization of tax losses carried forward	(14,260)	(26,261)
Other effects	(309)	(272)
<b>Deferred income tax expense</b>	<b>(52,701)</b>	<b>(30,422)</b>
<b>Total</b>	<b>(53,286)</b>	<b>(30,753)</b>

In 2020 and 2019, based on the taxable profit realized in 2020 and 2019 and based on the assessment of its recoverability, the Group partially released deferred tax asset of EUR 14.3 million and 26.3 million, respectively.

### Reconciliation of effective tax rate

	2020	2019
Profit for the period	145,514	72,448
Total income tax recognised in profit or loss	53,286	30,753
<b>Profit before tax</b>	<b>198,800</b>	<b>103,201</b>
Current income tax rate	24.94%	24.94%
Income tax expense using the domestic corporate income tax rate	(49,581)	(25,738)
Effect of tax rates in foreign jurisdictions	6,003	414
Non-deductible expense	(5,797)	(6,230)
Tax exempt income	3,693	2,056
Change in unrecognized deferred tax asset from tax losses carried forward	(7,233)	35
Other effects	(371)	(1,290)
<b>Income tax expense</b>	<b>(53,286)</b>	<b>(30,753)</b>

### The main tax rules imposed on the Group companies

**Luxembourg:** The effective tax rate is 24.94% considering the combined corporate income tax rate (corporate income tax rate for companies with taxable income exceeding EUR 30 thousand is 18%), solidarity surtax of 7% on the corporate income tax rate and municipal business tax rate of 6,75%. Tax losses incurred until 2017 may be carried forward indefinitely, losses incurred as from 2017 should be limited to 17 years.

**Czech Republic:** The corporate income tax rate is 19%. Tax losses can be carried forward for 5 years. Losses may not be carried forward on a substantial (approximately 25%) change in the ownership of a company unless certain conditions are met.

**Poland:** The corporate income tax rate is 19%. Lowered 9% is used for small size taxpayers (sales revenues including VAT below EUR 1.2 million in previous year). Tax losses may be carried forward for 5 years but the loss utilization in each year is capped at the 50% of the tax loss.

**Germany:** Business profits are basically subject to two taxes, corporate income tax and trade tax. Corporate income tax and solidarity surcharge add up to a total of 15.825% rate. Trade tax rate varies by location. For Berlin, where the business of the Group is concentrated, it is 14.35%. Therefore, the nominal overall tax burden on profits earned in Berlin is 30.175%. However, the effective overall tax burden tends to be slightly higher because the trade tax base differs from the corporate income tax base as several business expenses are not fully deductible for trade tax purposes. In contrast, companies who only manage and let their own properties and capital assets may apply for a trade tax exemption of their property profits which is applicable on large parts of the Group's profits from German assets. Tax losses may be carried forward indefinitely and may be fully utilized against profit up to EUR 1 million and only 60% on the exceeding profits. A direct or indirect change in the ownership of corporations of more than 50% within five years result in complete forfeiture of the tax losses carried forward unless specific exemption clauses are applicable (e. g. sufficient hidden reserves in the corporation, certain share transfers within groups, continuation of unchanged business).

**Italy:** The corporate income tax ("IRES") rate is 24% plus the regional tax on productive activities ("IRAP") of 4.82% is applicable in Rome where the business of the Group is situated. (The standard IRAP rate is 3.9% but Italian regions may increase or decrease the standard rate by up to 0.92%.) For IRES purposes, tax losses may be carried forward indefinitely. However, tax losses may be offset only up to 80% of taxable income in each year (the "minimum tax" rule). Tax losses incurred during the first 3 years of new activity may be used to fully offset corporate taxable income. Utilization of the tax losses carried forward is limited upon business reorganizations and a change of control. For IRAP purposes, tax losses may not be carried forward.

France: Corporate income tax rate is 28% on taxable income up to EUR 500,000 (will be reduced to 26,5% from 2021) and 31% on taxable income exceeding EUR 500,000 (27,5% from 2021). Small corporations realising a turnover up to EUR 7.63 million (EUR 10 million from 2021) are subject to the reduced CIT rate of 15% that applies on their first EUR 38,120 of taxable profits. Tax losses may be carried forward indefinitely but may be fully utilized against profit up to EUR 1 million and 50% on the excess.

Monaco: The corporate income tax rate is 28% for companies that generate above 25% of their turnover outside Monaco, otherwise 0%.

### Recognized deferred tax asset and liability

	Asset		Liability		Net	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Investment property	2,235	749	(81,943)	(39,037)	(79,708)	(38,288)
Tax losses carried-forward	138,230	149,890	-	-	138,230	149,890
Other	5,024	3,374	(27)	(50)	4,997	3,324
<b>Gross deferred tax asset/(liability)</b>	<b>145,489</b>	<b>154,013</b>	<b>(81,970)</b>	<b>(39,087)</b>	<b>63,519</b>	<b>114,926</b>
Deferred tax offset by subsidiaries	(3,470)	(887)	3,470	887	-	-
<b>Net deferred tax asset/(liability)</b>	<b>142,019</b>	<b>153,126</b>	<b>(78,500)</b>	<b>(38,200)</b>	<b>63,519</b>	<b>114,926</b>

As at 31 December 2020 and 2019, the Group recognized the deferred tax asset from tax losses carried forward in total amount of EUR 138.2 million and EUR 149.9 million, respectively. As these tax losses relate primarily to the Luxembourg entities (EUR 134.7 million and EUR 149.0 million as at 31 December 2020 and 2019, respectively) and were generated before 2017, they can be carried forward indefinitely. Recognition of the deferred tax asset is based on the future taxable profits that are expected to be generated in next 10 years. The expected profits reflect a strategy of CPI PG in which, the Group is expected to render the financial services to all the CPI PG's subsidiaries.

### Unrecognised deferred tax asset

	31 December 2020	31 December 2019
Tax losses carried-forward*	39,124	30,276

\* Unrecognized deferred tax asset from tax losses carried-forward due to uncertainty of its realization.

### Expiry of unrecognized tax losses

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
As at 31 December 2020	9,208	14,155	11,047	145,999	180,409
As at 31 December 2019	4,937	26,483	12,296	94,103	137,819

### Movement in deferred tax

	2020	2019
As at 1 January	114,926	145,862
Recognized in profit or loss	(52,701)	(30,422)
Translation reserve	1,294	(514)
<b>As at 31 December</b>	<b>63,519</b>	<b>114,926</b>



## 6 Consolidated statement of financial position

### 6.1 Investment property

	Office	Land bank	Development	Residential	Industry and logistics	Total
<b>As at 1 January 2019</b>	<b>4,675</b>	<b>427,896</b>	<b>40,327</b>	-	<b>1,880</b>	<b>474,778</b>
Acquisition of subsidiaries	560,265	-	-	33,997	-	594,262
Development costs and other additions	10,764	38,437	31,433	16,118	425	97,177
Transfers within investment property	13,886	-	(13,886)	-	-	-
Transfer from inventory	-	6,627	-	-	-	6,627
Disposals	(11)	(84)	-	-	-	(95)
Valuation gain*	3,042	13,935	656	-	(504)	17,129
Net foreign exchange loss*	(7,294)	(1,849)	-	-	(23)	(9,166)
Translation differences	3,497	5,840	711	653	22	10,723
<b>As at 31 December 2019</b>	<b>588,824</b>	<b>490,802</b>	<b>59,241</b>	<b>50,768</b>	<b>1,800</b>	<b>1,191,435</b>
Development costs and other additions	2,126	3,320	37,022	985	96	43,549
Transfers within investment property	96,263	-	(96,263)	-	-	-
Transfer from inventory	-	-	-	1,107	-	1,107
Disposals	(43)	(1,651)	-	-	-	(1,694)
Valuation gain	31,514	122,194	-	(7,040)	(235)	146,433
Net foreign exchange loss	39,997	4,932	-	-	57	44,986
Translation differences	(43,606)	(14,968)	-	-	(58)	(58,632)
<b>As at 31 December 2020</b>	<b>715,075</b>	<b>604,629</b>	-	<b>45,820</b>	<b>1,660</b>	<b>1,367,184</b>

\* The Group reclassified effect of changing foreign exchange rates on the revaluation of the investment in the amount of EUR 45.0 million from the Net valuation gain to the Other net financial result. Comparative information as of 31 December 2019 was adjusted accordingly, refer to note 2.4 for more information.

#### Acquisition of subsidiaries

In 2019, the Group acquired the following investment property (see note 3.3 and 3.4): office buildings in Warsaw, Poland in total value of EUR 560.3 million and luxury apartments and villas located in South France in value of EUR 34.0 million.

#### Development costs and other additions

In 2020, the development costs primarily related to development projects Prague's Bubenská of EUR 25.7 million and Nová Zbrojovka in Brno, Czech Republic of EUR 12.4 million.

In 2019, the development costs primarily related to development projects Prague's Bubenská of EUR 17.2 million and Nová Zbrojovka in Brno, Czech Republic of EUR 14.2 million. There also were significant additions of EUR 28.3 million and EUR 16.1 million related to purchase of land (10.000 sqm) in Bubny in Prague, the Czech Republic and apartments in Rome, Italy.

#### Transfers within investment property

The Group finished in 2020 their two development projects in Prague (Bubenská office) and Brno (Nová Zbrojovka), Czech Republic.

#### Valuation gain

In 2020, the valuation gain related primarily to the Group's Czech office and land bank portfolio in total amount of EUR 137.0 million, primarily related to development projects Prague's Bubenská of EUR 11.6 million, Nová Zbrojovka in Brno of EUR 72.4 million and Bubny Development of EUR 43.4 million.

In 2019, the valuation gain related primarily to the Group's Czech office and land bank portfolio in total amount of EUR 21.8 million.

#### Translation differences

Translation differences related to investment property arise in connection with translation of amounts of subsidiaries with different functional currency than EUR.

### 6.2 Equity accounted investees

The equity accounted investment in the amount of EUR 7.0 million (EUR 3.7 million as at 31 December 2019) represents investment in Uniborc S.A. Uniborc S.A. is a joint venture constituted in 2013 with Rodamco with aim to develop a shopping center in the Bubny area in Prague, the Czech Republic. The Group's shareholding is 34%.

	2020	2019
<b>As at 1 January</b>	<b>3,672</b>	<b>3,890</b>
Share of profit/ (loss)	3,320	(217)
Other	52	(1)
<b>As at 31 December</b>	<b>7,044</b>	<b>3,672</b>

## Condensed statement of comprehensive income of Uniborc S.A.

	2020	2019
Net valuation gain on investment property	14,681	1,722
Administrative expenses	(78)	(59)
<b>Operating result</b>	<b>14,603</b>	<b>1,663</b>
Interest expenses	(2,041)	(1,958)
<b>Profit/ (loss) before taxes</b>	<b>12,562</b>	<b>(295)</b>
Income taxes	(2,922)	(325)
<b>Profit/(loss) for the period</b>	<b>9,640</b>	<b>(620)</b>

## Condensed statement of financial position of Uniborc S.A.

	31 December 2020	31 December 2019
Investment property	67,439	52,408
Cash and cash equivalents	89	216
<b>Total assets</b>	<b>67,528</b>	<b>52,626</b>
Non-current financial liabilities	(36,582)	(34,218)
Deferred tax liabilities	(10,530)	(7,643)
Current financial liabilities	(263)	(246)
Other current liabilities	(28)	(35)
<b>Total liabilities</b>	<b>(47,403)</b>	<b>(42,142)</b>
<b>Net assets</b>	<b>20,125</b>	<b>10,484</b>

### 6.3 Other investments

As at 31 December 2020 the Company holds 319,302,248 shares in CPI PG, which represents 3.69% of the CPI PG's shareholding and is valued at EUR 188.9 million (EUR 188.3 million as at 31 December 2019).

The valuation of CPI PG shares held by the Group as at 31 December 2020 and 2019 is based on an alternative valuation model because of not an active market. The management determined the use of EPRA NAV per share (net asset value per share determined based on the methodology of European Public Real Estate Association) of CPI PG as the most representative valuation model primarily due to:

- EPRA NAV is a globally recognized measure of fair value;
- EPRA NAV takes into consideration the fair value of the net assets of a company, applying known aspects of the company's business model.

For the valuation of the CPI PG shares held as at 31 December 2020 and 2019, EPRA NAV per CPI PG share as at 31 December 2020 and 2019 was used. CPI PG's EPRA NAV per share EUR 0.59 as at 31 December 2020 (EUR 0.59 as at 31 December 2019) differs from the price at the stock-exchange EUR 0.69 as at 31 December 2020 (EUR 0.73 as at 31 December 2019).

The change in the value of CPI PG shares is recognized in other comprehensive income by the Group.

The detailed calculation of CPI PG's EPRA NAV per share is presented in the CPI PG's annual report. The Group adjusted the number of shares used in the calculation for the amount of shares owned by the Group as at 31 December 2020 and 2019. As at 31 December 2020, the EPRA NAV per share of EUR 0.61 (EUR 0.61 as at 31 December 2019) disclosed by CPI PG therefore differs from value used by the Group to value the CPI PG's shares owned.

### 6.4 Loans provided

	31 December 2020	31 December 2019
Loans provided - related parties and joint ventures	4,250,722	3,445,987
Loans provided - third parties	-	8,137
Impairment to non-current loans provided to related parties	(16,629)	(11,505)
<b>Total non-current loans provided</b>	<b>4,234,093</b>	<b>3,442,619</b>
Loans provided - related parties and joint ventures	95,165	99,826
Loans provided - third parties	20,003	201
Bills of exchange - third parties	-	11,669
<b>Total current loans provided</b>	<b>115,168</b>	<b>111,696</b>
Impairment - bills of exchange	-	(7,788)
<b>Total current loans provided</b>	<b>115,168</b>	<b>103,908</b>

Loans provided substantially increased in 2020 due to new loans provided to related parties. These loans bear interest rate between 1.47% - 13.18% p.a. (determined based on the Group's risk assessment) and mature in 2021 - 2030. See note 11 for more information.

Loans provided to joint venture include loan principal and the interest granted to Uniborc S.A. (see note 6.2) in the amount of EUR 12.7 million and EUR 11.9 million as at 31 December 2020 and 2019. The joint venture is primarily financed through an equity loan by both partners in the same proportion as their respective shareholdings. The loan is repayable in 2023.

Bills of exchange in the net amount of EUR 3.9 million as at 31 December 2019 related to Radio Free Europe deferred consideration, they were settled in 2020.

## 6.5 Trade receivables

	31 December 2020	31 December 2019
Trade receivables due from related parties	1,644	4,055
Trade receivables due from third parties	5,141	3,305
Impairment - trade receivables due from other parties	(274)	(185)
<b>Total</b>	<b>6,511</b>	<b>7,175</b>

## 6.6 Cash and cash equivalents

	31 December 2020	31 December 2019
Bank balances	249,188	129,440
Cash on hand	2	7
<b>Total</b>	<b>249,190</b>	<b>129,447</b>

## 6.7 Other current receivables

	31 December 2020	31 December 2019
Cash pool receivables due from related parties	29,541	8
Deposits available upon request due from related parties	149,521	-
Other receivables due from related parties	5,945	10,087
Other receivables due from third parties	3,236	7,230
Impairment – other receivables due from other parties	(11)	(26)
<b>Total</b>	<b>188,232</b>	<b>17,299</b>

As at 31 December 2020, the Group had arrangements with selected subsidiaries of CPI PG Group allowing the Company to deposit its bank balances on their bank accounts. The deposits of EUR 149.5 million are available to the Group upon request.

In 2020, the Company agreed a cash-pool contracts with related subsidiaries of CPI PG Group (refer to note 2.2). As at 31 December 2020, other current receivables related to cash pool amounted to EUR 29.5 million.

As at 31 December 2019, the other current receivables due from related parties included EUR 8.0 million of assignment of CPI PG's receivables which were partly repaid in 2020.

## 6.8 Assets/Liabilities linked to assets held for sale

As at 31 December 2019, the one land bank project in Czech Republic was classified as asset held for sale in the amount of EUR 1.5 million. The asset was sold in 2020.

## 6.9 Equity

As of 31 December 2020, the share capital of the Company amounts to EUR 13,145 thousand and is represented by 1,314,507,629 ordinary fully paid shares with a nominal value of EUR 0.01 each.

The following table sets out information regarding the ownership of the Company's shares as at 31 December 2020:

Shareholder	Number of shares	Share held	Voting rights
CPI PROPERTY GROUP S.A.	1,279,198,976	97.31%	97.31%
Other	35,308,653	2.69%	2.69%
<b>Total</b>	<b>1,314,507,629</b>	<b>100.00%</b>	<b>100.00%</b>

### Securities giving access to equity (warrants)

“2012 Warrants” issued under the ISIN code LU0234878881 with the following major terms: number of outstanding 2012 Warrants: 21,161; exercise ratio: one warrant gives the right to subscribe to 1.03 share; exercise period: 31 December 2019; exercise price: EUR 7.21; listing: Euronext Paris.

“2014 Warrants” issued under the ISIN code XS0290764728 with the following major terms: number of outstanding 2014 Warrants: 2,871,021; exercise ratio: one warrant gives the right to subscribe to 1.73 share; exercise period: 31 December 2019; exercise price: EUR 11.20; listing: Euronext Brussels and Paris.

The 2012 Warrants and the 2014 Warrants expired on 31 December 2019, without any of them being exercised by their holders.

### Mandatory takeover bid over Company shares

On 8 June 2016, CPI Property Group's fully owned subsidiary Nukasso Holdings Limited directly and indirectly acquired approximately 97.31% of shares in the Company. As a consequence, Nukasso Holdings Limited from the CPI Property Group became obliged to launch a mandatory takeover bid to purchase any and all of the ordinary shares of the Company (the “Mandatory Takeover Offer”). On 22 August 2016, the Czech Office for the Protection of Competition granted the merger clearance for the acquisition of the Company by CPI Property Group, whereas its decision became final and binding on 23 August 2016.

On 8 December 2017, the CSSF published press releases in which it stated, inter alia, that it has decided not to approve the offer document in the Mandatory Takeover Offer as a consequence of the existence of an undisclosed concert action with respect to the Company. On 15 March 2018, the CSSF published a press release informing that the decisions detailed in the above-mentioned CSSF press releases of 8 December 2017 have been challenged before the Luxembourg administrative courts.

As of the date of this report, the Company has not received any formal decision in relation to the Mandatory Takeover Offer.

### Earnings per share

	31 December 2020	31 December 2019
<b>Weighted average outstanding shares for the purpose of calculating the basic EPS</b>	<b>1,314,507,629</b>	<b>1,314,507,629</b>
<b>Weighted average outstanding shares for the purpose of calculating the diluted EPS</b>	<b>1,314,507,629</b>	<b>1,314,507,629</b>
Net profit attributable to owners of the parent	112,505	67,441
Net profit attributable to owners of the parent after assumed conversions/exercises	112,505	67,441
<b>Total Basic earnings in EUR per share</b>	<b>0.09</b>	<b>0.05</b>
<b>Diluted earnings in EUR per share</b>	<b>0.09</b>	<b>0.05</b>

Basic earnings per share (EPS) are calculated by dividing the profit attributable to the Group by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The warrants issued by the Company were not taken into account in the diluted EPS calculation.

### Non-controlling interests (NCI)

After the sale of 80% stake in Czech subsidiaries Bubny Development, STRM Alfa, MQM Czech, Polygon BC (all with registered office at Vladislavova 1390/17, Prague 1, 110 00) and Vysočany Office (registered office at Pohořelec 112/24, Prague 1, 118 00) to related company GSG Europa (in 2019, 2018 and 2017, respectively), the Group continues to manage these entities. The shareholders agreements between the Company and GSG Europa, details the governance, control and cooperation between the shareholders. Considering IFRS 10, the management concluded that the Group has control over the entities which are therefore consolidated in the Group's consolidated financial statements as at 31 December 2020 and 2019.

As at 31 December 2020

	Bubny Development Land bank	STRM Alfa Land bank	MQM Czech Land bank	Polygon BC Land bank	Vysočany Office Land bank	Total
Group's interest	20%	20%	20%	20%	20%	-
<b>NCI – at the beginning of the year</b>	<b>108,931</b>	<b>24,196</b>	<b>9,173</b>	<b>29,161</b>	<b>61</b>	<b>171,522</b>
<b>NCI – profit for the period</b>	<b>29,956</b>	<b>1,564</b>	<b>24</b>	<b>(405)</b>	<b>1,870</b>	<b>33,009</b>
<b>Consensed financial information</b>						
<i>Non-current assets</i>	227,333	33,317	12,076	37,579	4,552	314,857
<i>Current assets</i>	3,591	3,762	289	202	67	7,911
Total assets	230,924	37,079	12,365	37,781	4,619	322,768
<i>Equity attributable to owners</i>	173,610	32,200	11,496	34,510	3,848	255,664
<i>Non-current liabilities and other</i>	57,314	4,879	869	3,271	771	67,104
Total equity and liabilities	230,924	37,079	12,365	37,781	4,619	322,768
Profit for the year	37,445	1,955	30	(506)	2,337	41,261
Net increase/(decrease) in cash and cash equivalents	3,574	3,588	(16)	25	(12)	7,159

As at 31 December 2019

	Bubny Development Land bank	STRM Alfa Land bank	MQM Czech Land bank	Polygon BC Land bank	Vysočany Office Land bank	Total
Proportion of ownership interests	20%	20%	20%	20%	20%	-
<b>NCI – at the beginning of the year</b>	<b>106,659</b>	<b>22,245</b>	<b>9,125</b>	<b>28,424</b>	<b>62</b>	<b>166,515</b>
<b>NCI – profit for the period</b>	<b>2,272</b>	<b>1,950</b>	<b>48</b>	<b>737</b>	<b>-</b>	<b>5,007</b>
<b>Condensed financial information</b>						
<i>Non-current assets</i>	184,312	31,905	12,398	40,303	-	268,918
<i>Current assets</i>	6,079	162	302	56	77	6,676
Total assets	190,391	32,067	12,700	40,359	77	275,594
<i>Equity attributable to owners</i>	136,164	30,245	11,466	36,451	76	214,402
<i>Non-current liabilities and other</i>	54,227	1,822	1,234	3,908	1	61,192
Total equity and liabilities	190,391	32,067	12,700	40,359	77	275,594
Profit for the year	2,841	2,438	60	921	(2)	6,258
Net increase/(decrease) in cash and cash equivalents	8	12	15	(21)	77	91

## 6.10 Financial debts

	31 December 2020	31 December 2019
Loans from related parties	4,830,951	3,861,692
Bank loans	20,525	20,525
Lease liabilities	4,264	4,575
<b>Total non-current financial debts</b>	<b>4,855,740</b>	<b>3,886,792</b>
Loans from related parties	375,925	237,260
Bank loans	30	15,038
Lease liabilities	224	240
<b>Total current financial debts</b>	<b>376,179</b>	<b>252,538</b>

As at 31 December 2020 and 2019, the balance of the loans received from the Group's parent company CPI PG was EUR 4,594.8 million and EUR 3,688.4 million, respectively. The loans from CPI PG bear interest rates between 1.14% - 5.47% p.a.

In 2020, the Group also drawn loans of EUR 121.2 million from related party GSG Group. The loans bear interest rate of 1.50% and matures on 31 December 2027.

### Maturity of financial debts

As at 31 December 2020	Less than one year	1 to 5 years	More than 5 years	Total
Loans from related parties	375,925	1,991,745	2,839,206	5,206,876
Bank loans	30	-	20,525	20,555
Lease liabilities	224	793	3,471	4,488
<b>Total</b>	<b>376,179</b>	<b>1,992,538</b>	<b>2,863,202</b>	<b>5,231,919</b>

As at 31 December 2019	Less than one year	1 to 5 years	More than 5 years	Total
Loans from related parties	237,260	2,351,157	1,510,535	4,098,952
Bank loans	15,038	-	20,525	35,563
Lease liabilities	240	850	3,725	4,815
<b>Total</b>	<b>252,538</b>	<b>2,352,007</b>	<b>1,534,785</b>	<b>4,139,330</b>

For details on the loans received from related parties, refer to note 11.

### Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings	Lease liabilities	Total
<b>As at 1 January 2020</b>	<b>4,134,515</b>	<b>4,815</b>	<b>4,139,330</b>
Interest paid	(94,584)	-	(94,584)
Drawings of loans and borrowings	1,083,127	-	1,083,127
Repayments of loans and borrowings	(24,882)	-	(24,882)
Lease liabilities	-	(327)	(327)
<b>Total changes from financing cash flows</b>	<b>963,661</b>	<b>(327)</b>	<b>963,334</b>
Changes arising from obtaining or losing control of subsidiaries	-	-	-
The effect of changes in foreign exchange rates	(15,658)	-	(15,658)
Interest expense	144,913	-	144,913
<b>As at 31 December 2020</b>	<b>5,227,431</b>	<b>4,488</b>	<b>5,231,919</b>

	Loans and borrowings	Lease liabilities	Total
<b>As at 1 January 2019</b>	<b>2,179,274</b>	<b>276</b>	<b>2,179,550</b>
Interest paid	(61,456)	-	(61,456)
Drawings of loans and borrowings	1,929,650	-	1,929,650
Repayments of loans and borrowings	(40,428)	-	(40,428)
Lease liabilities	-	20	20
<b>Total changes from financing cash flows</b>	<b>1,827,766</b>	<b>20</b>	<b>1,827,786</b>
Changes arising from obtaining or losing control of subsidiaries	35,563	4,519	40,082
The effect of changes in foreign exchange rates	2,712	-	2,712
Interest expense	89,200	-	89,200
<b>As at 31 December 2019</b>	<b>4,134,515</b>	<b>4,815</b>	<b>4,139,330</b>

## 6.11 Other financial non-current liabilities

	31 December 2020	31 December 2019
Tenant deposits	3,725	3,671
Payables from retentions	3,121	3,375
Other payables due to third parties	2,058	3,748
<b>Total</b>	<b>8,904</b>	<b>10,794</b>

## 6.12 Trade payables

	31 December 2020	31 December 2019
Trade payables due to related parties	1,444	1,197
Trade payables due to third parties	7,174	9,346
<b>Total</b>	<b>8,618</b>	<b>10,543</b>

### 6.13 Other financial current liabilities

	31 December 2020	31 December 2019
Cash pool payables due to related parties	27,880	585
Other payables due to related parties	34,731	36,733
Other financial current liabilities due to third parties	6,066	3,726
<b>Total</b>	<b>68,677</b>	<b>41,044</b>

In 2020, the Company agreed a cash-pool contracts with selected subsidiaries of CPI PG Group (refer to note 2.2). As at 31 December 2020, the other financial current liabilities related to cash pool amounted to EUR 27.9 million.

### 6.14 Other non-financial current liabilities

	31 December 2020	31 December 2019
Value added tax payables	3,178	2,612
Provisions	939	1,194
Other	39	89
<b>Total</b>	<b>4,156</b>	<b>3,895</b>

### 6.15 Leases where the Group acts as a lessor

The commercial property leases typically have lease terms of between 5 and 10 years and include clauses to enable periodic upward revision of the rental charge according to market conditions. Some contracts contain options to terminate before the end of the lease term. The following table shows the future rental income from lease agreements where the terms are non-cancellable.

	31 December 2020	31 December 2019
Less than one year	40,172	32,288
Between one and five years	86,912	80,236
More than five years	48,724	11,130
<b>Total</b>	<b>175,808</b>	<b>123,654</b>

## 7 Financial risk management

Exposure to various risks arises in the normal course of the Group's business. Financial risk comprises:

- credit risk (refer to note 7.1);
- liquidity risk (refer to note 7.2);
- market risk including currency risk, interest rate risk and price risk (refer to note 7.3).

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. Supervision of the Group's risk is accomplished through discussions held by executive management in appropriate frameworks together with reporting and discussions with the Board of Directors.

### 7.1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk mainly from its rental activities (primarily for trade receivables) and from its financing activities, including provided loans, purchased bonds, deposits with banks and financial institutions and other financial instruments.

The Group evaluates the concentration of risk with respect to loans provided as low, as the debtors are primarily entities controlled by the ultimate shareholder of the Company.

#### Aging structure of financial assets as at 31 December 2020 and 2019

31 December 2020	Total neither past due nor impaired	Total past due but not impaired	Impaired	Total
Other investments	188,884	-	-	188,884
Loans provided	4,349,261	-	(37,145)	4,349,261
- to related parties	4,316,513	-	(16,629)	4,316,513
- to third parties	20,003	-	(20,516)	20,003
- to joint venture	12,745	-	-	12,745
- bills of Exchange	-	-	-	-
Trade and other receivables	189,223	5,520	(285)	194,743
Cash and cash equivalents	249,190	-	-	249,190
<b>Total</b>	<b>4,976,558</b>	<b>5,520</b>	<b>(37,430)</b>	<b>4,982,078</b>

31 December 2019	Total neither past due nor impaired	Total past due but not impaired	Impaired	Total
Other investments	188,293	-	-	188,293
Loans provided	3,536,415	10,112	(52,385)	3,546,527
- to related parties	3,516,153	6,231	(11,505)	3,522,384
- to third parties	8,338	-	(33,092)	8,338
- to joint venture	11,924	-	-	11,924
- bills of Exchange	-	3,881	(7,788)	3,881
Trade and other receivables	17,323	7,163	(212)	24,486
Cash and cash equivalents	129,447	-	-	129,447
<b>Total</b>	<b>3,871,478</b>	<b>17,275</b>	<b>(52,597)</b>	<b>3,888,753</b>

As at 31 December 2020, impairment of EUR 16.6 million (EUR 11.5 million as at 31 December 2019) million is created against loans provided to related parties.

Breakdown of overdue financial assets which are not impaired:

31 December 2020	Past due 1-30 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due more than 360 days	Total
Trade and other receivables	1,167	689	3,582	53	29	5,520
<b>Total</b>	<b>1,167</b>	<b>689</b>	<b>3,582</b>	<b>53</b>	<b>29</b>	<b>5,520</b>

31 December 2019	Past due 1-30 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due more than 360 days	Total
Loans provided	-	17	3,618	866	1,730	6,231
Bills of Exchange	-	-	-	3,881	-	3,881
Trade and other receivables	1,778	1,421	318	18	3,628	7,163
<b>Total</b>	<b>1,778</b>	<b>1,438</b>	<b>3,936</b>	<b>4,765</b>	<b>5,358</b>	<b>17,275</b>

In respect of the ageing analysis and analysis of rent collections, the Group did not monitor significant increase of the credit risk in connection with COVID-19 pandemic in 2020. There has been no significant changes to the provision matrix which is based on the Group's historical credit loss experience and which is used for calculation of the expected credit losses. Development of the credit losses is, due to the negative impacts of COVID-19 pandemic, monitored by the Group on a regular basis.

The office portfolios were, throughout COVID-19 pandemic, effectively operating normally, with stable occupancy, rents and collection rates close to 100%. The Group was able to invoice and regularly collect rent across its portfolio, even at the peak of the COVID-19 outbreak.

Cash and cash equivalents, neither past due nor impaired (Moody's ratings of respective counterparties):

	31 December 2020	31 December 2019
A1	45,786	196
A2	3,279	22,284
Aa2	29	-
Aa3	69,723	51,505
Baa3	7	-
Not rated	130,366	55,455
<b>Total cash and cash equivalents</b>	<b>249,190</b>	<b>129,440</b>

## 7.2 Liquidity risk

The main objective of liquidity risk management is to reduce the risk that the Group does not have available resources to meet its financial obligations, working capital and committed capital expenditure requirements.

The Group maintains liquidity management to ensure that funds are available to meet all cash flow needs. Concentration of risk is limited thanks to diversified maturity of the Group's liabilities and diversified portfolio of the Group's financing.

The Group manages liquidity risk by constantly monitoring forecasts and actual cash flows and by various long-term financing. The Group's liquidity position is monitored on a weekly basis by division managers and is reviewed quarterly by the Board of Directors. A summary table with maturity of liabilities is used by key management personnel to manage liquidity risks.

### Liquidity risk analysis

The following table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments including accrued interest. The table reflects the earliest settlement of Group's liabilities based on contractual maturity and includes non-derivative as well as derivative financial liabilities.

At 31 December 2020	Carrying value	< 3 month	3-12 months	1-2 years	2-5 years	> 5 year	Total
Financial debts	5,231,919	161,905	370,533	480,819	2,071,569	3,038,508	6,123,334
- loans from related parties	5,206,876	161,595	370,364	480,381	2,070,314	3,013,161	6,095,815
- bank loans	20,555	86	169	225	675	21,876	23,031
- lease liabilities	4,488	224	-	213	580	3,471	4,488
Other non-current liabilities	8,904	-	-	1,549	4,555	2,800	8,904
Other current liabilities*	77,295	42,930	34,365	-	-	-	77,295
<b>Total</b>	<b>5,318,118</b>	<b>204,835</b>	<b>404,898</b>	<b>482,368</b>	<b>2,076,124</b>	<b>3,041,308</b>	<b>6,209,533</b>

\*Other current liabilities include current trade payables and other financial current liabilities.

At 31 December 2019	Carrying value	< 3 month	3-12 months	1-2 years	2-5 years	> 5 year	Total
Financial debts	4,139,330	125,967	244,724	782,088	1,963,884	1,881,677	4,998,340
- loans from related parties	4,098,951	125,589	229,427	781,619	1,962,545	1,856,152	4,955,332
- loans from third parties	35,563	130	15,276	212	637	21,799	38,054
- lease liabilities	4,816	248	21	257	702	3,726	4,954
Other non-current liabilities	10,794	775	1,005	695	3,784	4,536	10,795
Other current liabilities*	51,588	49,042	1,748	399	399	-	51,588
<b>Total</b>	<b>4,201,712</b>	<b>175,784</b>	<b>247,477</b>	<b>783,182</b>	<b>1,968,067</b>	<b>1,886,213</b>	<b>5,060,723</b>

\*Other current liabilities include current trade payables and other financial current liabilities.

As at 31 December 2020, only financial debts of EUR 1,313.3 million of total EUR 6,123.3 million mature within the next 2 years.

The Group maintains strong cash reserves and maintains flexibility with regard to potential uses of liquidity such as capital expenditures and development spending, shareholder distributions etc.

As of the date of these financial statements, the Group does not face a significant liquidity risk.

## 7.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices will affect the Group's income or the value of its holdings of financial instruments or could cause future cash flows related to financial instruments to fluctuate. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group's market risk mainly arises from open positions in a) foreign currencies and b) loans provided and financial debts, to the extent that these are exposed to general and specific market movements.

Market risk exposures are measured using sensitivity analysis.



Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (see note 2.2(b)).

The Group is exposed to currency risk mainly on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the CZK, but also others (see note 2.2(b)).

### Sensitivity analysis – exposure to currency risk

The table below shows the material balances held in foreign currencies that are deemed subject to currency risk and presents sensitivities of profit or loss to reasonably possible changes in foreign currency rates with all other variables held constant.

A 10% change in the foreign currency rate of foreign currencies would have the below effect to profit/(loss) or equity of the Group providing all other variables remaining constant:

31 December 2020	Original currency	In TEUR	Change in TEUR (functional currency depreciated by 10%)	Change in TEUR (functional currency appreciated by 10%)
<b>Cash and cash equivalents</b>		<b>249,190</b>		
	TEUR	154,259	-	-
	TCZK	67,687	6,769	(6,769)
	TUSD	6	1	(1)
	THUF	12,509	1,251	(1,251)
	TPLN	14,728	1,473	(1,473)
	THRK	1	-	-
<b>Loans provided</b>		<b>4,349,261</b>		
	TEUR	2,487,785	-	-
	TCZK	1,367,355	136,736	(136,736)
	THUF	344,175	34,418	(34,418)
	TRON	17,393	1,739	(1,739)
	TGBP	132,553	13,255	(13,255)
<b>Financial debts</b>		<b>(5,231,919)</b>		
	TEUR	(4,897,030)	-	-
	TCZK	(46,055)	(4,606)	4,606
	TCHF	(59,470)	(5,947)	5,947
	TPLN	(4,488)	(449)	449
	TGBP	(224,876)	(22,488)	22,488
<b>Net exposure to currency risk</b>	<b>TCZK</b>	<b>1,388,987</b>	<b>138,899</b>	<b>(138,899)</b>
	<b>TGBP</b>	<b>(92,323)</b>	<b>(9,233)</b>	<b>9,233</b>
	<b>TPLN</b>	<b>10,240</b>	<b>1,024</b>	<b>(1,024)</b>
	<b>TRON</b>	<b>17,393</b>	<b>1,739</b>	<b>(1,739)</b>
	<b>TUSD</b>	<b>6</b>	<b>1</b>	<b>(1)</b>
	<b>THUF</b>	<b>356,684</b>	<b>35,669</b>	<b>(35,669)</b>
	<b>THRK</b>	<b>1</b>	<b>-</b>	<b>-</b>
	<b>TCHF</b>	<b>(59,470)</b>	<b>(5,947)</b>	<b>5,947</b>

31 December 2019	Original currency	In TEUR	Change in TEUR (functional currency depreciated by 10%)	Change in TEUR (functional currency appreciated by 10%)
<b>Cash and cash equivalents</b>		<b>129,447</b>		
	TEUR	108,669	-	-
	TCZK	11,271	1,127	(1,127)
	TUSD	7	1	(1)
	THUF	1,731	173	(173)
	TPLN	7,768	777	(777)
	THRK	1	-	-
<b>Loans provided</b>		<b>3,546,527</b>		
	TEUR	1,789,675	-	-
	TCZK	1,732,473	173,247	(173,247)
	TUSD	3,881	388	(388)
	TGBP	20,498	2,050	(2,050)
<b>Financial debts</b>		<b>(4,139,330)</b>		
	TEUR	(4,023,405)	-	-
	TCZK	(52,071)	(5,207)	5,207
	TCHF	(59,038)	(5,904)	5,904
	TPLN	(4,816)	(482)	482
<b>Net exposure to currency risk</b>	<b>TCZK</b>	<b>1,691,673</b>	<b>169,167</b>	<b>(169,167)</b>
	<b>TGBP</b>	<b>20,498</b>	<b>2,050</b>	<b>(2,050)</b>
	<b>TPLN</b>	<b>2,952</b>	<b>295</b>	<b>(295)</b>
	<b>TUSD</b>	<b>3,888</b>	<b>389</b>	<b>(389)</b>
	<b>THUF</b>	<b>1,731</b>	<b>173</b>	<b>(173)</b>
	<b>THRK</b>	<b>1</b>	<b>-</b>	<b>-</b>
	<b>TCHF</b>	<b>(59,038)</b>	<b>(5,904)</b>	<b>5,904</b>

### Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments are described under notes 6.4 for financial assets and under notes 6.10 financial liabilities respectively. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk is monitored by the Group's management on a monthly basis. The interest rate risk policy is approved quarterly by the Board of Directors. Management analyses the Group's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources.

Loans provided by the Group require instalments to be paid by the borrower according to a payment schedule, based on a fixed interest rate. The interest rates charged by the Group are usually based on Group's borrowing interest rates.

As the loans provided are based on fixed rates, and no financial debt is measured at fair value through profit and loss the Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. These obligations primarily include bank loans. As at 31 December 2019, bank loans of EUR 15.0 million have flexible interest rates based on LIBOR rate for the reference period from 1 to 3 months increased by a fixed margin. There are no bank loans with flexible interest rates.

Trade receivables and payables are interest-free and have settlement dates within one year.

### Price risk

The Group is exposed to price risks related to investments in shares of CPI PG, which are classified as other investments.

Other components of equity would increase or decrease by EUR 9.4 million as at 31 December 2019 (EUR 9.4 million as at 31 December 2019) as a result of 5% increase or decrease of EPRA NAV per share of CPI PG.

### Other risks

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property rental risk. For sensitivity analysis on changes in assumptions of investment property valuation refer to note 7.5.

## 7.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There is no real seasonality impact on its financial position but rather a volatility of financial markets might positively or negatively influence Group's consolidated financial position.

No changes were made in the objectives, policies or processes during the year ended 31 December 2020.

The Group monitors capital on the basis of the gearing ratio.

## Gearing ratio

This ratio is calculated as total debt divided by total equity. Debt is defined as all non-current and current liabilities. Equity includes all capital and reserves as shown in the consolidated statement of financial position.

	31 December 2020	31 December 2019
Debt	5,400,794	4,246,168
Equity	1,103,572	997,878
<b>Gearing ratio in %</b>	<b>489.39%</b>	<b>425.52%</b>

## 7.5 Fair value measurement

### Fair value of financial instruments

Fair value measurements of financial instruments reported at fair value are classified by level of the following measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the period 2020.

The following tables show the carrying amounts at fair value of financial assets and liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

### Accounting classification and fair values

The following tables show the carrying amounts and fair value of financial assets and liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial assets measured at fair value	31 December 2020		31 December 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
CPI Property Group shares*	188,875	188,875	188,279	188,279
Other investments	9	9	14	14
<b>Financial assets not measured at fair value</b>				
Loans provided**	4,336,516	4,765,402	3,530,722	3,713,115
Loans provided to joint venture	12,745	12,745	11,924	11,924
Radio Free Europe deferred consideration	-	-	3,881	4,085
<b>Financial liabilities not measured at fair value</b>				
Financial debt – other	5,211,364	5,359,778	4,103,767	4,145,434
Financial debt – bank loans (floating rate)	-	-	15,028	15,028
Financial debt – bank loans (fixed rate)	20,555	19,399	20,535	19,206

\* For the valuation as at 31 December 2020, the shares are valued using EPRA NAV per share of CPI PG as at 31 December 2020 (refer to note 6.3).

\*\* The fair values of the financial assets and financial liabilities included in the level 3 category have been determined in accordance with generally accepted pricing models based on the discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties, with exception of loans provided to/ received from entities controlled by the majority shareholder of the Company, which bear limited credit risk from the Group's perspective.

### Fair value measurement of investment property

The Group's investment properties were valued at 31 December 2020 in accordance with the Group's accounting policies. The Group utilizes independent professionally qualified valuers, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all these properties, their current use equates to the highest and best use.

The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes.

COVID-19, a highly infectious virus, was declared a world-wide pandemic by the WHO on 11 March 2020. The measures to slow the spread of COVID-19 have had a significant impact on the global economy, including the real estate sector. However, there was a limited impact of COVID-19 pandemic on the Group's landbank and office, which largely exhibited normal performance and collection rates, despite office workers spending a significant portion of the year working remotely from home.

As at the valuation date, the independent external valuers could attach less weight to the previous market evidence in forming their conclusions.

The independent external valuers included a material estimation uncertainty clause in respect of impact COVID-19 pandemic in their valuation reports across all property types as at 31 December 2020. Consequently, a higher degree of caution should be applied in analysing and interpretation of the valuation results than would normally be the case. The inclusion of the material estimation uncertainty clause does not mean that valuations would not be reliable. It should rather highlight the extraordinary circumstances caused by COVID-19 pandemic lockdowns and the fact that less certainty can be attached to the valuations results than it would normally be the case.

Given the material uncertainty, the future development and impacts of COVID-19 pandemic on the real estate market should be monitored regularly in the upcoming months. The Group performs regular revaluation of its complete investment property and hotel portfolio on annual basis. If there is indication of a significant change in the fair value, the valuation is performed semi-annually.

There were no changes in the valuation methodology used for investment property in respect of Covid-19.

### Main observable and unobservable inputs

The table below presents the valuation method, the key observable and unobservable inputs for each class of property owned by the Group, used by the valuers as at the end of 31 December 2020 and 2019 respectively. The fair value hierarchy of the valuations is Level 3. Fair value amounts are stated in EUR millions.

Office	Fair Value 2020	Fair Value 2019	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2020	Range (weighted avg) 2019
Czech Republic	131	22	DCF	ERV per sqm	€111-€168 (€160)	€170
				NRI per sqm	€38-€76 (€61)	€35
				Discount Rate	6.0%-7.3% (6.4%)	6.5%
				Exit Yield	5.0%-6.8 (5.5%)	5.0%
				Vacancy rate	33.2%-61.9% (41.0%)	60.6%
Complementary Assets	579	-	Income capitalisation	ERV per sqm	€182-€305(€245)	-
				NRI per sqm	€169-€278(€224)	-
				Equivalent Yield	5.0%-6.5% (5.5%)	-
				Vacancy rate	1.0%-4.7% (3.4%)	-
Complementary Assets	5	5	DCF	ERV per sqm	€232	€232
				NRI per sqm	€252	€211
				Discount Rate	7.3%	7.3%
				Exit Yield	7.0%	6.8%
				Vacancy rate	-	-
Industry and Logistics	Fair Value 2020	Fair Value 2019	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2020	Range (weighted avg) 2019
Czech Republic	2	2	DCF	ERV per sqm	€27	€27
				NRI per sqm	€6	€13
				Equivalent yield	11.0%	10.5%
				Exit yield	9.5%	9.5%
				Vacancy rate	100.0%	25.5%
Residential	Fair Value 2020	Fair Value 2019	Valuation technique	Significant unobservable Inputs	Range (weighted avg) 2020	Range (weighted avg) 2019
Complementary Assets	46	35	Comparable	Fair value per sqm	€11,840-€27,919(€18,448)	€15,992-€24,431(€21,986)
Landbank	Fair Value 2020	Fair Value 2019	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2020	Range (weighted avg) 2019
Czech Republic	127	125	Comparable	Fair value per sqm	€2-€2,419(€8)	€2-€2,517(€8)
Czech Republic Prague	168	135	Comparable	Fair value per sqm	€8 - €3,157(€150)	€8 - €3,220(€146)
Czech Republic	5	5	Residual	Total EMRV	€15	€15
				Gross development value	€2,073	€2,073
				Development margin	25.0%	25.0%
Landbank - Bubny and Zbrojovka	Fair Value 2020	Fair Value 2019	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2020	Range (weighted avg) 2019
Bubny	200	157	Comparable	Fair value per sqm	(€990)	(€776)
Zbrojovka	104	35	Comparable	Fair value per sqm	(€449)	(€159)

The tables above are net of properties classified as assets held for sale, recent acquisitions and selected leased properties.

The amounts of classes of property as at 31 December 2020 in the table above is not fully comparable to the amounts as at 31 December 2019, primarily due to changes of valuation methods and changes in classification of assets due to their change of use. In 2020, the Group precised calculation of weighted average of fair values per sqm and key. The same approach was applied to comparatives as at 31 December 2019.

### Appraisal for Bubny as at 31 December 2020

Bubny is a land bank with a size over 202 thousand square meters and is located near the Prague's city center. The majority of the site is currently not used. As at 31 December 2020 and 2019, a valuation of the land bank was conducted by external valuation expert Jones Lang La Salle ("JLL") using the comparable method. This method was based on 6 (10 in 2019) recently executed land site transactions in Prague, included in below table:

2020	Comparative method					
	1	2	3	4	5	6
Zoning plan	Mixed use	Mixed use	Mixed use	Mixed use	Industrial -> Residential	Residential
Size (sqm) – approx.	44,000	128,000	10,000	80,000	9,000	12,000
Transacted price per sqm (EUR)	500	400	2,700	400	2,000	1,300

2019	Comparative method									
	1	2	3	4	5	6	7	8	9	10
Zoning plan	Mixed use	Mixed use	Mixed use	Mixed use	Mixed use	Mixed use	Mixed use	Mixed use	Mixed use	Mixed use
Size (sqm) – approx.	44,000	128,000	10,000	10,000	15,000	56,000	80,000	54,000	21,000	16,000
Transacted price per sqm (EUR)	500	400	800	900	500	700	400	500	600	1,400

The fair value was determined by estimating the fair value per 1 square meter based on comparative land site transaction prices, adjusted for differences between comparative land sites and Bubny site.

The adjustments provided for the following characteristics:

Adjustment	Range used by JLL	Average used multiple	Description
Microlocation	Multiple 0.90 – 1.20	1.09	Vicinity to the city center, attractiveness of the area, public amenities.
Access	Multiple 1 - 1.05	1.04	Vehicular and pedestrian access to the property
Public transportation	Multiple 0.95 - 1.10	1.05	Metro, trams and bus stops in the vicinity
Size	Multiple 0.8 – 0.95	0.87	Size of land plots
Existence of Structures	Multiple 1 - 1.05	1.01	Old structures being present on the site, with potential historical protection.
Market improvement	Multiple 1 - 1.25	1.11	Improvement of the market since the transaction, adjustment used for optimizing dates of transactions to the date of valuation
Flooding area	Multiple 1 - 1.1	1.02	Risk of floods based on flood map issued by the Association of Insurance Companies
Liquidity of apartments	Multiple 0.95 - 1.05	1.01	Demand for flats in the location
Planning procedure	Multiple 0.55 – 1.05	0.87	Status of development (construction feasibility, construction ban, zoning / building permits etc.)

### Sensitivity analysis of Bubny site

As the Bubny site was valued by comparable method, the sensitivity analysis was prepared for two key adjustments: micro location and size. For Micro location JLL used the largest range of multiples, indicating high level of judgement included in the adjustment estimate. Size adjustment is selected for sensitivity analysis because of the significance of differences in size between Bubny and comparative land sites.

Multiple size	Multiple microlocation			
	MEUR	0.95	1.00	1.05
0.95		180	190	200
1.00		190	200	210
1.05		200	210	220

### Triggering and expected events for further development of the Bubny land bank

Municipal elections were held in Prague in October 2018. The new Prague leaders are to select land plots for development of apartment buildings as the current supply is lacking. New Prague coalition included Bubny (together with Žižkov freight railway station and Smíchov railway station) in the statement as it aims to significantly speed up residential development through removing construction bans for these territories.

In December 2020, there was a new land study Holesovice-Bubny-Zatov approved. The study represents a basis for a change in the zoning plan which is expected to focus on the future growth of real estate in Prague through development inside the city rather than by growth outside the city's existing borders. The study divides the Bubny area in several sectors with different use and potential for future development. The land bank owned by the Group was split to several blocks planned for residential and for commercial development; the north part which is close to the railway line is planned for a public park. Total potential gross floor area attributable to the Group's land bank in the study is approx. 530 000 sqm. The Final version of the study was approved in December 2020.

Once the change in the zoning plan becomes legally binding, the construction ban is expected to be removed. These plans contribute to increasing public pressure on the authorities to allow development in Prague, particularly in the brownfield development areas.

### Appraisal for Zbrojovka as at 31 December 2020

Zbrojovka is a Brown field/land bank with a size over 231 thousand square meters and is located in Brno, the Czech Republic. The majority of the site is currently not used (except for a newly developed office building ZET office). As at 31 December 2020 and 2019, a valuation of the land bank was prepared by JLL using the comparable method. This Method was based on 5 recently executed land site transactions in Brno, included in below table:

2020	Comparative				
	1	2	3	4	5
Zoning plan	Mixed use	Mixed use	Mixed use	Industrial -> Residential	Mixed use
Size (sqm) – approx.	9,000	23,000	5,000	8,000	40,000
Transacted price per sqm (EUR)	250	400	650	650	250

The fair value was determined by estimating the fair value per 1 square meter based on comparative land site transaction prices, adjusted for differences between comparative land sites and Zbrojovka site.

The adjustments provided for the following characteristics:

Adjustment	Range used by JLL	Average used multiple	Description
Microlocation	Multiple 0.9 - 1.25	1.02	Vicinity to the city center, attractiveness of the area, public amenities.
Access	Multiple 0.95 - 1.1	1.01	Vehicular and pedestrian access to the property
Public transportation	Multiple 0.95 - 1.1	1.00	Metro, trams and bus stops in the vicinity
Size	Multiple 0.8 – 0.9	0.83	Size of land plots
Market improvement	Multiple 1 - 1.6	1.13	Improvement of the market since the transaction, adjustment used for optimizing dates of transactions to the date of valuation
Flooding area	Multiple 0.95 - 1	0.97	Risk of floods based on flood map issued by the Association of Insurance Companies
Liquidity of apartments	Multiple 0.95 - 1.05	0.99	Demand for flats in the location
Planning procedure	Multiple 1.05 – 1.3	1.17	Status of development (construction feasibility, construction ban, zoning / building permits etc.)

### Sensitivity analysis of Zbrojovka

As the Zbrojovka site was valued by comparable method, the sensitivity analysis was prepared for two key adjustments: micro location and size. For Micro location JLL used the largest range of multiples, indicating high level of judgement included in the adjustment estimate. Size adjustment is selected for sensitivity analysis because of the significance of differences in size between Zbrojovka and comparative land sites.

Multiple size	Multiple microlocation			
	MEUR	0.95	1.00	1.05
0.95		94	99	104
1.00		99	104	109
1.05		104	109	114

### Triggering and expected events for further development of Zbrojovka land bank

Zbrojovka (formerly armory factory) is being development for over the last three years. In December 2020, there were the final changes to master approved. The master plan defines all the main urbanistic, technical and infrastructure links of the area. Development expects residential, office and public amenities with expected gross floor area of approx 510 000 sqm. The budgeted timeline for the development of the whole area is between 10 and 15 years. As of the date, 85% of the former structures were removed. The development of the area is divided into 8 phases in separate areas. The first phase should start in 2021 in southern part of the landbank. In the first phase, the plan is to build 350 apartments, kindergarten and about 55 000 sqm of office area.

As of the date, there is a newly developed Building ZET office in 2020, with a total lettable area of 19 000 sqm. The fair value of ZET office is included in the Czech office portfolio in the tables above.

### Other land banks

The other land banks which were valued by the comparable method have a total fair value of EUR 295 million and EUR 260 million as at 31 December 2020 and 2019 and a size of 18 million sqm. As these land banks differ significantly in various parameters (such as current zoning, location & micro-location, existence of structures, access etc.) no further disaggregation was performed.

The sensitivity analysis for assets where the fair value was determined by comparative method was not prepared, as the potential change in inputs (such as change of multiples etc.) would result in equal or direct change in outputs.

### Sensitivity analysis on changes in assumptions of property valuations

The Group has performed a sensitivity analysis on changes in assumptions of property valuation.

The significant unobservable inputs used in fair value measurement categorized within level 3 of the fair value hierarchy of the Group portfolio are:

- equivalent yield or discount rate;
- estimated rental value (ERV) for rental asset;
- development margin/profit for development.

Change of the valuation rates would result in the following fair values – analysis of the portfolio of assets valued by discounted cash flow, income capitalization method and development appraisal:

**As at 31 December 2020**

## Czech Republic – Industrial - DCF

ERV	MEUR		Yield	
		(0.25%)	-	0.25%
	(5.00%)	1.60	1.58	1.55
	-	1.69	1.66	1.63
5.00%	1.77	1.74	1.71	

## Czech Republic – Office - DCF

ERV	MEUR		Yield	
		(0.25%)	-	0.25%
	(5.00%)	129.15	124.31	119.82
	-	135.94	130.85	126.12
5.00%	142.74	137.39	132.43	

## Czech Republic

Landbank as a development	MEUR
Developer's Profit (5.00%)	5.89
Developer's Profit (2.50%)	5.49
Developer's Profit -	5.09
Developer's Profit 2.50%	4.72
Developer's Profit 5.00%	4.35

## Poland - Office – Income Capitalization

ERV	MEUR		Yield	
		(0.25%)	-	0.25%
	(5.00%)	582.51	553.67	527.43
	-	609.80	579.44	551.82
5.00%	637.00	605.15	576.16	

## Poland - Office – DCF

ERV	MEUR		Yield	
		(0.25%)	-	0.25%
	(5.00%)	4.63	4.47	4.31
	-	4.87	4.70	4.54
5.00%	5.12	4.94	4.77	

**As at 31 December 2019**

## Czech Republic – Industrial - DCF

ERV	MEUR		Yield	
		(0.25%)	-	0.25%
	(5.00%)	1.74	1.71	1.68
	-	1.83	1.80	1.77
5.00%	1.93	1.89	1.86	

## Czech Republic – Office - DCF

ERV	MEUR		Yield	
		(0.25%)	-	0.25%
	(5.00%)	21.38	20.51	19.70
	-	22.51	21.59	20.74
5.00%	23.63	22.67	21.78	

## Czech Republic

Landbank as a development	MEUR
Developer's Profit (5.00%)	6.09
Developer's Profit (2.50%)	5.67
Developer's Profit -	5.26
Developer's Profit 2.50%	4.87
Developer's Profit 5.00%	4.50

## Poland - Office – DCF

ERV	MEUR		Yield	
		(0.25%)	-	0.25%
	(5.00%)	4.63	4.47	4.31
	-	4.87	4.70	4.54
5.00%	5.12	4.94	4.77	

## 8 Contingencies

In June 2007 the Company issued a guarantee up to a maximum amount of EUR 5 million to secure all payment claims of IBB Holding and BTGI against inter alia Gewerbesiedlungs-Gesellschaft (Berlin), Orco Russian Retail, and MSREF V/MSREF Turtle B.V under an option agreement dated 22/23 May 2006 as amended on 24/25 April 2007 concerning the acquisition of all shares in Gewerbesiedlungs-Gesellschaft.

According to the framework agreement dated 18 August 2011 between the Company and MSREF V Turtle, the Company assumed the obligation to release the Morgan Stanley companies (MSREF V and MSREF V Turtle) from all claims under the Morgan Stanley guarantee by issuing a respective back to back guarantee of EUR 10 million.

IBB Holding and BTGI agreed to accept a top up of OPG guarantee and the release of Morgan Stanley companies from their engagement as per the option agreement. In June 2015 the Company issued the EUR 5 million top up guarantee in favor IBB Holding and BTGI and obtained a release from Morgan Stanley back to back guarantee. The aggregate guarantee of the Company to the benefit of IBB Holding and BTGI amounts to EUR 10 million.

## 9 Litigations

### Kingstown dispute

In January 2015 the Company was served with summons by Kingstown Partners Master Ltd. of the Cayman Islands, Kingstown Partners II LP of Delaware, Ktown LP of Delaware (collectively referred to as “Kingstown”), claiming to be former shareholders of the Company. The action was filed with the “Tribunal d’ Arrondissement de et a Luxembourg” (the “Court”) and seeks condemnation of the Company, CPI PG and certain members of the Company’s board of directors as jointly and severally liable to pay damages in the amount of EUR 14.5 million and compensation for moral damage in the amount of EUR 5 million. According to Kingstown’s allegation the damage claimed arose inter alia from the alleged violation of the Company’s minority shareholders rights. The management of the Company has been taking all available legal actions to oppose these allegations in order to protect the corporate interest as well as the interest of its shareholders. Accordingly, the parties sued by Kingstown raised the exceptio judicatum solvi plea, which consists in requiring the entity who initiated the proceedings and who does not reside in the EU or in a State which is not a Member State of the Council of Europe to pay a legal deposit to cover the legal costs and compensation procedure. The Court rendered a judgement on 19 February 2016, whereby each claimant has to pay a legal deposit in the total amount of EUR 90 thousand to the “Caisse de Consignation” in Luxembourg. Kingstown paid the deposit in January 2017 and the litigation, currently being in a procedural stage, is pending. In October 2018, Kingstown’s legal advisors filed additional submission to increase the amount of alleged damages claimed to EUR 157 million.

The Company continues to believe the claim is without merit and intends to vigorously contest it. In June 2019, the Court issued a first instance judgement, dismissing the claim against CPI PG because the claim was not clearly pleaded (“libellé obscur”) in relation to CPI PG.

In relation to the admissibility of Kingstown’s claim against the Company and other defendants, the Court is expected to rule only after it further examines positions of the remaining parties on certain procedural aspects; until then, the case will continue in a procedural stage. The merits of the case will be pleaded by any remaining defendants only if the Court declares the claim admissible. The hearings on the admissibility of the claim against the Company are expected to take place in second half of 2020.

In December 2020, the Luxembourg Court declared that the inadmissibility of the claim against certain defendants has not resulted in the inadmissibility of the litigation against the Company and the remaining defendants. The Company and the remaining defendants are scheduled to present their written submissions during the first half of 2021. Some defendants have decided to appeal against this judgment, which declared the claim admissible against the Company.

### Hagibor Office Building dispute

In March 2016, the insolvency administrator of the Company’s subsidiary HAGIBOR OFFICE BUILDING (“HOB”), filed a lawsuit, requesting that the Company returns to HOB in aggregate USD 16.49 million, paid by HOB to the Company in 2012. The Company is of the opinion that the lawsuit has no merit given that in 2012 HOB duly repaid its loan to the Company. The Company will defend itself against this lawsuit. In August 2016, the litigation has been stayed until litigation concerning the ownership of the Radio Free Europe building is resolved. In December 2016 the Company filed a lawsuit claiming the non-existence of pledges registered on the Radio Free Europe building in favor of the financing bank. A hearing on the matter of the non-existence of pledges took place in November 2018. After the lawsuit was dismissed, the Company filed a new claim in the matter of non-existence of pledges.

In November 2019, a global settlement agreement was agreed in relation to the above disputes relating to HOB and Radio Free Europe building. The settlement agreement was concluded along with extensive ancillary documentation, which included, inter alia, termination of all court proceedings and confirmations that concerned parties no claims against each other. The settlement became effective on 20 March 2020.

### Disputes related to warrants issued by the Company

The Company was sued by holders of the warrants holders of 2014 Warrants registered under ISIN code XS0290764728 (the “2014 Warrants”). The first group of the holders of the Warrants sued the Company for approximately EUR 1.2 million in relation to the Change of Control Notice published by the Company, notifying the holders of the 2014 Warrants that the Change of Control, as defined in the Securities Note and the Summary for the 2014 Warrants, occurred on 8 June 2016. The second holder of the 2014 Warrants sued the Company for approximately EUR 1 million in relation to the alleged change of control which allegedly occurred in 2013. These litigations are pending, with first hearings expected probably in 2022. The Company will defend itself against these lawsuits.

The Company will defend itself against these lawsuits and reminds that in accordance with the judgement of the Paris Commercial Court pronounced on 26 October 2015 concerning the termination of the Company’s Safeguard Plan, liabilities that were admitted to the Safeguard, but are conditional or uncalled (such as uncalled bank guarantees, conditional claims of the holders of 2014 Warrants registered under ISIN code XS0290764728, provided that they were admitted to the Safeguard plan), will be paid according to their contractual terms. Pre-Safeguard liabilities that were not admitted to the Company’s Safeguard will be unenforceable. As such, only claims of holders of the 2014 Warrants, whose potential claims were admitted to the Compa22awny’s Safeguard Plan, could be considered in respect of the present Change of Control. Claims of holders of the 2014 Warrants that were not admitted to the Company’s Safeguard will be unenforceable against the Company. To the best of Company’s knowledge, none of the holders of the 2014 Warrants who sued the Company filed their claims 2014 Warrants-related claims in the Company’s Safeguard Plan.

## 10 Capital and other commitments

The Group has capital commitments of EUR 1.0 million and EUR 19.9 million in respect of capital expenditures contracted as at 31 December 2020 and 2019, respectively.



## 11 Related party transactions

### Transactions with key management personnel

Total compensation given as short-term employee benefits to the top managers was EUR 0.6 million and EUR 0.5 million in 2020 and 2019, respectively.

The Board and Committees attendance compensation was EUR 36 thousand and EUR 36 thousand in 2020 and 2019.

### The remuneration of the key management personnel and members of Board of Directors

	31 December 2020	31 December 2019
Remuneration paid to the key management personnel and members of Board of Directors	627	540
<b>Total remuneration</b>	<b>627</b>	<b>540</b>

### Breakdown of balances and transactions with related of the Group

Majority shareholder of the Group

Balances at	31 December 2020	31 December 2019
Trade receivables	456	-

Management

Transactions	31 December 2020	31 December 2019
Other operating expenses	(25)	-

Entities over which the majority shareholder has control

Balances at	31 December 2020	31 December 2019
Loans provided current (refer below for the detail)	35,109	56,442
Trade receivables	8	44
Loans received current (refer below for the detail)	-	50
Transactions	31 December 2020	31 December 2019
Rental income	28	20
Advisory services	42	30
Interest income (refer below for the detail)	2,655	2,782
Interest expense (refer below for the detail)	-	(19)

Entities controlled by members of Board of Directors

Balances at	31 December 2020	31 December 2019
Loans received current (refer below for the detail)	120	-
Transactions	31 December 2020	31 December 2019
Interest expense (refer below for the detail)	2	-

CPI PG Group

Balances at	31 December 2020	31 December 2019
Loans provided non-current (refer below for the detail)	4,238,117	3,434,196
Loans provided current (refer below for the detail)	59,917	43,251
Trade receivables	1,180	4,011
Other current receivables	185,007	10,095
Loans received non-current (refer below for the detail)	4,830,950	3,861,692
Loans received current (refer below for the detail)	375,805	237,210
Trade payables	1,444	1,197
Other current liabilities	62,611	37,318
Transactions	31 December 2020	31 December 2019
Service revenue	22,465	17,799
Advisory services	(9,785)	(7,689)
Interest income (refer below for the detail)	165,916	145,339
Interest expense (refer below for the detail)	(144,482)	(90,315)

Joint venture

Balances at	31 December 2020	31 December 2019
Loans provided non-current (refer below for the detail)	12,605	11,791
Loans provided current (refer below for the detail)	139	133
Transactions	31 December 2020	31 December 2019
Interest income (refer below for the detail)	821	772

### Non-current loans provided to related parties

CPI PG Group	31 December 2020	31 December 2019
1 Bishops Avenue Limited	126,938	20,291
Airport City Kft.	15,656	16,047
Airport City Phase B Kft.	1,754	1,870

CPI PG Group	31 December 2020	31 December 2019
Andrássy Hotel Zrt.	4,683	4,595
Andrássy Real Kft.	10,778	11,233
Arena Corner Kft.	35,530	37,009
Balvinder, a.s.	4,434	4,771
BARON PUGLIA S.a.r.l.	16,085	11,970
Baudry Beta, a.s.	10,372	11,147
BAYTON Alfa, a.s.	11,655	12,902
BC 91 Real Estate Kft.	1,210	1,548
BC 99 Office Park Kft.	34,851	32,944
Beroun Property Development, a.s.	8,792	9,310
Best Properties South, a.s.	56,178	57,333
Brandýs Logistic, a.s.	23,797	17,785
Brno Development Services, s.r.o.	255	-
Brno Property Development, a.s.	-	28
Březiněves, a.s.	5,277	8,360
Buy-Way Dunakeszi Kft.	5,791	6,390
Buy-Way Soroksár Kft.	3,783	3,876
Byty Lehovec, s.r.o.	-	3,347
CAMPONA Shopping Center Kft.	67,881	65,953
Carpenter Invest, a.s.	2,050	2,165
CB Property Development, a.s.	935	1,464
Conradian, a.s.	5,375	5,268
CPI – Bor, a.s.	10,869	5,573
CPI - Orlová, a.s.	1,189	1,138
CPI - Real Estate, a.s.	2,115	2,796
CPI Beet, a.s.	52	166
CPI Blatiny, s.r.o.	-	2,810
CPI BYTY, a.s.	93,658	115,935
CPI Delta, a.s.	1,651	1,828
CPI East, s.r.o.	81,471	85,189
CPI Flats, a.s.	-	753
CPI Hotels, a.s.	35,169	-
CPI Hotels Europeum Kft.	527	200
CPI Hotels Properties, a.s.	12,592	11,095
CPI IMMO, S.a.r.l.	3,797	3,797
CPI Jihlava Shopping, a.s.	15,433	15,546
CPI Kappa, s.r.o.	650	945
CPI Meteor Centre, s.r.o.	15,353	16,456
CPI Office Prague, s.r.o.	-	80,439
CPI Palmovka Office, s.r.o.	1,280	3,444
CPI Property a Facility, s.r.o.	-	333
CPI PROPERTY GROUP S.A.	1,634,505	1,102,422
CPI Reality, a.s.	48,628	50,673
CPI Retail One Kft.	10,349	9,863
CPI Retail Portfolio Holding Kft.	20,931	20,249
CPI Retail Portfolio I, a.s.	2,009	2,196
CPI Retail Portfolio IV, s.r.o.	1,287	958
CPI Retail Portfolio V, s.r.o.	4,094	4,444
CPI Retail Portfolio VI, s.r.o.	1,326	1,598
CPI Retail Portfolio VIII s.r.o.	4,048	4,281
CPI Retails ONE, a.s.	8,916	9,395
CPI Retails ROSA s.r.o.	4,485	4,472
CPI Retails THREE, a.s.	31,637	32,352
CPI Retails TWO, a.s.	7,260	7,584
CPI Services, a.s.	-	3,016
CPI Shopping MB, a.s.	34,887	33,319
CPI Shopping Teplice, a.s.	50,269	49,759
CPI Vestec, s.r.o.	5,360	5,520
Czech Property Investments, a.s.	773,988	493,036
Čadca Property Development, s.r.o.	934	1,280
Čáslav Investments, a.s.	2,178	2,252
Duca Puglia S.r.l.	6,600	-
EMH South, s.r.o.	7,429	8,657
ENDURANCE HOSPITALITY FINANCE S.á.r.l.	8,043	15,346
Europeum Kft.	24,246	25,325
Farhan, a.s.	52,198	54,232
FL Property Development, a.s.	192	201
Futurum HK Shopping, s.r.o.	86,060	93,073
Gateway Office Park Kft.	12,450	14,738
GCA Property Development sp. z o.o.	-	331
HD Investment s.r.o.	66	64

CPI PG Group	31 December 2020	31 December 2019
Hightech Park Kft.	3,633	3,899
Hraničář, a.s.	12,276	13,259
IGY2 CB, a.s.	2,424	2,815
IS Nyír Ingatlanhasznosítóés Vagyonkezelő Kft.	1,350	1,877
IS Zala Ingatlanhasznosítóés Vagyonkezelő Kft.	8,431	8,392
Janáčkovo nábřeží 15, s.r.o.	6,892	6,958
Jeseník Investments, a.s.	1,895	2,023
Kerina, a.s.	5,755	6,573
KOENIG Shopping, s.r.o.	46,899	50,027
Komárno Property Development, a.s.	2,009	2,327
Kosmonosy Property Development, s.r.o.	8,037	7,436
Kravařská zemědělská, a.s.	-	4,723
LD Praha, a.s.	4,571	5,271
Levice Property Development, a.s.	3,898	4,023
Liptovský Mikuláš Property Development, a.s.	-	4,938
Lockhart, a.s.	28,905	28,270
Lucemburská 46, a.s.	4,805	6,301
Marissa Gama, a.s.	38,933	40,716
Marissa Omikrón, a.s.	15,181	18,478
Marissa Tau, a.s.	5,028	6,454
Marissa Théta, a.s.	1,060	1,218
Marissa West, a.s.	37,495	37,038
Marissa Yellow, a.s.	7,250	7,388
Marissa Ypsilon, a.s.	37,008	39,029
MB Property Development, a.s.	208	1,734
Michalovce Property Development, a.s.	3,729	4,826
MUXUM, a.s.	3,627	4,788
Na Poříčí, a.s.	29,364	30,911
New Age Kft.	832	363
OC Nová Zdobov a.s.	8,811	8,988
OC Spektrum, s.r.o.	10,100	3,019
OFFICE CENTER HRADČANSKÁ, a.s.	11,692	12,374
Office Center Poštová, s.r.o.	-	4,576
Olomouc Building, a.s.	14,111	15,628
Orchard Hotel a.s.	9,802	9,958
Outlet Arena Moravia, s.r.o.	17	1,900
Ozrics Kft.	3,014	1,740
Pelhřimov Property Development, a.s.	2,493	2,684
Platněřská 10 s.r.o.	528	-
Pólus Shopping Center Zrt.	66,589	64,830
Považská Bystrica Property Development, a.s.	1,130	1,342
Prievidza Property Development, a.s.	2,673	3,600
Projekt Nisa, s.r.o.	77,912	80,034
Projekt Zlatý Anděl, s.r.o.	76,654	80,253
Prostějov Investments, a.s.	645	878
Příbor Property Development, s.r.o.	401	391
Real Estate Energy Kft.	85	38
Residence Belgická, s.r.o.	1,521	1,661
Residence Izabella, Zrt.	4,084	3,217
Rezidence Jančova, s.r.o.	1,212	32
Rezidence Malkovského, s.r.o.	400	363
Savile Row 1 Limited	5,615	-
Statek Kravaře, a.s.	4,573	3,380
Statenice Property Development, a.s.	2,265	2,184
Svitavy Property Alfa, a.s.	9,015	9,346
Telč Property Development, a.s.	-	420
Tepelné hospodářství Litvínov, s.r.o.	680	966
Trebišov Property Development, s.r.o.	-	117
Třinec Investments, s.r.o.	2,346	2,364
Třinec Property Development, a.s.	3,224	3,205
Tyršova 6, a.s.	1,845	2,297
U svatého Michala, a.s.	3,192	3,251
V Team Prague, s.r.o.	5,603	-
Vigano, a.s.	9,490	9,699
Ždírec Property Development, a.s.	659	721
Total loans provided non-current - related parties	4,238,117	3,434,196
<b>Joint venture</b>		
Uniborc S.A.	12,605	11,791
<b>Total</b>	<b>4,250,722</b>	<b>3,445,987</b>

## Current loans provided to related parties

CPI PG Group	31 December 2020	31 December 2019
1 Bishops Avenue Limited	-	207
Airport City Kft.	-	297
Airport City Phase B Kft.	-	14
Andrássy Hotel Zrt.	-	32
Andrássy Real Kft.	-	78
Arena Corner Kft.	-	295
Balvinder, a.s.	51	57
BARON PUGLIA S.a.r.l.	549	20
Baudry Beta, a.s.	-	225
BAYTON Alfa, a.s.	172	189
BC 91 Real Estate Kft.	-	16
BC 99 Office Park Kft.	-	811
Beroun Property Development, a.s.	-	270
Best Properties South, a.s.	-	1,036
Brandýs Logistic, a.s.	-	136
Brno Development Services, s.r.o.	18	-
Březiněves, a.s.	-	95
Buy-Way Dunakeszi Kft.	-	51
Buy-Way Soroksár Kft.	-	29
Byty Lehovec	-	177
CAMPONA Shopping Center Kft.	5,651	2,455
Carpenter Invest, a.s.	38	-
CB Property Development, a.s.	19	8
Conradian, a.s.	200	-
CPI – Bor, a.s.	-	140
CPI - Orlová, a.s.	-	17
CPI – Real Estate, a.s.	25	46
CPI Beet, a.s.	2	6
CPI Blatiny, s.r.o.	-	74
CPI BYTY, a.s.	941	1,177
CPI Delta, a.s.	-	38
CPI East, s.r.o.	-	1,385
CPI Flats, a.s.	-	47
CPI Hotels, a.s.	529	-
CPI Hotels Properties, a.s.	133	28
CPI IMMO, S.a.r.l.	182	125
CPI Jihlava Shopping, a.s.	-	240
CPI Kappa, s.r.o.	13	12
CPI Meteor Centre, s.r.o.	-	133
CPI Office Prague, s.r.o.	-	797
CPI Palmovka Office, s.r.o.	-	55
CPI Property a Facility, s.r.o.	-	3
CPI PROPERTY GROUP S.A.	34,450	12,379
CPI Reality, a.s.	-	598
CPI Retail One Kft.	168	517
CPI Retail Portfolio I, a.s.	-	28
CPI Retail Portfolio IV, s.r.o.	-	25
CPI Retail Portfolio V, s.r.o.	-	44
CPI Retail Portfolio VI, s.r.o.	-	17
CPI Retail Portfolio VIII s.r.o.	-	67
CPI RETAIL PORTFOLIO HOLDING Kft.	512	-
CPI Retails ONE, a.s.	-	119
CPI Retails Rosa s.r.o.	-	34
CPI Retails THREE, a.s.	-	234
CPI Retails TWO, a.s.	-	87
CPI Servces, a.s.	-	44
CPI Shopping MB, a.s.	125	410
CPI Shopping Teplice, a.s.	-	562
CPI Vestec, s.r.o.	-	75
Czech Property Investments, a.s.	11,247	2,299
Čadca Property Development, s.r.o.	-	9
Čáslav Investments, a.s.	-	72
Duca Puglia S.r.l.	307	-
EMH South, s.r.o.	-	105
ENDURANCE HOSPITALITY FINANCE S.á.r.l.	-	866
Europeum Kft.	-	87
Farhan, a.s.	-	685
FL Property Development, a.s.	-	3
Futurum HK Shopping, s.r.o.	-	1,055
Gateway Office Park Kft.	-	110

CPI PG Group	31 December 2020	31 December 2019
GCA Property Development sp. z o.o.	-	3
Hightech Park Kft.	-	130
Hospitality Invest S.a r.l.	-	974
Hraničář, a.s.	170	195
IGY2 CB, a.s.	96	56
IS Nyír Kft.	-	16
IS Zala Kft.	-	119
Janáčkovo nábřeží 15, s.r.o.	91	211
Jeseník Investments, a.s.	-	33
Kerina, a.s.	64	74
KOENIG Shopping s.r.o.	-	685
Komárno Property Development, a.s.	-	16
Kosmonosy Property Development, s.r.o.	-	183
Kravaňská zemědělská, a.s.	-	164
LD Praha, a.s.	43	46
Levice Property Development, a.s.	-	34
Lockhart, a.s.	398	760
Lucemburská 46, a.s.	34	92
Marissa Gama, a.s.	-	438
Marissa Omikrón, a.s.	-	143
Marissa Tau, a.s.	-	97
Marissa Théta, a.s.	9	11
Marissa West, a.s.	-	699
Marissa Yellow, a.s.	-	144
Marissa Ypsilon, a.s.	-	483
MB Property Development, a.s.	-	28
Michalovce Property Development, a.s.	-	45
MUXUM, a.s.	32	63
Na Poříčí, a.s.	-	511
New Age Kft.	-	9
OC Nová Zdobov a.s.	-	113
OC Spektrum, s.r.o.	-	54
OFFICE CENTER HRADČANSKÁ, a.s.	-	159
Office Center Poštová, s.r.o.	-	37
Olomouc Building, a.s.	160	259
Orchard Hotel a.s.	170	376
Outlet Arena Moravia, s.r.o.	-	22
Ozrics, Kft.	-	19
Pelhřimov Property Development, a.s.	-	35
Platněřská 10 s.r.o.	7	-
Pólus Shopping Center Zrt.	-	1,560
Považská Bystrica Property Development, a.s.	-	9
Prievidza Property Development, a.s.	-	23
Projekt Nisa, s.r.o.	-	1,440
Projekt Zlatý Anděl, s.r.o.	-	767
Prostějov Investments, a.s.	21	55
Příbor Property Development, s.r.o.	-	6
Real Estate Energy Kft.	2	1
Residence Belgická, s.r.o.	18	24
Residence Izabella, Zrt.	-	41
Rezidence Jančova, s.r.o.	39	2
Rezidence Malkovského, s.r.o.	18	7
Statek Kravaňe, a.s.	2,610	66
Statenice Property Development, a.s.	-	30
Svitavy Property Alfa, a.s.	-	115
Tepelné hospodářství Litvínov, s.r.o.	7	9
Třinec Investments, s.r.o.	-	52
Třinec Property Development, a.s.	164	66
Tyršova 6, a.s.	13	46
U svatého Michala, a.s.	-	32
V Team Prague, s.r.o.	82	-
Vigano, a.s.	337	-
Ždírec Property Development, a.s.	-	12
Total loans provided current - related parties	59,917	43,251
<b>Entities over which the majority shareholder has control</b>		
GAMALA LIMITED	35,109	56,442
<b>Joint venture</b>		
Uniborc S.A.	139	133
<b>Total</b>	<b>95,165</b>	<b>99,826</b>

**Other current receivables (Deposits)**

<b>CPI PG Group</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
BAYTON Gama, a.s.	3,811	-
BPT Development, a.s.	3,810	-
Byty Lehovec, s.r.o.	3,600	-
CPI – Horoměřice, a.s.	3,600	-
CPI – Orlová, a.s.	3,600	-
CPI Flats, a.s.	3,600	-
CPI Green, a.s.	3,600	-
CPI Kvarta, s.r.o.	3,600	-
CPI Kvinta, s.r.o.	3,600	-
CPI Omikrón, a.s.	3,600	-
CPI Reality, a.s.	6,200	-
CPI Retail Portfolio I, a.s.	3,600	-
CPI Retails ONE, a.s.	9,100	-
CPI Retails TWO, a.s.	3,600	-
CPI Shopping MB, a.s.	7,400	-
CPI Shopping Teplice, a.s.	3,600	-
CPI Sekunda, s.r.o.	3,600	-
CPI Tercie, s.r.o.	3,600	-
CPI Théta, a.s.	3,600	-
Czech Property Investments, a.s.	9,200	-
HD Investment s.r.o.	3,600	-
Jetřichovice Property, a.s.	3,600	-
Kosmonosy Investments, s.r.o.	3,600	-
Marissa Gama, a.s.	9,400	-
Na Pořící, a.s.	9,400	-
Outlet Arena Moravia, s.r.o.	3,600	-
PROJECT FIRST a.s.	3,600	-
Projekt Nisa, s.r.o.	3,600	-
Rezidence Jančova, s.r.o.	3,600	-
Rezidence Malkovského, s.r.o.	3,600	-
Statenice Property Development, a.s.	3,600	-
Tachov Investments, s.r.o.	3,600	-
Telč Property Development, a.s.	3,600	-
ZET.office, a.s.	1,200	-
<b>Total</b>	<b>149,521</b>	<b>-</b>

**Other current receivables (Cash pool)**

<b>CPI PG Group</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Balvinder, a.s.	237	-
Baudry Beta, a.s.	235	-
BAYTON Alfa, a.s.	507	-
Beroun Property Development, a.s.	204	-
Best Properties South, a.s.	1,261	-
Brandýs Logistic, a.s.	716	-
Brno Development Services, s.r.o.	34	-
BRNO INN, a.s.	91	-
CPI - Bor, a.s.	13	-
CPI - Real Estate, a.s.	180	-
CPI - Zbraslav, a.s.	23	-
CPI Beet, a.s.	83	-
CPI BYTY, a.s.	41	-
CPI Delta, a.s.	26	-
CPI East, s.r.o.	1,091	-
CPI Finance CEE, a.s.	1	-
CPI Hotels Properties, a.s.	227	-
CPI Jihlava Shopping, a.s.	402	-
CPI Kappa, s.r.o.	13	-
CPI Management, s.r.o.	366	-
CPI Meteor Centre, s.r.o.	179	-
CPI Národní, s.r.o.	1,129	-
CPI Office Prague, s.r.o.	1,610	-
CPI Palmovka Office, s.r.o.	12	-
CPI PROPERTY GROUP S.A.	3,179	-
CPI Reality, a.s.	1,060	-
CPI Retail MB s.r.o.	34	-
CPI Retail Portfolio I, a.s.	625	-
CPI Retail Portfolio II, a.s.	163	-
CPI Retail Portfolio VI, a.s.	57	-
CPI Retail Portfolio VIII, a.s.	195	-
CPI Retails ONE, a.s.	151	-

CPI PG Group	31 December 2020	31 December 2019
CPI Retails TWO, a.s.	98	-
CPI Shopping MB, a.s.	856	-
CPI Shopping Teplice, a.s.	815	-
CPI Vestec, s.r.o.	101	-
CPIPG Management S.à r.l.	169	-
Čadca Property Development, s.r.o.	215	-
Čáslav Investments, a.s.	25	-
EMH South, s.r.o.	113	-
Farhan, a.s.	1,434	-
FL Property Development, a.s.	1	-
Futurum HK Shopping, s.r.o.	1,379	-
Hospitality invest S.à r.l.	6	-
HOTEL U PARKU, s.r.o.	46	-
Hraničář, a.s.	331	-
Janáčkovo nábřeží 15, s.r.o.	270	-
Jeseník Investments, a.s.	19	-
Kerina, a.s.	228	-
KOENIG Shopping, s.r.o.	481	-
Kosmonosy Property Development, s.r.o.	189	-
LD Praha, a.s.	135	-
Lockhart, a.s.	639	-
Lucemburská 46, a.s.	227	-
Marissa Gama, a.s.	213	-
Marissa Omikrón, a.s.	190	-
Marissa Théta, a.s.	77	-
Marissa West, a.s.	761	-
Marissa Ypsilon, a.s.	202	-
MB Property Development, a.s.	178	-
MUXUM, a.s.	219	-
Na Poříčí, a.s.	54	-
OC Nová Zdobůř a.s.	239	-
OC Spektrum, s.r.o.	1,194	-
OFFICE CENTER HRADČANSKÁ, a.s.	17	-
Olomouc Building, a.s.	538	-
Orchard Hotel a.s.	215	-
Pelhřimov Property Development, a.s.	31	-
Platněšská 10 s.r.o.	1	-
Považská Bystrica Property Development, a.s.	12	-
Projekt Nisa, s.r.o.	1,678	-
Projekt Zlatý Anděl, s.r.o.	719	-
Příbor Property Development, s. r.o.	12	-
Residence Belgická, s.r.o.	60	-
Svitavy Property Alfa, a.s.	67	-
Třinec Investments, s.r.o.	45	-
Tyršova 6, a.s.	177	-
U svatého Michala, a.s.	34	-
V Team Prague, s.r.o.	677	-
Ždírec Property Development, a.s.	9	8
<b>Total</b>	<b>29,541</b>	<b>8</b>

### Non-current financial debts received from related parties

CPI PG Group	31 December 2020	31 December 2019
CPI Energo, a.s.	-	315
CPI PROPERTY GROUP S.A.	4,532,880	3,688,390
GSG Asset GmbH & Co. Verwaltungs KG	4,000	-
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	13,100	-
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	19,900	-
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	30,000	-
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	19,600	-
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	34,600	-
ST Project Limited	176,870	172,987
Total financial debts non-current - related parties	4,830,950	3,861,692
Entities over which the majority shareholder has control		
Turf Praha a.s.	-	-
<b>Total</b>	<b>4,830,950</b>	<b>3,861,692</b>

### Current financial debts received from related parties

CPI PG Group	31 December 2020	31 December 2019
BAYTON Gama, a.s.	1,732	865
BPT Development, a.s.	1,617	2,574
BRNO INN, a.s.	3,098	1,995

<b>CPI PG Group</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Brno Property Development, a.s.	21,809	22,831
Byty Lehovce, s.r.o.	3,753	-
CPI – Horoměřice, a.s.	80	280
CPI - Zbraslav, a.s.	2,590	2,619
CPI Energo, a.s.	326	12
CPI Finance CEE, a.s.	71	-
CPI Flats, a.s.	4,073	-
CPI Green, a.s.	77	-
CPI Hotels Investments Kft. (formerly BC 30 Property Kft.)	998	511
CPI Hungary Kft.	809	786
CPI Kvarta, s.r.o.	2	-
CPI Kvinta, s.r.o.	2	-
CPI Národní, s.r.o.	33,934	10,998
CPI Office Prague, s.r.o.	620	-
CPI Omikrón, a.s.	77	-
CPI PROPERTY GROUP S.A.	146,945	35,685
CPI Retail MB, s.r.o.	39	-
CPI Retail Portfolio II, a.s.	714	3,226
CPI Sekunda, s.r.o.	2	-
CPI Tercie, s.r.o.	2	-
CPI Théta, a.s.	76	-
Czech Property Investments, a.s.	135,863	134,198
GSG Asset GmbH & Co. Verwaltungs KG	13	-
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	41	-
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	63	-
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	95	-
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	62	-
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	109	-
HOTEL U PARKU, s.r.o.	651	512
Jetřichovice Property, a.s.	247	278
Nymburk Property Development, a.s.	3,622	7,646
PROJECT FIRST, a.s.	4,720	5,344
Rezidence Jančova, s.r.o.	-	8
Rezidence Malkovského, s.r.o.	-	73
ST Project Limited	6,679	6,679
Tachov Investments, s.r.o.	53	90
Telč Property Development, a.s.	48	-
Třebiřov Property Development, s. r. o.	17	-
ZET.office, a.s. (formerly CPI Orange, a.s.)	76	-
Total financial debts current - related parties	375,805	237,210
<b>Entities over which the majority shareholder has control</b>		
Turf Praha a.s.	-	50
<b>Entities controlled by members of Board of Directors</b>		
CPI Yellow, a.s.	72	-
Turf Praha a.s.	48	-
<b>Total</b>	<b>375,925</b>	<b>237,260</b>

### Other current liabilities (Cash pool)

<b>CPI PG Group</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Baudry Beta, a.s.	376	-
Beroun Property Development, a.s.	337	-
Brandýs Logistic, a.s.	652	560
Březiněves, a.s.	1,411	-
CB Property Development, a.s.	1,275	-
CPI - Bor, a.s.	135	-
CPI - Zbraslav, a.s.	33	-
CPI BYTY, a.s.	3,111	-
CPI Delta, a.s.	55	-
CPI East, s.r.o.	1,152	-
CPI Energo, a.s.	424	-
CPI Jihlava Shopping, a.s.	1,024	-
CPI Management, s.r.o.	590	-
CPI Meteor Centre, s.r.o.	401	-
CPI Národní, s.r.o.	1,356	-
CPI Palmovka Office, s.r.o.	50	-
CPI Property a Facility, s.r.o.	276	-
CPI Reality, a.s.	1,086	-
CPI Retail Portfolio II, a.s.	199	-
CPI Retail Portfolio IV, a.s.	25	-
CPI Retail Portfolio V, a.s.	328	-
CPI Retail Portfolio VI, a.s.	78	-



CPI PG Group	31 December 2020	31 December 2019
CPI Retails ONE, a.s.	232	-
CPI Retails Rosa s.r.o.	56	-
CPI Retails THREE, a.s.	500	-
CPI Retails TWO, a.s.	312	-
CPI Services, a.s.	2,555	-
CPI Shopping MB, a.s.	493	-
CPI Vestec, s.r.o.	129	-
Czech Property Investments, a.s.	231	-
Čáslav Investments, a.s.	48	-
EMH South, s.r.o.	145	-
Farhan, a.s.	1,629	-
FL Property Development, a.s.	2	-
IGY2 CB, a.s.	730	-
Jeseník Investments, a.s.	64	-
Komárno Property Development, a.s.	36	-
Kosmonosy Property Development, s.r.o.	191	-
Levice Property Development, a.s.	63	-
Marissa Gama, a.s.	697	-
Marissa Omikrón, a.s.	351	-
Marissa West, a.s.	1,069	-
Marissa Ypsilon, a.s.	78	-
Michalovce Property Development, a.s.	81	-
MMR RUSSIA S.à r.l.	10	-
Na Poříčí, a.s.	250	-
OC Nová Zdáboř a.s.	516	-
OC Spektrum, s.r.o.	1	-
OFFICE CENTER HRADČANSKÁ, a.s.	215	-
Pelhřimov Property Development, a.s.	53	-
Prievidza Property Development, a.s.	32	-
Projekt Zlatý Anděl, s.r.o.	1,848	-
Příbor Property Development, s. r.o.	3	-
Svitavy Property Alfa, a.s.	373	-
Tepelné hospodářství Litvínov s.r.o.	107	-
Třinec Investments, s.r.o.	57	-
Třinec Property Development, a.s.	335	-
Ždírec Property Development, a.s.	14	25
<b>Total</b>	<b>27,880</b>	<b>585</b>

### Interest income from related parties

CPI PG Group	2020	2019
1 Bishops Avenue Limited	3,423	206
AIRPORT CITY Kft.	705	598
Airport City Phase B Kft.	76	59
Andrássy Hotel Zrt.	212	135
Andrássy Real Kft.	504	914
Arena Corner Kft.	1,582	1,279
Balvinder, a.s.	209	311
BARON PUGLIA S.a.r.l.	529	20
Baudry Beta, a.s.	482	446
BAYTON Alfa, a.s.	692	1,161
BC 30 Property Kft.	-	2
BC 91 Real Estate Kft.	68	19
BC 99 Office Park Kft.	1,561	1,167
Beroun Property Development, a.s.	467	538
Best Properties South, a.s.	2,413	2,838
BPT Development, a.s.	-	233
Brandýs Logistic, a.s.	952	561
Brno Development Services, s.r.o.	18	-
Brno Property Development, a.s.	-	44
Březiněves, a.s.	373	626
Buy-Way Dunakeszi Kft.	297	215
Buy-Way Soroksár Kft.	206	116
Byty Lehovec, s.r.o.	742	176
CAMPONA Shopping Center Kft.	5,290	5,531
Carpenter Invest, a.s.	143	203
CB Property Development, a.s.	71	62
Conradian, a.s.	369	537
CPI - Bor, a.s.	530	164
CPI - Orlová, a.s.	67	66
CPI - Real Estate, a.s.	95	125
CPI Blatiny, s.r.o.	-	407

CPI PG Group	2020	2019
CPI Beet, a.s.	14	25
CPI BYTY, a.s.	3,827	4,717
CPI Delta, a.s.	83	59
CPI East, s.r.o.	4,118	10,285
CPI Flats, a.s.	4	91
CPI Hotels, a.s.	526	-
CPI Hotels Europeum Kft.	32	-
CPI Hotels Properties, a.s.	512	364
CPI IMMO, S.a.r.l.	57	57
CPI Jihlava Shopping, a.s.	1,006	1,178
CPI Kappa, s.r.o.	57	74
CPI Management, s.r.o.	1	-
CPI Meteor Centre, s.r.o.	606	539
CPI Národní, s.r.o.	1	-
CPI Office Prague, s.r.o.	956	5,602
CPI Palmovka Office, s.r.o.	148	66
CPI Property a Facility, s.r.o.	5	13
CPI PROPERTY GROUP S.A.	35,957	12,373
CPI Reality, a.s.	2,504	2,693
CPI Retail One Kft.	813	1,042
CPI Retail Portfolio Holding Kft.	850	1,935
CPI Retail Portfolio I, a.s.	99	210
CPI Retail Portfolio II, a.s.	-	170
CPI Retail Portfolio IV, s.r.o.	48	171
CPI Retail Portfolio V, s.r.o.	190	228
CPI Retail Portfolio VI, s.r.o.	64	76
CPI Retail Portfolio VIII s.r.o.	215	221
CPI Retails ONE, a.s.	478	623
CPI Retails ROSA s.r.o.	159	173
CPI Retails THREE, a.s.	1,160	1,392
CPI Retails TWO, a.s.	356	525
CPI Services, a.s.	85	51
CPI Shopping MB, a.s.	1,709	2,119
CPI Shopping Teplice, a.s.	2,967	2,228
CPI Vestec, s.r.o.	288	312
Czech Property Investments, a.s.	36,835	21,534
Čadca Property Development, s.r.o.	41	105
Čáslav Investments, a.s.	131	157
Duca Puglia S.r.l.	307	-
EMH South, s.r.o.	408	739
ENDURANCE HOSPITALITY FINANCE S. a r.l.	96	173
Europeum Kft.	1,241	175
Farhan, a.s.	2,809	2,884
FL Property Development, a.s.	10	12
Futurum HK Shopping, s.r.o.	4,332	4,174
Gateway Office Park Kft.	563	456
Gewerbesiedlungs-Gessellschaft mbH	52	-
HD Investment s.r.o.	4	4
Hightech Park Kft.	210	172
Hospitality Invest S. a r.l.	-	19
Hraničář, a.s.	675	754
IGY2 CB, a.s.	196	140
IS Nyír Ingatlanhasznosítóés Vagyonkezelő Kft.	79	169
IS Zala Ingatlanhasznosítóés Vagyonkezelő Kft.	599	735
Janáčkovo náměstí 15, s.r.o.	351	516
Jeseník Investments, a.s.	109	129
Kerina, a.s.	262	300
KOENIG Shopping, s.r.o.	2,724	4,091
Komárno Property Development, a.s.	63	191
Kosmonosy Property Development, s.r.o.	384	378
Kravařská zemědělská, a.s.	159	163
LD Praha, a.s.	175	354
Levice Property Development, a.s.	157	327
Liptovský Mikuláš Property Development, a.s.	286	451
Lockhart, a.s.	1,529	1,565
Lucemburská 46, a.s.	146	213
Marissa Gama, a.s.	1,887	1,751
Marissa Omikrón, a.s.	838	956
Marissa Tau, a.s.	396	547
Marissa Théta, a.s.	38	50
Marissa West, a.s.	2,615	3,296

CPI PG Group	2020	2019
Marissa Yellow, a.s.	524	921
Marissa Ypsilon, a.s.	1,949	2,239
MB Property Development, a.s.	70	48
Michalovce Property Development, a.s.	177	395
MUXUM, a.s.	141	274
Na Poříčí, a.s.	1,744	2,008
New Age Kft.	40	22
OC Nová Zdaboř a.s.	432	442
OC Spektrum, s.r.o.	558	403
OFFICE CENTER HRADČANSKÁ, a.s.	639	777
Office Center Poštová, s.r.o.	122	188
Olomouc Building, a.s.	651	977
Orchard Hotel a.s.	662	641
Outlet Arena Moravia, s.r.o.	15	90
Ozrics, Kft.	147	51
Pelhřimov Property Development, a.s.	140	153
Platněšská 10 s.r.o.	7	-
Pólus Shopping Center Zrt.	4,399	4,197
Považská Bystrica Property Development, a.s.	37	114
Prievidza Property Development, a.s.	95	283
Projekt Nisa, s.r.o.	4,705	6,548
Projekt Zlatý Anděl, s.r.o.	3,229	5,014
Prostějov Investments, a.s.	42	54
Příbor Property Development, s.r.o.	19	26
Real Estate Energy Kft.	9	1
Residence Belgická, s.r.o.	72	80
Residence Izabella, Zrt.	222	137
Rezidence Jančova, s.r.o.	49	2
Rezidence Malkovského, s.r.o.	33	9
Savile Row 1 Limited	9	-
Spišská Nová Ves Property Development, a.s.	-	346
Statek Kravaře, a.s.	237	66
Statenice Property Development, a.s.	115	123
Svitavy Property Alfa, a.s.	469	727
Telč Property Development, a.s.	1	24
Tepelné hospodářství Litvínov, s.r.o.	35	34
Třebíšov Property Development, s.r.o.	1	19
Třebíč Investments, s.r.o.	-	95
Třinec Investments, s.r.o.	111	128
Třinec Property Development, a.s.	214	249
Tyršova 6, a.s.	57	59
U svatého Michala, a.s.	133	176
V Team Prague, s.r.o.	252	-
Vigano, a.s.	641	900
Vysočina Investments, a.s.	-	199
Ždírec Property Development, a.s.	34	49
Total interest income - related parties	165,916	145,339
Entities over which the majority shareholder has control		
GAMALA LIMITED	2,655	2,782
Joint venture		
Uniborc S.A.	821	772
<b>Total</b>	<b>169,392</b>	<b>148,893</b>

### Interest expense from related parties

CPI PG Group	2020	2019
Baudry Beta, a.s.	1	-
BAYTON Gama, a.s.	37	2
BC 91 Real Estate Kft.	-	97
Beroun Property Development, a.s.	2	-
Best Properties South, a.s.	1	-
BPT Development, a.s.	65	16
Brandýs Logistic, a.s.	9	1
BRNO INN, a.s.	78	27
Brno Property Development, a.s.	637	701
Březiněves, a.s.	11	-
Byty Lehovec, s.r.o.	4	-
CB Property Development, a.s.	3	-
CPI - Bor, a.s.	-	22
CPI - Horoměřice, a.s.	7	8
CPI - Zbraslav, a.s.	76	87
CPI BYTY, a.s.	24	-

CPI PG Group	2020	2019
CPI East, s.r.o.	5	-
CPI Energo, a.s.	11	9
CPI Finance CEE, a.s.	2	-
CPI Flats, a.s.	84	-
CPI Green, a.s.	2	-
CPI Hotels Properties, a.s.	-	48
CPI Hungary Kft.	24	23
CPI Hungary Investments Kft. (formerly BC 30 Property Kft.)	13	220
CPI Jihlava Shopping, a.s.	1	-
CPI Management, s.r.o.	1	-
CPI Meteor Centre, s.r.o.	1	-
CPI Národní, s.r.o.	892	271
CPI Office Prague, s.r.o.	41	-
CPI Omikrón, a.s.	2	-
CPI Property a Facility, s.r.o.	1	-
CPI PROPERTY GROUP S.A.	139,864	84,471
CPI Reality, a.s.	4	-
CPI Retail MB s.r.o.	38	-
CPI Retail Portfolio II, a.s.	102	9
CPI Retail Portfolio V, s.r.o.	1	-
CPI Retails ONE, a.s.	1	-
CPI Retails TWO, a.s.	1	-
CPI Retails THREE, a.s.	1	-
CPI Services, a.s.	9	-
CPI Shopping MB, a.s.	2	-
CPI Théta, a.s.	2	-
Czech Property Investments, a.s.	1,665	200
EMH South, s.r.o.	1	-
Farhan, a.s.	3	-
GSG Asset GmbH & Co. Verwaltungs KG	13	-
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	41	-
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	63	-
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	95	-
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	62	-
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	110	-
HOTEL U PARKU, s.r.o.	16	9
IGY2 CB, a.s.	2	-
Janáčkovo nábřeží 15, s.r.o.	-	122
Jetřichovice Property, a.s.	7	8
Kosmonosy Property Development, s.r.o.	1	-
Lucemburská 46, a.s.	-	44
Marissa Gama, a.s.	2	-
Marissa Omikrón, a.s.	1	-
Marissa West, a.s.	4	-
Michalovce Property Development, a.s.	1	-
Na Pořičí, a.s.	2	-
Nymburk Property Development, a.s.	177	214
OC Nová Zdobůř a.s.	1	-
OC Spektrum, s.r.o.	1	-
OFFICE CENTER HRADČANSKÁ, a.s.	1	-
Pelhřimov Property Development, a.s.	1	-
PROJECT FIRST a.s.	139	160
Projekt Zlatý Anděl, s.r.o.	4	-
Residence Belgická, s.r.o.	-	2
ST Project Limited	-	3,543
Svitavy Property Alfa, a.s.	1	-
Tachov Investments, s.r.o.	2	1
Telč Property Development, a.s.	2	-
Tepelné hospodářství Litvínov s.r.o.	1	-
Třinec Property Development, a.s.	1	-
ZET.office, a.s. (formerly CPI Orange, a.s.)	2	-
Total interest expense - related parties	144,482	90,315
Entities over which the majority shareholder has control		
Turf Praha a.s.	-	19
Entities controlled by members of Board of Directors		
CPI Yellow, a.s.	2	-
<b>Total</b>	<b>144,484</b>	<b>90,334</b>

**Resale of Globalworth Real Estate Investments Limited shares**

On 6 March 2020, the Group purchased 1,500 thousand shares of Globalworth Real Estate Investments Limited for EUR 14.8 million from CPI PG. On 10 and 17 March 2020, the shares were sold for the same amount to the related party Zakiono Enterprises Limited.

**Acquisition of Pietroni, s.r.o.**

On 29 November 2019, the Group acquired 100% shares in Pietroni, s.r.o. from the majority shareholder for EUR 1 (see note 3.3). Pietroni, s.r.o. owned 67,000,000 pieces of CPI PG's shares as of the acquisition date (see note 6.3). As part of the transaction, the Group acquired current financial liability of EUR 10.1 million provided by (and repaid in 2019 to) the majority shareholder.

**Sale of subsidiaries**

In 2019, the Group sold the following subsidiaries to related company CPI a.s.:

- On 14 November 2019, CT Development sp. z o.o. was sold for EUR 2 thousand,
- On 14 November 2019, Moniuszki Office sp. z o.o. was sold for EUR 2 thousand,
- On 2 December 2019, Equator II Development sp. z o.o. was sold for EUR 2 thousand,
- On 18 December 2019, GCA Property Development sp. z o.o. was sold for EUR 2 thousand.

The related party transactions were priced on arm's length basis.

## 12 Events after the reporting period

**Disposal of CPI PROPERTY GROUP shares**

On 22 February 2021, the Company tendered 252,302,248 shares of CPI PG at the price of EUR 0.616 per share into the share buy back announced by CPI PG. On 26 February 2021, the Company completed disposal of 252,302,248 shares to CPI PG for an aggregate price of EUR 155.4 million. The Company's subsidiary Pietroni continues to hold 67,000,000 shares of CPI PG, representing 0.77% shareholding in CPI PG.

On 26 February 2021, the related party Gamala repaid its loan received from the Group of EUR 35.4 million.

**Impact of COVID -19 pandemic on the Group**

COVID-19, an infectious disease caused by a new virus, was declared a world-wide pandemic by the WHO on 11 March 2020. The measures to slow the spread of COVID-19 have had a significant impact on the global economy.

The outbreak of the pandemic heavily impacted global financial markets, economies and the real estate sector. The office portfolios were however effectively operating normally, with stable occupancy, rents and collection rates close to 100%. The Group was able to invoice and regularly collect rent across its portfolio, even at the peak of the COVID-19 outbreak.

The Group's main shareholder CPI PG Group currently has EUR 1.4 billion of liquidity including EUR 700 million of undrawn revolving credit facility due in 2026.

As Covid-19 pandemic lockdowns had no significant impact on the CPI PG Group's business, the CPI PG Group decided to further improve its financing structure by refinancing its issued bonds and perpetual notes in 2020 and at the beginning of 2021.

As an effect of COVID-19 pandemic, the Group's capital expenditure and development plans are being reassessed and reprioritized. The Group has taken actions to reduce overhead and other costs.

Therefore, the Group does not expect the COVID-19 pandemic to have impact on its ability to continue as a going concern.

## Appendix I – List of group entities

### Entities fully consolidated

Company	Country	31 December 2020	31 December 2019
Bubenská 1, a.s.	Czech Republic	100.00%	100.00%
Bubny Development, s.r.o.	Czech Republic	20.00%	20.00%
BYTY PODKOVA, a.s.	Czech Republic	100.00%	100.00%
Camuzzi, a.s.	Czech Republic	100.00%	100.00%
Castor Investments sp. z o.o.	Poland	100.00%	100.00%
Castor Investments sp. z o.o. S.K.A.	Poland	100.00%	100.00%
CD Property s.r.o.	Czech Republic	100.00%	100.00%
CEREM S.A.	Luxembourg	-	100.00%
CPI - Krásné Březno, a.s.	Czech Republic	100.00%	100.00%
CPI - Land Development, a.s.	Czech Republic	100.00%	100.00%
CPI Park Žďárek, a.s.	Czech Republic	99.98%	99.98%
CPI Pigna S.r.l.	Italy	100.00%	100.00%
CPI REV Italy II S.r.l.	Italy	100.00%	100.00%
CPI South, s.r.o.	Czech Republic	90.00%	90.00%
Darilia, a.s.	Czech Republic	20.00%	20.00%
Development Doupovská, s.r.o.	Czech Republic	75.00%	75.00%
Diana Property Sp. z o.o.	Poland	100.00%	100.00%
Endurance Real Estate Management Company Sàrl	Luxembourg	-	100.00%
Equator IV Offices sp. z o.o.	Poland	100.00%	100.00%
Estate Grand, s.r.o.	Czech Republic	100.00%	100.00%
Eurocentrum Offices sp. z o.o.	Poland	100.00%	100.00%
HAGIBOR OFFICE BUILDING, a.s.	Czech Republic	100.00%	100.00%
Industrial Park Stříbro, s.r.o.	Czech Republic	100.00%	100.00%
JIHOVÝCHODNÍ MĚSTO, a.s.	Czech Republic	100.00%	100.00%
Karviná Property Development, a.s.	Czech Republic	100.00%	100.00%
Land Properties, a.s.	Czech Republic	100.00%	100.00%
LES MAS DU FIGUER	France	100.00%	100.00%
Marki Real Estate Sp. z o.o.	Poland	100.00%	100.00%
MQM Czech, a.s.	Czech Republic	20.00%	20.00%
NOVÁ ZBROJOVKA, s.r.o.	Czech Republic	100.00%	100.00%
Nupaky a.s.	Czech Republic	100.00%	100.00%
Pietroni, s.r.o.	Czech Republic	100.00%	100.00%
Polygon BC, a.s.	Czech Republic	20.00%	20.00%
Rezidence Pragovka, s.r.o.	Czech Republic	100.00%	100.00%
SCP Reflets	Monaco	100.00%	100.00%
Strakonice Property Development, a.s.	Czech Republic	100.00%	100.00%
STRM Alfa, a.s.	Czech Republic	20.00%	20.00%
STRM Beta, a.s.	Czech Republic	100.00%	100.00%
STRM Gama, a.s.	Czech Republic	100.00%	100.00%
Svitavy Property Development, a.s.	Czech Republic	100.00%	100.00%
Vysočany Office, a.s.	Czech Republic	20.00%	20.00%
WFC Investments sp. z o.o.	Poland	100.00%	100.00%

### Equity method investments

Company	Country	31 December 2020	31 December 2019
Beta Development, s.r.o.	Czech Republic	35.00%	35.00%
Brillant 1419. Verwaltungs GmbH	Germany	-	49.00%
Uniborc S.A.	Luxembourg	35.00%	35.00%

## Independent auditor's report

To the Shareholders of  
CPI FIM SA  
40, rue de la Vallée  
L-2661 Luxembourg

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of CPI FIM SA (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

#### Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key audit matters**

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

### **a) Impairment of loans provided**

#### *Description*

Loans provided represent 67% of the total Group's consolidated assets. The majority of the loans provided have been granted to related parties as detailed in Note 6.4 in the consolidated financial statements. The process for estimating impairment provision on loans provided is a significant and complex area. Management performs an impairment assessment of loans provided and recognizes an allowance for expected credit losses in accordance with IFRS 9.

Due to the complexity, significance of judgements applied and the Group's exposure to loans provided forming a major portion of the Group's assets, the audit of impairment of loans provided is a key area of focus.

#### *Auditors response*

Our audit procedures over the impairment on loans provided included, but were not limited to, the following:

- Obtained an understanding of the key contractual terms of the loans provided.
- Evaluated the application of requirement of IFRS 9 and appropriateness of the accounting policies applied by the management of the Group.
- Understood management's model used to determine impairment.
- Reviewed the data/information used in developing the model and involved EY specialist to review and challenge significant assumptions and parameters used.
- Tested the accuracy and completeness of the financial data used in the model.
- Tested the arithmetical accuracy of the model applied.
- Reviewed and ensured the completeness of the consolidated financial statements disclosures in terms of IFRS 9.

### **b) Valuation of investment property**

#### *Description*

The Group owns a portfolio of investment properties comprising office, land, development, retail and residential type of properties located in Europe. Investment property represents 21% of the total Group's assets as at 31 December 2020. Investment properties are valued at fair value in accordance with the Group accounting policies.



Valuation of investment property is a significant judgemental area and is underpinned by a number of factual inputs and assumptions. The valuation is inherently subjective due to, among other factors, the individual nature of each property, the location and the expected cash flows generated by future rentals. The management engaged independent external valuers (hereafter the “Valuers”) to externally value 97% of the Group’s investment properties.

In determining a property’s valuation, the Valuers take into account property specific characteristics and information such as the correct tenancy agreements and rental income. They apply assumptions for yields and estimated market rent, which are influenced by prevailing market yields and comparable market transactions, to come up with their assessment of the fair value.

Due to the above mentioned matters, we consider valuation of investment property as a key audit matter.

#### *Auditors response*

Our audit procedures over the valuation of investment property included, but were not limited to, the following:

- We evaluated the competence, capabilities and objectivity of the valuers and read the terms of engagement of the Valuers to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.
- For a sample of the valuations across all asset classes, geographical locations and external valuers, we traced the inputs used in the valuation process to corresponding lease agreements and other relevant documentation.
- In particular, we assessed whether the applied valuation methods are appropriate for the purpose of the valuation of the underlying investment property.
- We also involved our own real estate specialist to assist us in evaluating the reasonableness of the assumptions used in valuation models including yields and estimated market rent, for the sample of investment properties.
- We evaluated any caveats or limitations, if any, included in the Valuers’ reports.
- We assessed the adequacy of the disclosures in the consolidated financial statements.

#### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated annual report including the Group management report and the corporate governance statement but does not include the consolidated financial statements and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

## **Responsibilities of the Board of Directors and of those charged with governance for the consolidated financial statements**

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Responsibilities of the “réviseur d'entreprises agréé” for the audit of the consolidated financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

### **Report on other legal and regulatory requirements**

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 3 October 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.

The Group management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

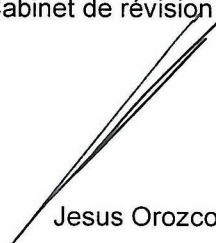
The corporate governance statement, included in the consolidated management report, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.



We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

A handwritten signature in black ink, consisting of several overlapping strokes, is written over the text 'Jesus Orozco'.

Jesus Orozco

Luxembourg, 31 March 2021

**CPI FIM SA**

**Société Anonyme**

R.C.S. Luxembourg B 44.996

ANNUAL ACCOUNTS AND REPORT  
OF THE REVISEUR D'ENTREPRISES AGREE  
31 DECEMBER 2020

40, rue de la Vallée  
L-2661 Luxembourg  
Share capital: EUR 13,145,076  
R.C.S. Luxembourg B 44.996

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## Independent auditor's report

To the Shareholders of  
CPI FIM SA  
40, rue de la Vallée  
L-2661 Luxembourg

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of CPI FIM SA (the "Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key audit matters**

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

### **a) Valuation of financial assets (shares in affiliated undertakings and loans to affiliated undertakings)**

#### *Description*

Financial assets represent 90% of the total assets of the Company as at 31 December 2020.

The assessment of the valuation of financial assets requires significant judgement applied by the management in assessing the recovery value of the financial assets and the permanent nature of a potential impairment.

This matter was considered to be a key matter in our audit, since the aforementioned estimates are complex and require significant judgements by management of the Company.

#### *Auditors response*

Our audit procedures over the valuation of financial assets included, but were not limited to, the following:

- Ensured existence, initial cost of investment and ownership of the investments through inspection of acquisition agreements and commercial registers of the underlying investees.
- Understood the process of financial assets valuation and management's impairment assessment and evaluated the appropriateness of the application of the Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.
- Tested the arithmetical accuracy of the management's impairment test based on comparison with the net equity of the underlying investees and assessed the conclusions reached by the management in respect of recognized impairment and/or reversal of historical impairment.
- Tested the accuracy and completeness of the provided loan database, on a representative sample basis, by tracing the loan terms to the underlying loan agreements, the repayments of principal and interest to the bank statements and the outstanding loan and accrued interest balances to the counterparties.
- Performed recalculation of the interest on loans to affiliated undertaking based on known data.
- Reviewed and ensured the completeness of the financial statements' disclosures.



## **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report and the corporate governance statement but does not include the financial statements and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

## **Responsibilities of the Board of Directors and of those charged with governance for the financial statements**

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors 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 Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process

## **Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit 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 a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of 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 report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, "actions taken to eliminate threats or safeguards applied".

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

## Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on 3 October 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.


The management report, which is the responsibility of the Board of Directors, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, included in the management report, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Jesus Orozco

Luxembourg, 31 March 2021

**Annual Accounts Helpdesk :**

**Tel. :** (+352) 247 88 494  
**Email :** centralebilans@statec.etat.lu

RCSL Nr. : B44996

Matricule : 1993 2209 554

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 (in <sup>03</sup> EUR )

CPI FIM SA

40, rue de la Vallée  
L-2661 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <u>5.196.830.921,00</u>	110 <u>4.430.991.674,00</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

RCSL Nr. : B44996

Matricule : 1993 2209 554

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
<b>III. Financial assets</b>	1135 <u>Note 3</u>	135 <u>5.196.830.921,00</u>	136 <u>4.430.991.674,00</u>
1. Shares in affiliated undertakings	1137 <u>Note 3.1</u>	137 <u>593.722.879,00</u>	138 <u>611.380.313,00</u>
2. Loans to affiliated undertakings	1139 <u>Note 3.2</u>	139 <u>4.518.796.421,00</u>	140 <u>3.728.048.656,00</u>
3. Participating interests	1141 <u>Note 3.3</u>	141 <u>672.226,00</u>	142 <u>619.726,00</u>
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 <u>Note 3.4</u>	143 <u>12.605.423,00</u>	144 <u>11.790.718,00</u>
5. Investments held as fixed assets	1145 <u>Note 3.5</u>	145 <u>70.888.007,00</u>	146 <u>71.042.007,00</u>
6. Other loans	1147 <u>Note 3.6</u>	147 <u>145.965,00</u>	148 <u>8.110.254,00</u>
<b>D. Current assets</b>	1151 <u>Note 4</u>	151 <u>601.112.267,00</u>	152 <u>223.405.184,00</u>
<b>I. Stocks</b>	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
<b>II. Debtors</b>	1163	163 <u>395.367.255,00</u>	164 <u>117.147.740,00</u>
1. Trade debtors	1165	165 <u>220.070,00</u>	166 <u>189.934,00</u>
a) becoming due and payable within one year	1167	167 <u>220.070,00</u>	168 <u>189.934,00</u>
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171 <u>369.290.596,00</u>	172 <u>115.967.090,00</u>
a) becoming due and payable within one year	1173 <u>Note 4.1</u>	173 <u>330.746.072,00</u>	174 <u>115.967.090,00</u>
b) becoming due and payable after more than one year	1175 <u>Note 4.2</u>	175 <u>38.544.524,00</u>	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 <u>Note 4.3</u>	177 <u>139.347,00</u>	178 <u>185.223,00</u>
a) becoming due and payable within one year	1179	179 <u>139.347,00</u>	180 <u>185.223,00</u>
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 <u>25.717.242,00</u>	184 <u>805.493,00</u>
a) becoming due and payable within one year	1185 <u>Note 4.4</u>	185 <u>25.717.242,00</u>	186 <u>805.493,00</u>
b) becoming due and payable after more than one year	1187	187	188

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>205.745.012,00</u>	198 <u>106.257.444,00</u>
<b>E. Prepayments</b>	1199 _____	199 <u>55.322,00</u>	200 <u>468.622,00</u>
	<b>TOTAL (ASSETS)</b>	201 <u>5.797.998.510,00</u>	202 <u>4.654.865.480,00</u>

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**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>Note 5</u>	301 <u>497.453.637,00</u>	302 <u>496.713.580,00</u>
I. Subscribed capital	1303 _____	303 <u>13.145.076,00</u>	304 <u>13.145.076,00</u>
II. Share premium account	1305 _____	305 <u>784.669.809,00</u>	306 <u>784.669.809,00</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>448.131.945,00</u>	310 <u>448.131.945,00</u>
1. Legal reserve	1311 _____	311 <u>448.131.945,00</u>	312 <u>448.131.945,00</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 <u>-749.233.251,00</u>	320 <u>-852.773.642,00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>740.058,00</u>	322 <u>103.540.392,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
<b>C. Creditors</b>	1435 _____	435 <u>5.300.544.873,00</u>	436 <u>4.158.139.576,00</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 <u>20.217,00</u>	356 _____
a) becoming due and payable within one year	1357 <u>Note 6</u>	357 <u>20.217,00</u>	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>1.415.538,00</u>	368 <u>1.235.078,00</u>
a) becoming due and payable within one year	1369 _____	369 <u>1.415.538,00</u>	370 <u>1.235.078,00</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____ <u>Note 7</u>	379 <u>5.294.816.445,00</u>	380 <u>4.156.207.912,00</u>
a) becoming due and payable within one year	1381 _____ <u>Note 7.1</u>	381 <u>449.477.130,00</u>	382 <u>276.290.822,00</u>
b) becoming due and payable after more than one year	1383 _____ <u>Note 7.2</u>	383 <u>4.845.339.315,00</u>	384 <u>3.879.917.090,00</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____ <u>Note 8</u>	451 <u>4.292.673,00</u>	452 <u>696.586,00</u>
a) Tax authorities	1393 _____	393 <u>142.742,00</u>	394 <u>611.450,00</u>
b) Social security authorities	1395 _____	395 <u>31.709,00</u>	396 <u>34.205,00</u>
c) Other creditors	1397 _____	397 <u>4.118.222,00</u>	398 <u>50.931,00</u>
i) becoming due and payable within one year	1399 _____	399 <u>4.118.222,00</u>	400 <u>50.931,00</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 _____	404 <u>12.324,00</u>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 <u>5.797.998.510,00</u>	406 <u>4.654.865.480,00</u>



**Annual Accounts Helpdesk :**

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Matricule : 1993 2209 554

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 (in <sup>03</sup> EUR )

CPI FIM SA

40, rue de la Vallée  
L-2661 Luxembourg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 <u>72.660,00</u>
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____ <u>Note 9</u>	713 <u>24.443.133,00</u>	714 <u>22.566.929,00</u>
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____ <u>Note 10</u>	671 <u>-9.656.082,00</u>	672 <u>-8.907.845,00</u>
a) Raw materials and consumables	1601 _____	601 <u>-14.070,00</u>	602 <u>-25.092,00</u>
b) Other external expenses	1603 _____	603 <u>-9.642.012,00</u>	604 <u>-8.882.753,00</u>
<b>6. Staff costs</b>	1605 _____ <u>Note 11</u>	605 <u>-1.020.048,00</u>	606 <u>-1.214.067,00</u>
a) Wages and salaries	1607 _____	607 <u>-855.976,00</u>	608 <u>-984.076,00</u>
b) Social security costs	1609 _____	609 <u>-157.009,00</u>	610 <u>-223.748,00</u>
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 <u>-157.009,00</u>	656 <u>-223.748,00</u>
c) Other staff costs	1613 _____	613 <u>-7.063,00</u>	614 <u>-6.243,00</u>
<b>7. Value adjustments</b>	1657 _____ <u>Note 12</u>	657 <u>960.315,00</u>	658 <u>-1.095.037,00</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 <u>960.315,00</u>	662 <u>-1.095.037,00</u>
<b>8. Other operating expenses</b>	1621 _____ <u>Note 13</u>	621 <u>-3.690.045,00</u>	622 <u>-5.414.395,00</u>

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Matricule : 1993 2209 554

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715 <u>Note 14</u>	715 <u>13.093.111,00</u>	716 <u>103.260,00</u>
a) derived from affiliated undertakings	1717 _____	717 <u>13.093.111,00</u>	718 <u>103.260,00</u>
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721 <u>Note 15</u>	721 <u>183.784.565,00</u>	722 <u>152.306.108,00</u>
a) derived from affiliated undertakings	1723 <u>Note 15.1</u>	723 <u>182.963.236,00</u>	724 <u>151.518.247,00</u>
b) other income not included under a)	1725 <u>Note 15.2</u>	725 <u>821.329,00</u>	726 <u>787.861,00</u>
<b>11. Other interest receivable and similar income</b>	1727 <u>Note 16</u>	727 <u>21.824.381,00</u>	728 <u>18.552.370,00</u>
a) derived from affiliated undertakings	1729 <u>Note 16.1</u>	729 <u>12.339.902,00</u>	730 <u>16.925.332,00</u>
b) other interest and similar income	1731 <u>Note 16.2</u>	731 <u>9.484.479,00</u>	732 <u>1.627.038,00</u>
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663 _____	663 _____	664 _____
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665 <u>Note 17</u>	665 <u>27.739.575,00</u>	666 <u>22.121.673,00</u>
<b>14. Interest payable and similar expenses</b>	1627 <u>Note 18</u>	627 <u>-256.749.631,00</u>	628 <u>-94.814.843,00</u>
a) concerning affiliated undertakings	1629 <u>Note 18.1</u>	629 <u>-244.203.741,00</u>	630 <u>-94.437.269,00</u>
b) other interest and similar expenses	1631 <u>Note 18.2</u>	631 <u>-12.545.890,00</u>	632 <u>-377.574,00</u>
<b>15. Tax on profit or loss</b>	1635 _____	635 _____	636 <u>-1.263,00</u>
<b>16. Profit or loss after taxation</b>	1667 _____	667 <u>729.274,00</u>	668 <u>104.275.550,00</u>
<b>17. Other taxes not shown under items 1 to 16</b>	1637 <u>Note 19</u>	637 <u>10.784,00</u>	638 <u>-735.158,00</u>
<b>18. Profit or loss for the financial year</b>	1669 _____	669 <u>740.058,00</u>	670 <u>103.540.392,00</u>

**NOTE 1 - GENERAL INFORMATION**

CPI FIM SA, Société Anonyme (“the Company” and “CPI FIM”), formerly named ORCO Property Group, RCS number B 44.996, was incorporated under the Luxembourg Company Law on 9 September 1993 as a limited liability company (Société Anonyme) for an unlimited period of time. The Extraordinary General Meeting of Shareholders, held on 24 April 2019, resolved to change the name of the Company from Orco Property Group to CP FIM SA.

The Company has for object the taking of participating interests, in whatsoever form in either Luxembourg or foreign countries, especially in real estate companies in the Czech Republic, Poland and other countries of Eastern Europe and the management, control and development of such participating interests. The Company, through its subsidiaries (together “the Group”), is principally involved in providing financing and management services, and the development of properties for its own portfolio or intended to be sold in the ordinary course of business.

The registered office of the Company is established at 40, rue de la Vallée, L-2661 Luxembourg.

As at 31 December 2020 the Company’s shares were listed on the regulated markets of the Warsaw Stock Exchange and of the Luxembourg Stock Exchange. In 2016, the Board of Directors following an in-depth review of its structure, operational and financial performances and costs, related to its listing on Euronext Paris as taking the liquidity and trade volumes into account, voluntarily requested the delisting of all of its ordinary shares from Euronext Paris. The voluntary delisting request was approved by Euronext on 7 January 2016 and the all listed shares were transferred and sold to the Luxembourg Stock Exchange as from 4 February 2016.

The financial year is from 1 January 2020 to 31 December 2020.

As at 31 December 2020, the Company is directly controlled by CPI Property Group S.A. at 97.31 % (2019: 97.31%), a Luxembourg entity of which Mr. Radovan Vitek is the ultimate beneficial owner with 94.18 % of voting rights (2019: 94.18 %).

Other shares grant 2.69% voting rights.

Total 1,314,507,629 shares grant 100.00% voting rights.

**Board of Directors**

As at 31 December 2020, the Board of Directors consists of the following directors:

Mr. David Greenbaum

Mr. Edward Hughes

Mrs. Anita Dubost

Mr. Scot Wardlaw

The consolidated financial statements and separate annual accounts of the Company can be obtained at its registered office, 40, rue de la Vallée, L-2661 Luxembourg and at the following website: [www.cpfimsa.com](http://www.cpfimsa.com).

## **NOTE 2 - ACCOUNTING PRINCIPLES, RULES AND METHODS**

### **Basis of preparation and going concern**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation rules are, besides the ones laid down by the law of 10 August 1915, as subsequently amended (“the Commercial Company Law”), determined and applied by the Board of Directors.

### **COVID-19 disclosure**

The assessment relating to COVID-19 is performed at the CPI PG Group level (the Company’s main shareholder CPI Property Group S.A. together with its subsidiaries as the “CPI PG Group”).

As COVID-19 pandemic lockdowns had no significant impact on the CPI PG Group’s business, the CPI PG Group decided to further improve its financing structure by refinancing its issued notes in 2020 and at the beginning of 2021.

As an effect of COVID-19 pandemic, the Group’s capital expenditure and development plans are being reassessed and reprioritized. The CPI PG Group has taken actions to reduce overhead and other costs.

Therefore, the CPI PG Group does not expect the COVID-19 pandemic to have impact on its ability to continue as a going concern.

### **Significant accounting policies**

#### Financial assets

Financial assets include shares in affiliated undertakings, loans to affiliated undertakings, participating interests, loans to undertakings with which the undertaking is linked by virtue of participating interests and investments held as fixed assets. Financial assets are valued individually at the lower of their acquisition price less permanent impairment or market value. Amounts owed by affiliated undertakings, amounts owed by undertakings with which the Company is linked by virtue of participating interest and other loans shown under “Financial assets” are recorded at their nominal value. A value adjustment is recorded when the recovery value is partially or fully compromised on permanent basis.

The value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

#### Provided and received cash pool transactions

The Company classifies the provided and received cash pool transactions on behalf agreed cash-pool contracts, including interests, as other current receivables and other current liabilities, respectively.

#### Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is fully or partially compromised on permanent basis. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

#### Provisions

Provisions are intended to cover losses or debts the nature of which is clearly defined and which at the balance sheet date are either likely or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created in order to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise

#### Creditors

Creditors include amounts owed to affiliated undertakings and trade and other creditors. Creditors are valued at their nominal value.

#### Conversion of foreign currencies

The Company maintains its accounting records in Euro (EUR), the balance sheet and the profit and loss account are expressed in this currency. All financial information presented in EUR has been rounded to the nearest thousands, except when otherwise indicated.

During the financial year, the acquisitions and sales of financial assets as well as income and charges in currencies other than EUR are converted into EUR at the exchange rate prevailing at the transaction dates.

At the balance sheet date, the acquisition price of the financial assets – shares in affiliated, participating interests and other investments expressed in currency other than the EUR remains converted at the historical exchange rate. All other assets and liabilities expressed in a currency other than EUR are valued at the closing rate. The unrealised and realised losses, as well as the realised gains are recorded in the profit and loss account.

#### Net turnover

Net turnover includes income from invoicing of operating costs.

#### Value adjustments

Value adjustments are deducted directly from the related asset.

#### Other operating income

Other operating income includes income from invoicing of operating costs and providing management services.

**NOTE 3 - FINANCIAL ASSETS**

<b>2020</b>	<b>Shares in affiliated undertakings</b>	<b>Loans to affiliated undertakings</b>
<u>Gross book value</u>		
Balance at 1 January 2020	698,304	3,804,247
Additions for the year	1,124	2,608,767
Disposals for the year	(24,043)	(1,838,799)
Balance at 31 December 2020	675,361	4,574,215
<u>Accumulated value adjustments</u>		
Balance at 1 January 2020	(86,924)	(76,198)
Allocations for the year	(3,256)	(31,769)
Reversals for the year	8,518	52,548
Balance at 31 December 2020	(81,638)	(55,419)
<b>Net book value as at 1 January 2020</b>	<b>611,380</b>	<b>3,728,049</b>
<b>Net book value as at 31 December 2020</b>	<b>593,723</b>	<b>4,518,796</b>

**3.1 - Shares in affiliated undertakings**

The Company compares acquisition cost with Net Equity of undertaking and applies value adjustment, when the Net equity is lower than acquisition cost. The Company uses the Net Equity method for the valuation of non-tradable shares.

Undertakings in which the Company holds participation in their share capital are detailed in the following table.

Name of the undertaking	Country	Cur.	% held	Cost	Cost change	Cost	Accumulated Impairment	Reversal of impairment / (Impairment)	Accumulated Impairment	Carrying Value	Carrying Value	Net equity (**)	Result of 2020
			as at	31.12.2020	31.12.2019	in 2020	31.12.2020	31.12.2019	in 2020	31.12.2020	31.12.2019		
Brillant 1419. GmbH*	Germany	EUR	0.00%	23	(23)	--	(23)	23	--	--	--	--	--
Bubenská 1, a.s.	Czech Republic	CZK	100.00%	24,264	--	24,264	(12,540)	6,977	(5,563)	11,724	18,701	18,701	11,724
Bubny Development, s.r.o.	Czech Republic	CZK	20.00%	15,847	--	15,847	--	--	--	15,847	15,847	170,167	136,959
BYTY PODKOVA, a.s.	Czech Republic	CZK	100.00%	80	--	80	--	--	--	80	80	3,252	13,114
Camuzzi, a.s.	Czech Republic	CZK	100.00%	2,232	--	2,232	(372)	(224)	(596)	1,860	1,636	1,636	1,860
CD Property s.r.o.	Czech Republic	CZK	100.00%	3,611	1,183	4,794	--	--	--	3,611	4,794	8,625	7,976
CEREM S.A.*	Luxembourg	EUR	0.00%	31	(31)	--	(31)	31	--	--	--	(37,154)	(36,167)
CPI - Krásné Březno, a.s.	Czech Republic	CZK	100.00%	3,049	--	3,049	(964)	466	(498)	2,085	2,551	2,551	2,085
CPI - Land Development, a.s.	Czech Republic	CZK	100.00%	52,161	--	52,161	(928)	(1,506)	(2,434)	51,233	49,727	49,727	51,233
CPI Pigna S.r.l.	Italy	EUR	100.00%	10	--	10	--	(10)	(10)	10	--	(5,433)	(38)
CPI REV Italy II S.r.l.	Italy	EUR	100.00%	10	--	10	--	(10)	(10)	10	--	(417)	(56)
CPI South, s.r.o.	Czech Republic	CZK	90.00%	1,603	--	1,603	--	(47)	(47)	1,603	1,556	1,729	1,834
Development Doupovská, s.r.o.	Czech Republic	CZK	75.00%	3,046	--	3,046	(3,046)	--	(3,046)	--	--	(186)	(244)
Diana Property Sp. z o.o.	Poland	PLN	100.00%	777	--	777	--	--	--	777	777	1,841	1,722
Endurance Real Estate Management Company S.A.*	Luxembourg	EUR	0.00%	125	(125)	--	--	--	--	125	--	273	129
Equator IV Offices sp. z o.o.	Poland	PLN	100.00%	15,323	(43)	15,279	--	--	--	15,323	15,279	15,910	13,416
Estate Grand, s.r.o.	Czech Republic	CZK	100.00%	8	--	8	--	--	--	8	8	3,925	4,181

Name of the undertaking	Country	Cur.	% held	Cost	Cost change	Cost	Accumulated Impairment	Reversal of impairment / (Impairment)	Accumulated Impairment	Carrying Value	Carrying Value	Net equity (**)	Result of 2020
Eurocentrum Offices sp. z o.o. (formerly Dakota Investments sp. z o.o.)	Poland	PLN	100.00%	107,808	(590)	107,218	--	--	--	107,808	107,218	116,020	96,861
Famiaco Limited	Cyprus	EUR	100.00%	1	--	1	(1)	--	(1)	--	--	(3,937)	(229)
HAGIBOR OFFICE BUILDING, a.s.	Czech Republic	CZK	100.00%	6,852	--	6,852	(6,852)	--	(6,852)	--	--	(6,625)	(6,826)
Industrial Park Střibro, s.r.o.	Czech Republic	CZK	100.00%	8	--	8	--	--	--	8	8	992	4,382
JIHOVÝCHODNÍ MĚSTO, a.s.	Czech Republic	CZK	100.00%	41,287	--	41,287	(33,037)	86	(32,951)	8,250	8,336	8,336	8,250
Karviná Property Development, a.s.	Czech Republic	CZK	100.00%	750	--	750	(70)	(680)	(750)	680	--	(48)	680
Land Properties, a.s.	Czech Republic	CZK	100.00%	38,052	--	38,052	--	--	--	38,052	38,052	47,869	40,600
Marki Real Estate Sp. z o.o.	Poland	PLN	100.00%	22,282	--	22,282	(19,509)	233	(19,276)	2,773	3,006	3,006	2,773
MQM Czech, a.s.	Czech Republic	CZK	20.00%	3,237	--	3,237	(783)	(72)	(865)	2,453	2,381	11,906	12,266
NOVÁ ZBROJOVKA, s.r.o.	Czech Republic	CZK	100.00%	22,465	--	22,465	--	--	--	22,465	22,465	83,245	26,321
Nupaky a.s.	Czech Republic	CZK	100.00%	7,338	--	7,338	(3,219)	(62)	(3,280)	4,119	4,057	4,057	4,119
ORCO Blumentálska a.s.	Slovakia	EUR	100.00%	2,980	--	2,980	(2,980)	--	(2,980)	--	--	--	--
Orco Bucharest	Cyprus	EUR	100.00%	3	--	3	(3)	--	(3)	--	--	--	--
Orco Project Sp. z o.o.	Poland	PLN	100.00%	701	--	701	(701)	--	(701)	--	--	--	--
Pietroni, s.r.o.	Czech Republic	CZK	100.00%	--	--	--	--	--	--	--	--	(10,649)	(10,998)
Polygon BC, a.s.	Czech Republic	CZK	20.00%	8,733	--	8,733	(1,000)	(637)	(1,638)	7,732	7,095	35,475	38,661
Rezidence Pragovka, s.r.o.	Czech Republic	CZK	100.00%	17,079	--	17,079	--	--	--	17,079	17,079	26,312	25,192



Name of the undertaking	Country	Cur.	% held	Cost	Cost change	Cost	Accumulated Impairment	Reversal of impairment / (Impairment)	Accumulated Impairment	Carrying Value	Carrying Value	Net equity (**)	Result of 2020
Strakonice Property Development, a.s.	Czech Republic	CZK	100.00%	221	--	221	(79)	(8)	(87)	142	134	134	142
STRM Alfa, a.s.	Czech Republic	CZK	20.00%	5,110	--	5,110	--	--	--	5,110	5,110	31,861	30,874
STRM Beta, a.s.	Czech Republic	CZK	100.00%	5,224	--	5,224	--	--	--	5,224	5,224	6,306	6,533
STRM Gama, a.s.	Czech Republic	CZK	100.00%	8,016	--	8,016	(404)	373	(31)	7,612	7,985	7,985	7,612
Svitavy Property Development, a.s.	Czech Republic	CZK	100.00%	1,062	--	1,062	(42)	14	(28)	1,020	1,034	1,034	1,020
Szczecin Project sp. z o.o.*	Poland	PLN	0.00%	338	(338)	--	(338)	338	--	--	--	--	--
Vysočany Office, a.s.	Czech Republic	CZK	20.00%	16	3	19	--	--	--	16	19	3,875	77
WFC Investments sp. z o.o.	Poland	PLN	100.00%	276,544	(22,979)	253,565	--	--	--	276,544	253,565	265,325	268,025
Rounding	--	--	--	(3)	--	--	--	--	--	--	(1)	--	--
<b>Total</b>				<b>698,304</b>	<b>(22,943)</b>	<b>675,363</b>	<b>(86,922)</b>	<b>5,285</b>	<b>(81,647)</b>	<b>611,383</b>	<b>593,723</b>		

(\*) Company disposed or liquidated during financial year

(\*\*) Net equity calculation is based on unaudited Financial Statements in accordance with IFRS as adopted by EU

### 3.2 - Loans to affiliated undertakings

	2020	2019
Amount due	4,574,215	3,804,247
Value adjustments	(55,419)	(76,198)
<b>Net value</b>	<b>4,518,796</b>	<b>3,728,049</b>

The Company provides loans to affiliated undertakings with the interest rate range of 1.0%-13.18% p.a. (2019: 1.4%-14.22 % p.a.) and maturity date until December 2030. The Company provided non-interest bearing loan to ENDURANCE HOSPITALITY FINANCE S.à r.l., for which the maturity date is not specified, in the amount of EUR 8,043 thousand (2019: EUR 12,459 thousand).

Results of value adjustments are reported in Note 17 and Note 22.

### 3.3 - Participating interests

Name of the undertaking	% held		Cost		Accumulated Impairment		Reversal of impairment / (Impairment) in 2020	Accumulated Impairment		Carrying Value	
	31.12.2020	31.12.2019	in 2020	31.12.2020	31.12.2019	31.12.2020		31.12.2019	31.12.2020	31.12.2019	31.12.2020
Uniborc S.A.	35.00%		620	52	672	--	--	--	620	672	
<b>Total</b>			<b>620</b>	<b>52</b>	<b>672</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>620</b>	<b>672</b>	

The Company increase its investment in Uniborc S.A. The increase of share capital in the amount of EUR 52 thousand was settled with advance paid during December 2019.

The Net Equity of the undertaking is higher than acquisition cost, therefore the Company did not apply value adjustment.

### 3.4 - Loans to undertakings with which the undertaking is linked by virtue of participating interests

As at 31 December 2020, the Company provided loans to Uniborc S.A. in the amount of EUR 12,605 thousand (2019: EUR 11,791 thousand) with interest rate 3M EURIBOR + 7% p.a. and maturity date in May 2023.

### 3.5 - Investments held as fixed assets

Name of the undertaking	State	Cur.	% held	Cost	Cost change	Cost	Accumul ated Impairment	Reversal of impairment / (Impairment)	Accumul ated Impairment	Carrying Value	Carrying Value
				as at 31.12.20	31.12.20 19	in 2020	31.12.20	31.12.19	in 2020	31.12.20	31.12.19
CPI PROPERTY GROUP S.A.	LUX	EUR	2.92%	81,104	--	81,104	(10,221)	--	(10,221)	70,883	70,883
SCP AILEY*	MCO	EUR	0.10%	--	--	--	--	--	--	--	--
SCP CAYO*	MCO	EUR	0.00%	5	(5)	--	--	--	--	5	--
SCP CISKEY*	MCO	EUR	0.10%	1	--	1	(1)	--	(1)	--	--
SCP KANDLER*	MCO	EUR	0.10%	--	--	--	--	--	--	--	--
SCP MADRID*	MCO	EUR	0.10%	--	--	--	--	--	--	--	--
SCP NEW BLUE BIRD*	MCO	EUR	0.10%	--	--	--	--	--	--	--	--
SCP PIERRE CHARRON*	MCO	EUR	0.10%	--	--	--	--	--	--	--	--
SCP Reflets*	MCO	EUR	0.10%	--	--	--	--	--	--	--	--
SCP VILLA DE TAHITI*	MCO	EUR	0.10%	7	--	7	--	(2)	(2)	7	5
<b>Total undertakings</b>				<b>81,117</b>	<b>(5)</b>	<b>81,112</b>	<b>(10,222)</b>	<b>(2)</b>	<b>(10,224)</b>	<b>70,895</b>	<b>70,888</b>
Deposit bank account										147	--
<b>Total</b>										<b>71,042</b>	<b>70,888</b>

\*The Company uses the Net Equity method for the valuation of non-tradable shares.

#### Investment in CPI Property Group S.A.

As at 31 December 2020, the Company owns directly 252,302,248 shares of CPI Property Group S.A., which represent approximately 2.92 % of the shareholding (2019: 2.92 %).

The shares are valued at the lower of historical cost and EPRA NAV value. As at 31 December 2020, EPRA NAV per share of CPI Property Group S.A. of EUR 0.59 (2019: 0.59) differs from the price at the stock-exchange of EUR 0.73 (2019: 0.73).

After the consideration of alternative methods, the Company determined that the use of EPRA NAV is the most representative method for the valuation of the fair value of CPI Property Group S.A. shares. The detailed calculation of CPI PG's EPRA NAV per share is presented in the CPI PG's annual report, available at [www.cpipg.com](http://www.cpipg.com). As at 31 December 2020, the EPRA NAV per share of EUR 0.61 (EUR 0.61 as at 31 December 2019) disclosed by CPI PG therefore differs from value used by the Company to value the CPI PG's shares owned.

Share balance	2019					2020				
	Historical cost	Valued per EPRA NAV	Change of adjustment	Adjustment balance	Carrying value	Historical cost	Valued per EPRA NAV	Change of adjustment	Adjustment balance	Carrying value
93,169,351	65,191	54,970	8,385	(10,221)	54,970	65,191	54,970	--	(10,221)	54,970
159,132,897	15,913	93,888	--	--	15,913	15,913	93,888	--	--	15,913
252,302,248	81,104	148,858	8,385	(10,221)	70,883	81,104	148,858	--	(10,221)	70,883

### 3.6 - Other loans

The Company provided loans as at December 31, 2019 to entity, that was sold out of Group before the end of year, in the amount of 8,110 thousand EUR. The purchaser of entity deposited repayment on the escrow account. The escrow account was paid out in January 2020.

As at 31 December 2020, the Company recognises deposit in the amount of 146 thousand EUR.

## NOTE 4 - CURRENT ASSETS

### 4.1 - Amounts owed by affiliated undertakings becoming due and payable within one year

The amounts owed by affiliated undertakings becoming due and payable within one year contain principals, accrued interest, other receivables and trade receivables on amounts owed by affiliated undertakings.

As the cash-pool leader, the Company recognised the provided cash pool principal and interest balance within "Other" items. As at 31 December 2020, the cash-pool provided principal is EUR 35,946 thousand with the interest of EUR 47 thousand.

The Company concluded several Agreements on cooperation with entities within CPIPG Group to eliminate negative impact of the monetary policy of the European Central Bank, negative interest rate. The CPIPG Group's entity temporarily allows the Company to deposit funds on its bank account. These funds will be wired back upon request. As at December 2020, the amount of funds transferred to CPIPG Groups entities recognised as "Other" is EUR 189,104 thousands.

	2020				2019			
	Principal	Interest	Other	Total	Principal	Interest	Other	Total
Amount due	34,907	62,841	234,049	331,797	54,849	48,089	15,048	117,986
Value adjustments	--	(1,051)	--	(1,051)	--	(2,019)	--	(2,019)
<b>Net value</b>	<b>34,907</b>	<b>61,790</b>	<b>234,049</b>	<b>330,746</b>	<b>54,849</b>	<b>46,070</b>	<b>15,048</b>	<b>115,967</b>

Provided loans bear interest of 5.0 %– 5.49 % p.a. (2019: 5.0 % p.a.).

### 4.2 - Amounts owed by affiliated undertakings becoming due and payable after more than one year

The Company prolonged interest maturity of provided loans to December 2024 in connection with interest rate adjustments applied primarily as an effect of COVID-19 pandemic.

	2020				2019			
	Principal	Interest	Other	Total	Principal	Interest	Other	Total
Amount due	--	38,545	--	38,545	--	--	--	--
Value adjustments	--	--	--	--	--	--	--	--
<b>Net value</b>	<b>--</b>	<b>38,545</b>	<b>--</b>	<b>38,545</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

### 4.3 - Amounts owed by undertakings with which the undertaking is linked becoming due and payable within one year

In December 2019, the Company paid an advance in respect of share capital increase of Uniborc S.A. in the amount of EUR 53 thousand. The share capital increase was completed and settled in January 2020.

2020

2019

	Principal	Interest	Other	Total	Principal	Interest	Other	Total
Amount due	--	139	--	139	--	132	53	185
Value adjustments	--	--	--	--	--	--	--	--
<b>Net value</b>	<b>--</b>	<b>139</b>	<b>--</b>	<b>139</b>	<b>--</b>	<b>132</b>	<b>53</b>	<b>185</b>

#### 4.4 - Other debtors becoming due and payable within one year

Interest includes interest receivable of 5,705 thousands EUR from Nomura International PLC against the swap entered by the company as mentioned in Note 8.1. The Company provided loan to CPI Italy 130 SPV S.r.l. in the amount of 20,000 thousands EUR. The amounts owed by other debtors becoming due and payable within one year have been considered as follows:

	2020					2019				
	Principal	Interest	Other	Tax authorities	Total	Principal	Interest	Other	Tax authorities	Total
Amount due	22,112	5,833	820	--	28,765	1,953	316	851	574	3,694
Value adjustments	(2,112)	(125)	(811)	--	(3,048)	(1,953)	(117)	(819)	--	(2,889)
<b>Net value</b>	<b>20,000</b>	<b>5,708</b>	<b>9</b>	<b>--</b>	<b>25,717</b>	<b>--</b>	<b>199</b>	<b>32</b>	<b>574</b>	<b>805</b>

## NOTE 5 - CAPITAL AND RESERVES

### Subscribed capital and share premium account

The subscribed capital of the Company of EUR 13,145,076.29 (2019: EUR 13,145,076.29) is represented by 1,314,507,629 ordinary shares (2019: 1,314,507,629). The shares of the Company have a par value of EUR 0.01 per share and are fully paid. Each share is entitled to a prorated portion of the profits and share capital of the Company, as well as to a voting right and representation at the time of a general meeting, all in accordance with statutory and legal provisions.

### Securities giving access to equity (warrants)

Within the authorized capital, the Board of Directors decided to issue Bonds with Warrants without preferential subscription rights:

“2012 Warrants” issued under the ISIN code LU0234878881 with the following major terms: number of outstanding 2012 Warrants: 21,161; exercise ratio: one warrant gives the right to subscribe to 1.03 share; exercise period: 31 December 2019; exercise price: EUR 7.21; listing: Euronext Paris.

“2014 Warrants” issued under the ISIN code XS0290764728 with the following major terms: number of outstanding 2014 Warrants: 2,871,021; exercise ratio: one warrant gives the right to subscribe to 1.73 share; exercise period: 31 December 2019; exercise price: EUR 11.20; listing: Euronext Brussels and Paris.

The 2012 Warrants and the 2014 Warrants expired on 31 December 2019, without any of them being exercised by their holders.

### Legal reserve

In accordance with the Commercial Company Law, the Company must appropriate to the legal reserve a minimum of 5% of the annual net profit until such reserve equals 10% of the subscribed capital. Distribution by way of dividends of the legal reserve is prohibited.

**Movements in capital and reserves**

	Subscribed capital	Share premium account	Legal reserve	Profit / loss brought forward	Profit / loss for the financial year	TOTAL
<b>As at 31 December 2019</b>	<b>13,145</b>	<b>784,670</b>	<b>448,132</b>	<b>(852,774)</b>	<b>103,540</b>	<b>496,714</b>
AGM on 29 May 2020 – allocation of result of year 2019	-	-	-	103,539	(103,540)	--
Profit for the financial year	-	-	-	-	740	740
<b>As at 31 December 2020</b>	<b>13,145</b>	<b>784,670</b>	<b>448,132</b>	<b>(749,233)</b>	<b>740</b>	<b>497,454</b>

**NOTE 6 - AMOUNTS OWED TO CREDIT INSTITUTIONS**

The Company, as a cash-pool leader, started implementation of cash-pooling for the CPIPG Group in 2019 with Société Générale Group. During the year 2020, the Company incorporated all Slovak and Luxembourg entities and most of Czech entities within CPIPG Group. The Company concluded three credit facility agreements in the total credit frame of EUR 20,000,000 to grant funds for financing cash requirements of the CPIPG Group, with Société Générale Luxembourg, Komerční banka, a.s. and Komerční banka, a.s., pobočka zahraničnej banky. As at 31 December 2020, unpaid arrangement and commitment fees are in the total amount of EUR 20 thousand.

The Company concluded with Komerční banka, a.s. Payment Guarantee in the amount CZK 30,500,000.

**NOTE 7 - AMOUNTS OWED TO AFFILIATED UNDERTAKINGS****7.1 - Amounts owed to affiliated undertakings, becoming due and payable within one year**

The Company, as a cash-pool leader, recognised cash-pool open balance as at 31 December 2020 as the other amounts owed to affiliated undertakings. The following amounts owed to affiliated undertakings are considered:

	2020	2019
Principal	289,773	193,721
Interest	95,892	46,904
<b>Other</b>	<b>63,812</b>	<b>35,666</b>
Cash-pool principal	28,017	578
Cash-pool interest	32	1
Trade	1,444	(951)
Other	35,763	36,038
<b>Total</b>	<b>449,477</b>	<b>276,291</b>

**7.2 - Amounts owed to affiliated undertakings, becoming due and payable after more than one year**

	2020	2019
Principal	4,844,938	3,879,119
Other	401	798
<b>Total</b>	<b>4,845,339</b>	<b>3,879,917</b>

The Company other payable to GSG Europa Beteiligungs GmbH consists of three considerations in yearly instalments. The Company received loans with interest rate range of 1.3 % -5.47 % p.a. (2019: 1.14-6% p.a.) and maturity date upto 31 December 2030.

**NOTE 8 - OTHER CREDITORS****8.1 - Other creditors becoming due and payable within one year**

The Company received loan from CPI PG in the amount of GBP 196,600,000 and consequently concluded Cross-currency interest rate swap with Nomura International plc. The open interest is as at 31 December 2020 in the amount of 4,056 thousand EUR. Other creditors becoming payable within one year are composed as follows:

	2020	2019
Interest	4,105	50
Others	13	1
<b>Total</b>	<b>4,118</b>	<b>51</b>

**NOTE 9 - OTHER OPERATING INCOME**

Other operating income includes mainly administrative service fees provided across the Group. The Company also received reimbursement of flights rendered to Mr. Radovan Vítek through the flight service agreement entered in 2018 (see Note 23).

	2020	2019
Administrative services	21,732	18,542
Flight services	2,526	3,354
Others	185	671
<b>Total</b>	<b>24,443</b>	<b>22,567</b>

**NOTE 10 - OTHER EXTERNAL EXPENSES**

	2020	2019
Rental, maintenance and repairs	287	272
Financial services	16	19
Bank fees	81	132
Professional fees - management fee	8,133	5,906
<b>Professional fees:</b>	<b>653</b>	<b>1,940</b>
legal fee	349	1,349
audit fee	117	152
advisory fee	11	117
other fee	176	322
Insurance fee	418	374
Advertising, publications, public relations	16	21
Travelling costs	15	81
Other various fees	23	138
<b>Total</b>	<b>9,642</b>	<b>8,883</b>

**NOTE 11 - STAFF COSTS**

The Company had 13 employees in 2020 (2019: 13).

	2020	2019
Wages and salaries	863	990
Social security costs	157	224
<b>Total</b>	<b>1,020</b>	<b>1,214</b>

**NOTE 12 - VALUE ADJUSTMENTS IN RESPECT OF CURRENT ASSETS**

	2020	2019
Affiliated undertakings	946	(987)
Other	14	(108)
<b>Total</b>	<b>960</b>	<b>(1,095)</b>

**NOTE 13 - OTHER OPERATING EXPENSES**

	2020	2019
Flight services	2,527	3,357
Liquidation of Brillant 1419. GmbH & Co Verwaltungs KG	--	1,355
Sale of VINOHRADY SARL	--	7
Directors - attendance fees	36	36
Directors fee	25	15
Reimbursement from historical sale of shares	--	308
Other	1,102	336
<b>Total</b>	<b>3,690</b>	<b>5,414</b>

**NOTE 14 - INCOME FROM PARTICIPATING INTERESTS DERIVED FROM AFFILIATED UNDERTAKINGS**

The Company received dividends in 2020 as follows:

	2020	2019
BYTY PODKOVA, a.s. - dividend	9,779	--
CD Property s.r.o. - dividend	--	103
Industrial Park Střebro, s.r.o. - dividend	3,166	--
Gain from disposal Endurance Real Estate Management Company S.A.	148	--
<b>Total</b>	<b>13,093</b>	<b>103</b>

**NOTE 15 - INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS****15.1 - Derived from affiliated undertakings**

The loans forming part of the fixed assets generated interest income of EUR 182,963 thousand in the year 2020 (2019: EUR 151,518 thousand).

**15.2 - Other income not from affiliated undertakings**

The loans forming part of the fixed assets provided to interest participating and other parties generated interest income of EUR 821 thousand (2019: EUR 788 thousand).

**NOTE 16 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME****16.1 - Derived from affiliated undertakings**

	2020	2019
Interest	2,848	2,782
Foreign currency exchange gains	9,492	14,143
<b>Total</b>	<b>12,340</b>	<b>16,925</b>



**16.2 - Other interest and similar income**

	2020	2019
Interest	5,882	179
Foreign currency exchange gains	3,545	1,387
Other	57	61
<b>Total</b>	<b>9,484</b>	<b>1,627</b>

**NOTE 17 - VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS AND OF INVESTMENTS HELD AS CURRENT ASSETS**

Value adjustments of financial assets are as follows:

	2020	2019
<b>Shares</b>	<b>5,282</b>	<b>11,842</b>
Brillant 1419. GmbH & Co. Verwaltungs KG	--	1,354
Brillant 1419. GmbH	23	--
Bubenská 1, a.s.	6,977	105
Camuzzi, a.s.	(224)	(137)
CPI - Kr�sn� Březno, a.s.	466	15
CPI - Land Development, a.s.	(1,506)	(928)
CPI Pigna S.r.l.	(10)	--
CPI REV Italy II S.r.l.	(10)	--
CPI South, s.r.o.	(47)	--
CPI Property Group S.A.	--	8,385
Endurance Real Estate Management Company S.A.	--	--
JIHOV�CHODN� M�STO, a.s.	86	916
Karvin� Property Development, a.s.	(680)	(41)
Land Properties, a.s.	--	835
Marki Real Estate sp. z o.o. w likwidacji	233	199
MQM Czech, a.s.	(72)	(37)
Nupaky a.s.	(62)	404
Polygon BC, a.s.	(637)	278
Strakonice Property Development, a.s.	(8)	5
STRM Gama, a.s.	373	(20)
Svitavy Property Development, a.s.	14	499
SCP VILLA DE TAHITI	(3)	--
Szczecin Project sp. z o.o. w likwidacji	338	--
VINOHRADY SARL	--	8
CEREM S.A.	31	--
Others	--	2
<b>Other transferable securities</b>	<b>1,486</b>	<b>--</b>
<b>Loans</b>	<b>20,972</b>	<b>10,280</b>
Affiliated undertakings	20,965	10,280
Other	7	--
<b>Total</b>	<b>27,740</b>	<b>22,122</b>

**NOTE 18 - INTEREST PAYABLE AND SIMILAR EXPENSES****18.1 - Concerning affiliated undertakings**

	<b>2020</b>	<b>2019</b>
Interest	143,175	93,707
Foreign currency exchange losses	50,501	730
Loss on disposal of shares in affiliated	50,338	--
Other	190	--
<b>Total</b>	<b>244,204</b>	<b>94,437</b>

**18.2 - Other interest and similar expenses**

	<b>2020</b>	<b>2019</b>
Interest	4,056	19
Foreign currency exchange losses	3,587	322
Loss on disposal of other transferable securities	1,487	--
Loss on SPOT transactions	3,154	28
Other	262	9
<b>Total</b>	<b>12,546</b>	<b>378</b>

**NOTE 19 - TAX ON PROFIT OR LOSS**

The Company is subject to Luxembourg income tax and Net wealth tax.

	<b>2020</b>	<b>2019</b>
Corporate income tax	--	1
Net wealth tax	(11)	735
<b>Total</b>	<b>(11)</b>	<b>736</b>

As at 31 December 2020, the Company had a payable in respect of Net wealth tax in the amount of EUR 0 thousand (2019: EUR 609 thousand) and Value added tax payable amounting to EUR 143 thousand (2019: receivable EUR 574 thousand) against the Luxembourg Tax Authorities.

**NOTE 20 - OFF BALANCE SHEET COMMITMENTS**

In relation to the strategy of developing its financing activity, the Company signed several credit facility agreements.

The Company has provided credit facility to following entities:

Type of entity	Drawdown Limit	2020	Drawdown Limit	2019
Affiliated undertakings	5,336,574,000	CZK	5,613,200,00	CZK
	240,500,000	EUR	223,000,000	EUR
Affiliated undertakings – entities in CPI Group	53,013,920,00	CZK	53,404,000,000	CZK
	2,982,600,000	EUR	1,742,000,000	EUR
	184,550,000	GBP	27,000,000	GBP
	139,346,061,600	HUF	--	HUF
	500,000,000	PLN	--	PLN
	150,000,000	RON	--	RON
Others	22,000,000	EUR	--	EUR

The Company has been provided credit facility agreements from following entities:

Type of entity	Drawdown Limit	2020	Drawdown Limit	2019
Affiliated undertakings	140,000,000	CZK	65,000,000	CZK
	20,000,000	EUR	--	EUR
	86,000,000	PLN	--	PLN
Affiliated undertakings – entities in CPI Group	2,244,340,000	CZK	1,910,000,000	CZK
	6,327,800,000	EUR	4,352,000,000	EUR
	196,600,000	GBP	--	GBP
	75,000,000	CHF	75,000,000	CHF
Affiliated undertakings – related party	5,000,000	CZK	60,000,000	CZK

## NOTE 21 - REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Board and Audit Committee attendance compensation for the year 2020 amounts to EUR 36,000 (2019: EUR 36,000). The Annual General Meeting held on 28 May 2014 resolved to approve, with the effect as of 1 January 2014, the payment of attendance fees to all independent, non-executive Directors of the Company in the amount of EUR 3,000 per calendar month as a base fee and empowered the Board of Directors to decide at its sole discretion about the payment of additional fees up to EUR 3,000 per calendar month to independent, non-executive Directors of the Company.

## NOTE 22 - RELATED PARTY TRANSACTIONS

The Company considers entities reported as affiliated undertakings:

- entity, that are owned by the Company (directly or indirectly),
- related party owned directly or indirectly by CPI Property Group S.A.,
- Mr. Radovan Vítek and related party owned by Mr. Radovan Vítek, the ultimate beneficial owner of the Company.
- Milan Trněný.

**Entity owned by the Company (directly or indirectly)**

Beta Development, s.r.o.	Diana Property Sp. z o.o.	Nupaky a.s.
Bubenská 1, a.s.	Endurance Real Estate Management Company S.A.	ORCO Blument�lska a.s.
Bubny Development, s.r.o.	Equator IV Offices sp. z o.o.	ORCO PROJECT sp. z o.o.
BYTY PODKOVA, a.s.	Estate Grand, s.r.o.	Pietroni, s.r.o.
Camuzzi, a.s.	Eurocentrum Offices sp. z o.o.	Rezidence Pragovka, s.r.o.
Castor Investments sp. z o.o.	FAMIACO ENTERPRISES COMPANY LIMITED	SCP Reflets
Castor Invesmtenss sp. z o.o.	HAGIBOR OFFICE BUILDING, a.s.	Strakonice Property Development, a.s.
S.K.A.	Industrial Park Střebro, s.r.o.	STRM Alfa, a.s.
CD Property s.r.o.	JIHOVÝCHODNÍ MĚSTO, a.s.	STRM Beta, a.s.
CEREM S.A.	Karvin� Property Development, a.s.	STRM Gama, a.s.
CPI - Kr�sn� Březno, a.s.	Land Properties, a.s.	Svitavy Property Development, a.s.
CPI - Land Development, a.s.	Les mas du Figuier	Szczecin Project sp. z o.o. w likwidacji
CPI Park Źd�rek, a.s.	Marki Real Estate sp. z o.o. w likwidacji	Uniborc S.A.
CPI Pigna S.r.l.	NOV� ZBROJOVKA, s.r.o.	Vyso�any Office, a.s.
CPI REV Italy II S.r.l.		
CPI South, s.r.o.		
Data Trade s.r.o.		
Darilia, a.s.		
Development Doupovsk�, s.r.o.		

**Related party owned directly or indirectly by CPI Property Group S.A., with them the Company recognised transactions in 2020 and 2019**

1 Bishops Avenue Limited	Byty Lehovec, s.r.o.	CPI IMMO
AIRPORT CITY	CAMPONA Shopping Center Kft.	CPI Jihlava Shopping, a.s.
INGATLANBEFEKTETESI Kft.	Carpenter Invest, a.s.	CPI Kappa, s.r.o.
Airport City Phase B Kft.	CB Property Development, a.s.	CPI Kvarta, s.r.o.
Andrassy Hotel Zrt.	City Gardens Sp. z o.o.	CPI Kvinta, s.r.o.
Andr�ssy Real Kft.	Conradian, a.s.	CPI Management, s.r.o.
ARENA CORNER Kft	CPI - Bor, a.s.	CPI Meteor Centre, s.r.o.
Balvinder, a.s.	CPI - Horom�řice, a.s.	CPI N�rodn�, s.r.o.
Baron Puglia S.r.l.	CPI - Orlov�, a.s.	CPI Office Prague, s.r.o.
Baudry Beta, a.s.	CPI - Real Estate, a.s.	CPI Omikr�n, a.s.
BAYTON Alfa, a.s.	CPI - Zbraslav, a.s.	CPI Palmovka Office, s.r.o.
BAYTON Gama, a.s.	CPI Beet, a.s.	CPI Poland Sp. z o.o.
BC 91 Real Estate	CPI BYTY, a.s.	CPI Property a Facility, s.r.o.
Ingatlanbefektetesi Kft.	CPI Delta, a.s.	CPI Property Group S.A.
BC 99 Office Park Kft.	CPI East, s.r.o.	CPI Reality, a.s.
Beroun Property Development, a.s.	CPI Energo, a.s.	CPI Retail MB s.r.o.
Best Properties South, a.s.	CPI Facility Slovakia, a.s.	CPI Retail One Kft.
BPT Development, a.s.	CPI Finance CEE, a.s.	CPI RETAIL PORTFOLIO HOLDING Kft.
Brandys Logistic, a.s.	CPI Flats, a.s.	CPI Retail Portfolio I, a.s.
Branch of MMR RUSSIA S.� r.l. (Luxembourg)	CPI Green, a.s.	CPI Retail Portfolio II, a.s.
Brno Development Services, s.r.o.	CPI Hotels Europeum Kft.	CPI Retail Portfolio IV, s.r.o.
BRNO INN, a.s.	CPI Hotels Hungary Kft.	CPI Retail Portfolio V, s.r.o.
Brno Property Development, a.s.	CPI Hotels Poland sp. z o.o.	CPI Retail Portfolio VI, s.r.o.
Březin�ves, a.s.	CPI Hotels Properties, a.s.	CPI Retail Portfolio VIII s.r.o.
Buy-Way Dunakeszi Kft.	CPI Hotels Slovakia, s. r. o.	CPI Retail ONE, a.s.
Buy-Way Soroks�r Kft.	CPI Hotels, a.s.	CPI Retail Rosa s.r.o.
	CPI Hungary Investments Kft. (formerly BC 30 Property Kft.)	CPI Retail THREE, a.s.
	CPI Hungary Kft.	CPI Retail TWO, a.s.
		CPI Sekunda, s.r.o.

CPI Services, a.s.	Janáčkovo nábřeží 15, s.r.o.	Platněřská 10 s.r.o.
CPI Shopping MB, a.s.	Jeseník Investments, a.s.	Pólus Shopping Center Zrt.
CPI Shopping Teplice, a.s.	Jetřichovice Property, a.s.	Považská Bystrica Property
CPI Tercie, s.r.o.	Kerina, a.s.	Development, a.s.
CPI Théta, a.s.	KOENIG Shopping, s.r.o.	Prievidza Property
CPI Vestec, s.r.o.	Komárno Property	Development, a.s.
CPIPG Management S.à r.l.	Development, a.s.	PROJECT FIRST a.s.
Czech Property Investments, a.s.	Kosmonosy Investments, s.r.o.	Projekt Nisa, s.r.o.
Čadca Property Development, s.r.o.	Kosmonosy Property	Projekt Zlatý Anděl, s.r.o.
Čáslav Investments, a.s.	Development, s.r.o.	Prostějov Investments, a.s.
Duca Puglia S.r.l.	Kravařská zemědělská, a.s.	Příbor Property Development, s. r.o.
EMH South, s.r.o.	LD Praha, a.s.	Real Estate Energy Kft.
ENDURANCE HOSPITALITY	Levice Property Development, a.s.	Residence Belgická, s.r.o.
ASSET S.à r.l.	Lockhart, a.s.	Residence Izabella Zrt.
ENDURANCE HOSPITALITY	Lucemburská 46, a.s.	Rezidence Jančova, s.r.o.
FINANCE S.à r.l.	Marissa Gama, a.s.	Rezidence Malkovského, s.r.o.
Europeum Kft.	Marissa Omikrón, a.s.	Savile Row 1 Limited
Farhan, a.s.	Marissa Tau, a.s.	ST Project Limited
FL Property Development, a.s.	Marissa Théta, a.s.	Statek Kravaře, a.s.
Futurum HK Shopping, s.r.o.	Marissa West, a.s.	Statenice Property
Gateway Office Park Kft.	Marissa Yellow, a.s.	Development, a.s.
Gewerbesiedlungs-	Marissa Ypsilon, a.s.	Svitavy Property Alfa, a.s.
Gessellschaft mbH	Mark2 Corporation, M2C FM, s.r.o.	Tachov Investments, s.r.o.
GSG Asset GmbH & Co.	MB Property Development, a.s.	Telč Property Development, a.s.
Verwaltungs KG	Mercuda, a.s.	Tepelné hospodářství Litvínov s.r.o.
GSG Europa Beteiligungs GmbH	Michalovce Property	Trebišov Property
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	Development, a.s.	Development, s. r. o.
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	MMR RUSSIA S.à r.l.	Třinec Investments, s.r.o.
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	MUXUM, a.s.	Třinec Property Development, a.s.
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	Na Poříčí, a.s.	Tyršova 6, a.s.
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	New Age Kft.	U svatého Michala, a.s.
HD Investment s.r.o.	Nymburk Property	V Team Prague, s.r.o.
Hightech Park Kft.	Development, a.s.	Vigano, a.s.
Hospitality invest S.à r.l.	OC Nová Zdaboř a.s.	Zakiono Enterprises Limited
HOTEL U PARKU, s.r.o.	OC Spektrum, s.r.o.	ZET.office, a.s. (formerly CPI Orange, a.s.)
Hraničář, a.s.	OFFICE CENTER HRADČANSKÁ, a.s.	Ždírec Property Development, a.s.
IGY2 CB, a.s.	Office Center Poštová, s.r.o.	MB Futurum HK s.r.o.
IS Nyír Kft.	Olomouc Building, a.s.	Olomouc City Center, a.s.
IS Zala Kft.	Orchard Hotel a.s.	
	Outlet Arena Moravia, s.r.o.	
	Ozrics Kft.	
	Pelhřimov Property	
	Development, a.s.	

#### Related party owned by Mr. Radovan Vítek reported as affiliated undertakings

- GAMALA LIMITED
- Ravento S.à r.l.
- Efimacor S.à r.l.

**Other related party reported as other**

- Logan Estates S.à r.l. through Ed Hughes
- POLMA 1 S.A. through Mr. Radovan Vítek
- Kotic S.à r.l. through Mr. Radovan Vítek (liquidated in 2019)
- CPIPG Holding S.à r.l. through Mr. Radovan Vítek
- WHIPLASH EQUITIES S.à r.l. through Mr. Radovan Vítek
- Turf Praha a.s. through Mr. Radovan Vítek
- Trněný Milan

**Related party balances**

	2020					2019				
	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total
Note	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--
<b>Owned by the Company (directly, indirectly) - affiliated</b>	<b>331,564</b>	<b>8,199</b>	<b>48,858</b>	<b>--</b>	<b>388,621</b>	<b>319,213</b>	<b>--</b>	<b>2,693</b>	<b>--</b>	<b>321,906</b>
Bubenská 1, a.s.	44,031	--	3,978	--	48,009	20,405	--	606	--	21,011
Bubny Development, s.r.o.	27,990	1,766	81	--	29,837	34,739	--	76	--	34,815
BYTY PODKOVA, a.s.	--	--	3,600	--	3,600	--	--	--	--	--
Camuzzi, a.s.	1,098	--	3,614	--	4,712	1,013	--	14	--	1,027
CD Property s.r.o.	10,870	166	242	--	11,278	11,717	--	174	--	11,891
CPI - Krásné Březno, a.s.	552	33	3,600	--	4,185	538	--	4	--	542
CPI - Land Development, a.s.	6,119	174	31	--	6,324	6,482	--	80	--	6,562
CPI Park Žďárek, a.s.	2,919	177	3,600	--	6,696	2,880	--	40	--	2,920
CPI Pigna S.r.l.	6,915	--	91	--	7,006	11,515	--	46	--	11,561
CPI REV Italy II S.r.l.	4,670	--	89	--	4,759	4,750	--	64	--	4,814
CPI South, s.r.o.	184	12	35	--	231	174	--	2	--	176
Darilia, a.s.	--	--	3,600	--	3,600	--	--	--	--	--
Data Trade s.r.o. Development	400	--	25	--	425	--	--	--	--	--
Doupovská, s.r.o.	--	--	--	--	--	14	--	1	--	15
Diana Property Sp. z o.o.	2,720	38	--	--	2,758	2,884	--	17	--	2,901
Equator IV Offices sp. z o.o.	41,571	1,162	--	--	42,733	42,377	--	320	--	42,697
Estate Grand, s.r.o.	528	--	3,614	--	4,142	504	--	7	--	511
Eurocentrum Offices sp. z o.o.	126,833	2,386	--	--	129,219	136,494	--	419	--	136,913
GCA Property Development sp. z o.o.	--	--	--	--	--	331	--	3	--	334
Industrial Park Stříbro, s.r.o.	--	--	1,043	--	1,043	--	--	--	--	--
JIHOVÝCHODNÍ MĚSTO, a.s.	236	4	4	--	244	270	--	3	--	273
Karviná Property Development, a.s.	--	--	3,600	--	3,600	782	--	11	--	793
Land Properties, a.s.	--	--	9	--	9	--	--	--	--	--
Les Mas du Figuier	4,770	--	39	--	4,809	10,380	--	13	--	10,393
MQM Czech, a.s.	423	6	6	--	435	424	--	5	--	429

Receivables	2020					2019				
	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total
Note	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--
NOVÁ ZBROJOVKA, s.r.o.	36,875	2,192	3,143	--	42,210	27,538	--	486	--	28,024
Nupaky a.s.	284	8	3,600	--	3,892	287	--	4	--	291
Pietroni, s.r.o.	--	--	3,600	--	3,600	--	--	--	--	--
Polygon BC, a.s.	2,077	31	51	--	2,159	1,409	--	17	--	1,426
Rezidence Pragovka, s.r.o.	452	7	10	--	469	329	--	4	--	333
SCP Reflets	8,159	--	54	--	8,213	--	--	--	--	--
Strakonice Property Development, a.s.	50	3	3,600	--	3,653	51	--	1	--	52
STRM Alfa, a.s.	--	--	3,600	--	3,600	--	--	--	--	--
STRM Beta, a.s.	589	27	--	--	616	253	--	3	--	256
STRM Gama, a.s.	249	7	--	--	256	238	--	3	--	241
Svitavy Property Development, a.s.	--	--	294	--	294	435	--	--	--	435
Vysočany Office, a.s.	--	--	5	--	5	--	--	--	--	--
WFC Investments sp. z o.o.	--	--	--	--	--	--	--	270	--	270
<b>Owned by the Company (directly, indirectly) - interest participated</b>	<b>12,605</b>	<b>--</b>	<b>139</b>	<b>--</b>	<b>12,744</b>	<b>11,791</b>	<b>--</b>	<b>185</b>	<b>--</b>	<b>11,976</b>
Uniborc S.A.	12,605	--	139	--	12,744	11,791	--	185	--	11,976
<b>CPI Group's entity</b>	<b>4,187,235</b>	<b>30,349</b>	<b>245,939</b>	<b>--</b>	<b>4,463,523</b>	<b>3,405,715</b>	<b>--</b>	<b>56,727</b>	<b>--</b>	<b>3,462,442</b>
1 Bishops Avenue Limited	122,933	3,609	--	--	126,542	19,500	--	206	--	19,706
AIRPORT CITY INGATLANBEFEKTETÉSI Kft.	15,194	233	--	--	15,427	16,047	--	297	--	16,344
Airport City Phase B Kft.	1,704	25	--	--	1,729	1,870	--	14	--	1,884
Andrassy Hotel Zrt.	4,439	179	--	--	4,618	4,595	--	32	--	4,627
Andrassy Real Kft.	10,424	198	--	--	10,622	11,233	--	78	--	11,311
ARENA CORNER INGATLANBEFEKTETÉSI KORLÁTOLT FELELŐSÉGŰ TÁRSASÁG	34,397	616	--	--	35,013	37,009	--	295	--	37,304
Balvinder, a.s.	4,427	--	286	--	4,713	4,712	--	57	--	4,769
Baron Puglia S.r.l.	14,680	--	549	--	15,229	11,970	--	20	--	11,990
Baudry Beta, a.s.	9,959	401	232	--	10,592	10,885	--	223	--	11,108
BAYTON Alfa, a.s.	11,648	--	673	--	12,321	12,693	--	189	--	12,882
BAYTON Gama, a.s.	--	--	3,802	--	3,802	--	--	--	--	--
BC 91 Real Estate Ingatlanbefektetési Kft.	1,174	21	--	--	1,195	1,548	--	16	--	1,564
BC 99 Office Park Kft.	33,836	536	--	--	34,372	32,944	--	811	--	33,755
Beroun Property Development, a.s.	8,340	442	204	--	8,986	9,280	--	267	--	9,547
Best Properties South, a.s.	55,209	864	1,260	--	57,333	56,323	--	1,029	--	57,352
BPT Development, a.s.	--	--	3,802	--	3,802	--	--	--	--	--
Brandýs Logistic, a.s.	22,507	1,078	703	--	24,288	17,413	--	136	--	17,549
Branch of MMR RUSSIA S.à r.l. (Luxembourg)	--	--	--	--	--	--	--	12	--	12

Receivables	2020					2019				
	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total
Note	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--
Brno Development Services, s.r.o.	254	--	51	--	305	27	--	--	--	27
BRNO INN, a.s.	--	--	90	--	90	--	--	--	--	--
Březiněves, a.s.	5,109	89	--	--	5,198	8,258	--	95	--	8,353
Buy-Way Dunakeszi Kft.	5,603	104	--	--	5,707	6,390	--	51	--	6,441
Buy-Way Soroksár Kft.	3,656	74	--	--	3,730	3,876	--	29	--	3,905
Byty Lehovec, s.r.o.	--	--	3,600	--	3,600	3,314	--	176	--	3,490
CAMPONA Shopping Center Kft.	60,667	--	5,645	--	66,312	65,953	--	2,455	--	68,408
Carpenter Invest, a.s.	2,050	--	37	--	2,087	2,068	--	--	--	2,068
CB Property Development, a.s.	921	--	19	--	940	1,453	--	8	--	1,461
Conradian, a.s.	5,372	--	197	--	5,569	5,195	--	--	--	5,195
CPI - Bor, a.s.	10,352	303	13	--	10,668	5,510	--	140	--	5,650
CPI - Horoměřice, a.s.	--	--	3,600	--	3,600	--	--	--	--	--
CPI - Orlová, a.s.	1,104	83	3,600	--	4,787	1,124	--	17	--	1,141
CPI - Real Estate, a.s.	2,097	--	203	--	2,300	2,741	--	45	--	2,786
CPI - Zbraslav, a.s.	--	--	23	--	23	--	--	--	--	--
CPI Beet, a.s.	51	--	82	--	133	164	--	6	--	170
CPI BYTY, a.s.	93,601	--	981	--	94,582	115,284	--	3,120	--	118,404
CPI Delta, a.s.	1,606	45	26	--	1,677	1,806	--	37	--	1,843
CPI East,s.r.o.	80,337	1,107	1,088	--	82,532	84,065	--	1,385	--	85,450
CPI Facility Slovakia, a.s.	--	--	391	--	391	--	--	--	--	--
CPI Finance CEE, a.s.	--	--	1	--	1	--	--	--	--	--
CPI Flats, a.s.	--	--	3,600	--	3,600	744	--	47	--	791
CPI Green, a.s.	--	--	3,600	--	3,600	--	--	--	--	--
CPI Hotels Europeum Kft.	498	22	--	--	520	200	--	--	--	200
CPI Hotels Properties, a.s.	12,585	--	359	--	12,944	11,044	--	28	--	11,072
CPI Hotels, a.s.	34,443	--	526	--	34,969	--	--	--	--	--
CPI IMMO	3,140	--	182	--	3,322	3,136	--	125	--	3,261
CPI Jihlava Shopping, a.s.	15,118	232	402	--	15,752	15,359	--	240	--	15,599
CPI Kappa, s.r.o.	650	--	26	--	676	937	--	12	--	949
CPI Kvarta, s.r.o.	--	--	3,600	--	3,600	--	--	--	--	--
CPI Kvinta, s.r.o.	--	--	3,600	--	3,600	--	--	--	--	--
CPI Management, s.r.o.	--	--	360	--	360	--	--	--	--	--
CPI Meteor Centre, s.r.o.	15,093	245	178	--	15,516	16,069	--	133	--	16,202
CPI Národní, s.r.o.	--	--	1,129	--	1,129	--	--	--	--	--
CPI Office Prague, s.r.o.	--	--	1,605	--	1,605	78,701	--	797	--	79,498
CPI Omikrón, a.s.	--	--	3,600	--	3,600	--	--	--	--	--
CPI Palmovka Office, s.r.o.	1,246	32	12	--	1,290	3,387	--	55	--	3,442
CPI Poland Sp. z o.o.	--	--	13	--	13	--	--	308	--	308
CPI Property a Facility, s.r.o.	--	--	--	--	--	328	--	3	--	331
CPI Property Group S.A.	1,634,505	--	43,542	--	1,678,047	1,102,426	--	20,227	--	1,122,653
CPI Reality, a.s.	47,080	1,524	7,260	--	55,864	49,724	--	598	--	50,322



Receivables	2020					2019				
	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total
Note	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--
CPI Retail MB s.r.o.	--	--	33	--	33	--	--	--	--	--
CPI Retail One Kft.	6,451	--	168	--	6,619	9,863	--	517	--	10,380
CPI RETAIL PORTFOLIO HOLDING Kft.	20,509	163	512	--	21,184	20,249	--	--	--	20,249
CPI Retail Portfolio I, a.s.	1,944	60	4,223	--	6,227	2,158	--	28	--	2,186
CPI Retail Portfolio II, a.s.	--	--	163	--	163	--	--	--	--	--
CPI Retail Portfolio IV, s.r.o.	1,236	26	--	--	1,262	954	--	25	--	979
CPI Retail Portfolio V, s.r.o.	3,942	148	--	--	4,090	4,082	--	44	--	4,126
CPI Retail Portfolio VI, s.r.o.	1,291	34	57	--	1,382	1,571	--	17	--	1,588
CPI Retail Portfolio VIII s.r.o.	3,928	119	195	--	4,242	4,205	--	67	--	4,272
CPI Retails ONE, a.s.	8,432	474	9,251	--	18,157	9,269	--	119	--	9,388
CPI Retails Rosa s.r.o.	4,386	99	--	--	4,485	4,472	--	34	--	4,506
CPI Retails THREE, a.s.	30,952	685	--	--	31,637	32,352	--	234	--	32,586
CPI Retails TWO, a.s.	6,893	354	3,698	--	10,945	7,482	--	87	--	7,569
CPI Sekunda, s.r.o.	--	--	3,600	--	3,600	--	--	--	--	--
CPI Services, a.s.	--	--	--	--	--	2,982	--	89	--	3,071
CPI Shopping MB, a.s.	34,471	402	8,378	--	43,251	32,848	--	410	--	33,258
CPI Shopping Teplice, a.s.	49,340	870	4,413	--	54,623	48,809	--	562	--	49,371
CPI Tercie, s.r.o.	--	--	3,600	--	3,600	--	--	--	--	--
CPI Théta, a.s.	--	--	3,600	--	3,600	--	--	--	--	--
CPI Vestec, s.r.o.	5,132	219	101	--	5,452	5,405	--	75	--	5,480
CPIPG Management S.à r.l.	--	--	169	--	169	--	--	--	--	--
Czech Property Investments, a.s.	773,812	--	20,446	--	794,258	490,047	--	2,301	--	492,348
Čadca Property Development, s.r.o.	910	24	215	--	1,149	1,280	--	9	--	1,289
Čáslav Investments, a.s.	2,109	67	25	--	2,201	2,237	--	72	--	2,309
Duca Puglia S.r.l.	6,315	--	307	--	6,622	--	--	--	--	--
EMH South, s.r.o.	7,297	127	113	--	7,537	8,525	--	105	--	8,630
ENDURANCE HOSPITALITY FINANCE S.à r.l.	8,043	--	--	--	8,043	15,346	--	4,441	--	19,787
Europeum Kft.	23,329	567	--	--	23,896	25,325	--	87	--	25,412
Farhan, a.s.	51,237	916	1,432	--	53,585	53,538	--	685	--	54,223
FL Property Development, a.s.	181	10	1	--	192	199	--	3	--	202
Futurum HK Shopping, s.r.o.	84,572	1,471	1,377	--	87,420	92,390	--	1,055	--	93,445
Gateway Office Park Kft.	12,074	195	--	--	12,269	14,738	--	110	--	14,848
Gewerbesiedlungs-Gesellschaft mbH	--	--	808	--	808	--	--	225	--	225
HD Investment s.r.o.	56	--	3,600	--	3,656	--	--	--	--	--
Hightech Park Kft.	3,520	61	--	--	3,581	3,899	--	130	--	4,029
Hospitality invest S.à r.l.	--	--	6	--	6	--	--	--	--	--
HOTEL U PARKU, s.r.o.	--	--	45	--	45	--	--	--	--	--
Hraničář, a.s.	12,272	--	501	--	12,773	13,059	--	195	--	13,254

Receivables	2020					2019				
	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total
Note	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--
IGY2 CB, a.s.	2,417	--	94	--	2,511	2,777	--	56	--	2,833
IS Ny�r Kft.	1,305	25	--	--	1,330	1,877	--	16	--	1,893
IS Zala Kft.	8,126	183	--	--	8,309	8,392	--	119	--	8,511
Jan�ckovo n�břeží 15, s.r.o.	6,861	--	358	--	7,219	6,801	--	210	--	7,011
Jesen�k Investments, a.s.	1,783	109	19	--	1,911	2,003	--	33	--	2,036
Jetřichovice Property, a.s.	--	--	3,600	--	3,600	--	--	--	--	--
Kerina, a.s.	5,750	--	290	--	6,040	6,449	--	74	--	6,523
KOENIG Shopping, s.r.o.	46,047	843	480	--	47,370	49,350	--	685	--	50,035
Kom�rno Property Development, a.s.	1,974	35	--	--	2,009	2,327	--	16	--	2,343
Kosmonosy Investments, s.r.o.	--	--	3,600	--	3,600	--	--	--	--	--
Kosmonosy Property Development, s.r.o.	7,739	291	189	--	8,219	7,385	--	181	--	7,566
Kravařsk� zem�d�lsk�, a.s.	--	--	--	--	--	4,684	--	163	--	4,847
LD Praha, a.s.	4,570	--	176	--	4,746	5,188	--	49	--	5,237
Levice Property Development, a.s.	3,807	91	--	--	3,898	4,023	--	34	--	4,057
Lockhart, a.s.	28,894	--	1,036	--	29,930	27,825	--	756	--	28,581
Lucembursk� 46, a.s.	4,789	--	259	--	5,048	6,162	--	92	--	6,254
Marissa Gama, a.s.	38,254	675	9,613	--	48,542	40,583	--	438	--	41,021
Marissa Omikr�n, a.s.	14,375	770	190	--	15,335	18,415	--	143	--	18,558
Marissa Tau, a.s.	4,812	191	--	--	5,003	6,386	--	97	--	6,483
Marissa Th�ta, a.s.	824	--	85	--	909	1,211	--	11	--	1,222
Marissa West, a.s.	36,742	704	761	--	38,207	36,560	--	699	--	37,259
Marissa Yellow, a.s.	7,092	139	--	--	7,231	7,293	--	144	--	7,437
Marissa Ypsilon, a.s.	36,376	622	202	--	37,200	38,611	--	483	--	39,094
MB Property Development, a.s.	136	70	178	--	384	1,713	--	28	--	1,741
Mercuda, a.s.	--	--	--	--	--	--	--	523	--	523
Michalovce Property Development, a.s.	3,597	132	--	--	3,729	4,826	--	45	--	4,871
MUXUM, a.s.	3,624	--	249	--	3,873	4,740	--	63	--	4,803
Na Poř��, a.s.	28,850	514	9,453	--	38,817	30,834	--	511	--	31,345
New Age Kft.	811	14	--	--	825	363	--	9	--	372
OC Nov� Zdoboř a.s.	8,463	323	239	--	9,025	8,928	--	113	--	9,041
OC Spektrum, s.r.o.	9,768	200	1,179	--	11,147	2,985	--	54	--	3,039
OFFICE CENTER HRADČANSK�, a.s.	11,488	203	17	--	11,708	12,172	--	159	--	12,331
Office Center Pořtov�, s.r.o.	--	--	--	--	--	4,576	--	37	--	4,613
Olomouc Building, a.s.	14,110	--	698	--	14,808	15,414	--	257	--	15,671
Orchard Hotel a.s.	9,801	--	384	--	10,185	9,859	--	373	--	10,232
Outlet Arena Moravia, s.r.o.	--	--	3,600	--	3,600	1,857	--	22	--	1,879
Ozrics Kft.	2,919	52	--	--	2,971	1,740	--	19	--	1,759
Pelhřimov Property Development, a.s.	2,350	140	31	--	2,521	2,664	--	35	--	2,699
Platn�fsk� 10 s.r.o.	509	--	8	--	517	--	--	--	--	--
P�lus Shopping Center Zrt.	63,921	1,706	--	--	65,627	64,830	--	1,560	--	66,390

Receivables	2020					2019				
	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total
Note	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--
Povařsk� Bystrica Property Development, a.s.	1,101	29	12	--	1,142	1,342	--	9	--	1,351
Prievidza Property Development, a.s.	2,622	50	--	--	2,672	3,600	--	23	--	3,623
PROJECT FIRST a.s.	--	--	3,600	--	3,600	--	--	--	--	--
Projekt Nisa, s.r.o.	76,550	1,329	5,274	--	83,153	78,755	--	1,440	--	80,195
Projekt Zlat� And�l, s.r.o.	75,538	1,097	716	--	77,351	79,206	--	767	--	79,973
Prost�jov Investments, a.s.	644	--	21	--	665	875	--	54	--	929
Přibor Property Development, s. r.o.	387	10	13	--	410	387	--	6	--	393
Real Estate Energy Kft.	75	--	2	--	77	17	--	1	--	18
Residence Belgick�, s.r.o.	1,520	--	78	--	1,598	1,622	--	24	--	1,646
Residence Izabella Zrt.	3,944	87	--	--	4,031	3,217	--	41	--	3,258
Rezidence Jan�ova, s.r.o.	1,167	--	3,639	--	4,806	32	--	1	--	33
Rezidence Malkovsk�ho, s.r.o.	398	--	3,617	--	4,015	359	--	7	--	366
Savile Row 1 Limited	5,529	9	--	--	5,538	--	--	--	--	--
Statek Kravaře, a.s. (formerly AVENA, v�robn� obchodn� druřstvo, zkr�cen� AVENA, VOD)	4,573	--	2,601	--	7,174	3,333	--	66	--	3,399
Statenice Property Development, a.s.	2,119	144	3,600	--	5,863	2,156	--	30	--	2,186
Svitavy Property Alfa, a.s.	8,749	259	67	--	9,075	9,206	--	115	--	9,321
Tachov Investments, s.r.o.	--	--	3,600	--	3,600	--	--	--	--	--
Tel� Property Development, a.s.	--	--	3,600	--	3,600	400	--	--	--	400
Tepeln� hospod�řstv� Litv�nov s.r.o.	680	--	7	--	687	950	--	9	--	959
Trebiřov Property Development, s. r. o.	--	--	--	--	--	117	--	1	--	118
Třinec Investments, s.r.o.	2,275	61	45	--	2,381	2,343	--	51	--	2,394
Třinec Property Development, a.s.	3,208	--	161	--	3,369	3,194	--	66	--	3,260
Tyrřova 6, a.s.	1,834	--	189	--	2,023	2,248	--	46	--	2,294
U svat�ho Michala, a.s.	3,147	44	33	--	3,224	3,209	--	32	--	3,241
V Team Prague, s.r.o.	5,549	--	748	--	6,297	2,781	--	74	--	2,855
Vigano, a.s.	9,487	--	330	--	9,817	9,262	--	--	--	9,262
ZET.office, a.s. (formerly CPI Orange, a.s.)	--	--	1,200	--	1,200	--	--	--	--	--
Žd�rec Property Development, a.s.	612	45	9	--	666	712	--	12	--	724
<b>Mr. Radovan V�tek and his entity reported as affiliated</b>	--	--	<b>35,943</b>	--	<b>35,943</b>	--	--	<b>56,541</b>	--	<b>56,541</b>
Efimacor S.� r.l.	--	--	--	--	--	--	--	12	--	12
GAMALA LIMITED	--	--	35,109	--	35,109	--	--	56,251	--	56,251
Mr. Radovan V�tek	--	--	834	--	834	--	--	262	--	262

Receivables	2020					2019				
	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total	Financial fixed assets	Current assets after more than one year	Current assets within one year	Trade receivable	Total
Note	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--	3.2. 3.4.	4.2	4.1. 4.3. 4.4	--	--
Ravento S.à r.l.	--	--	--	--	--	--	--	16	--	16
<b>Other related reported as other</b>	--	--	--	<b>6</b>	<b>6</b>	--	--	--	<b>23</b>	<b>23</b>
CPIPG Holding S.à r.l.	--	--	--	--	--	--	--	--	8	8
Logan Estates Sarl	--	--	--	6	6	--	--	--	4	4
POLMA 1 S.A.	--	--	--	--	--	--	--	--	3	3
WHIPLASH EQUITIES S.à r.l.	--	--	--	--	--	--	--	--	8	8
<b>Total</b>	<b>4,531,404</b>	<b>38,548</b>	<b>330,879</b>	<b>6</b>	<b>4,900,837</b>	<b>3,736,719</b>	--	<b>116,146</b>	<b>23</b>	<b>3,852,888</b>

Payables	2020				2019			
	Owed to affiliated payable within one year	Owed to affiliated payable after more than one year	Owed to affiliated payable within one year	Total	Owed to affiliated payable within one year	Owed to affiliated payable after more than one year	Owed to affiliated payable within one year	Total
Note	7.1	7.2	8	--	7.1	7.2	8	--
<b>Owned by the Company (directly, indirectly) - affiliated</b>	<b>8,940</b>	--	--	<b>8,940</b>	<b>1,068</b>	<b>17,428</b>	--	<b>18,496</b>
BYTY PODKOVA, a.s.	2,171	--	--	2,171	680	11,249	--	11,929
CD Property s.r.o.	110	--	--	110	--	--	--	--
Darilia, a.s.	19	--	--	19	32	--	--	32
Development Doupovská, s.r.o.	63	--	--	63	--	--	--	--
Endurance Real Estate Management Company S.A.	--	--	--	--	6	82	--	88
Industrial Park Stříbro, s.r.o.	148	--	--	148	144	2,192	--	2,336
JHOVÝCHODNÍ MĚSTO, a.s.	1	--	--	1	--	--	--	--
Land Properties, a.s.	173	--	--	173	200	--	--	200
Marki Real Estate sp. z o.o. w likwidacji	3,724	--	--	3,724	--	3,778	--	3,778
STRM Alfa, a.s.	149	--	--	149	6	127	--	133
Svitavy Property Development, a.s.	1,254	--	--	1,254	--	--	--	--
WFC Investments sp. z o.o.	1,128	--	--	1,128	--	--	--	--
<b>CPI Group's entity</b>	<b>440,461</b>	<b>4,845,339</b>	--	<b>5,285,800</b>	<b>275,222</b>	<b>3,862,489</b>	--	<b>4,137,711</b>
1 Bishops Avenue Limited	356	--	--	356	236	--	--	236
Baudry Beta, a.s.	376	--	--	376	--	--	--	--
BAYTON Gama, a.s.	1,755	--	--	1,755	865	--	--	865
Beroun Property Development, a.s.	337	--	--	337	--	--	--	--
BPT Development, a.s.	1,661	--	--	1,661	2,574	--	--	2,574
Brandýs Logistic, a.s.	652	--	--	652	561	--	--	561
BRNO INN, a.s.	3,164	--	--	3,164	1,995	--	--	1,995

Payables	2020				2019			
	Owed to affiliated payable within one year	Owed to affiliated payable after more than one year	Owed to affiliated payable within one year	Total	Owed to affiliated payable within one year	Owed to affiliated payable after more than one year	Owed to affiliated payable within one year	Total
Note	7.1	7.2	8	--	7.1	7.2	8	--
Brno Property Development, a.s.	22,296	--	--	22,296	22,831	--	--	22,831
Březiněves, a.s.	1,413	--	--	1,413	--	--	--	--
Byty Lehovec, s.r.o.	3,754	--	--	3,754	--	--	--	--
CB Property Development, a.s.	1,276	--	--	1,276	--	--	--	--
CPI - Bor, a.s.	135	--	--	135	--	--	--	--
CPI - Horoměřice, a.s.	82	--	--	82	280	--	--	280
CPI - Zbraslav, a.s.	2,640	--	--	2,640	2,619	--	--	2,619
CPI BYTY, a.s.	3,111	--	--	3,111	--	--	--	--
CPI Delta, a.s.	55	--	--	55	--	--	--	--
CPI East, s.r.o.	1,152	--	--	1,152	--	--	--	--
CPI Energo, a.s.	758	--	--	758	12	315	--	327
CPI Finance CEE, a.s.	73	--	--	73	--	--	--	--
CPI Flats, a.s.	4,082	--	--	4,082	--	--	--	--
CPI Green, a.s.	80	--	--	80	--	--	--	--
CPI Hungary Investments Kft. (formerly BC 30 Property Kft.)	998	--	--	998	511	--	--	511
CPI Hungary Kft.	809	--	--	809	786	--	--	786
CPI Jihlava Shopping, a.s.	1,024	--	--	1,024	--	--	--	--
CPI Kvarta, s.r.o.	2	--	--	2	--	--	--	--
CPI Kvinta, s.r.o.	2	--	--	2	--	--	--	--
CPI Management, s.r.o.	616	--	--	616	(155)	--	--	(155)
CPI Meteor Centre, s.r.o.	401	--	--	401	--	--	--	--
CPI Národní, s.r.o.	35,290	--	--	35,290	11,003	--	--	11,003
CPI Office Prague, s.r.o.	620	--	--	620	--	--	--	--
CPI Omikrón, a.s.	80	--	--	80	--	--	--	--
CPI Palmovka Office, s.r.o.	50	--	--	50	--	--	--	--
CPI Poland Sp. z o.o.	--	--	--	--	785	--	--	785
CPI Property a Facility, s.r.o.	276	--	--	276	--	--	--	--
CPI Property Group S.A.	158,157	4,546,868	--	4,705,025	50,866	3,688,389	--	3,739,255
CPI Reality, a.s.	1,089	--	--	1,089	--	--	--	--
CPI Retail MB s.r.o.	39	--	--	39	--	--	--	--
CPI Retail Portfolio I, a.s.	2	--	--	2	--	--	--	--
CPI Retail Portfolio II, a.s.	913	--	--	913	3,226	--	--	3,226
CPI Retail Portfolio IV, s.r.o.	25	--	--	25	--	--	--	--
CPI Retail Portfolio V, s.r.o.	328	--	--	328	--	--	--	--
CPI Retail Portfolio VI, s.r.o.	78	--	--	78	--	--	--	--
CPI Retails ONE, a.s.	235	--	--	235	--	--	--	--
CPI Retails Rosa s.r.o.	55	--	--	55	--	--	--	--
CPI Retails THREE, a.s.	500	--	--	500	--	--	--	--
CPI Retails TWO, a.s.	314	--	--	314	--	--	--	--
CPI Sekunda, s.r.o.	2	--	--	2	--	--	--	--
CPI Services, a.s.	3,893	--	--	3,893	(1,452)	--	--	(1,452)
CPI Shopping MB, a.s.	495	--	--	495	--	--	--	--
CPI Shopping Teplice, a.s.	2	--	--	2	--	--	--	--
CPI Tercie, s.r.o.	2	--	--	2	--	--	--	--
CPI Théta, a.s.	80	--	--	80	--	--	--	--
CPI Vestec, s.r.o.	129	--	--	129	--	--	--	--
Czech Property Investments, a.s.	158,058	--	--	158,058	156,160	--	--	156,160
Čáslav Investments, a.s.	48	--	--	48	--	--	--	--

Payables	2020				2019			
	Owed to affiliated payable within one year	Owed to affiliated payable after more than one year	Owed to affiliated payable within one year	Total	Owed to affiliated payable within one year	Owed to affiliated payable after more than one year	Owed to affiliated payable within one year	Total
Note	7.1	7.2	8	--	7.1	7.2	8	--
EMH South, s.r.o.	145	--	--	145	--	--	--	--
Farhan, a.s.	1,629	--	--	1,629	--	--	--	--
FL Property Development, a.s.	2	--	--	2	--	--	--	--
GSG Asset GmbH & Co. Verwaltungs KG	13	4,000	--	4,013	--	--	--	--
GSG Europa Beteiligungs GmbH	799	401	--	1,200	798	798	--	1,596
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	41	13,100	--	13,141	--	--	--	--
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	63	19,900	--	19,963	--	--	--	--
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	95	30,000	--	30,095	--	--	--	--
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	62	19,600	--	19,662	--	--	--	--
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	109	34,600	--	34,709	--	--	--	--
HOTEL U PARKU, s.r.o.	661	--	--	661	512	--	--	512
IGY2 CB, a.s.	730	--	--	730	--	--	--	--
Jeseník Investments, a.s.	65	--	--	65	--	--	--	--
Jetřichovice Property, a.s.	253	--	--	253	279	--	--	279
Komárno Property Development, a.s.	36	--	--	36	--	--	--	--
Kosmonosy Property Development, s.r.o.	191	--	--	191	--	--	--	--
Levice Property Development, a.s.	63	--	--	63	--	--	--	--
Marissa Gama, a.s.	699	--	--	699	--	--	--	--
Marissa Omikrón, a.s.	351	--	--	351	--	--	--	--
Marissa West, a.s.	1,069	--	--	1,069	--	--	--	--
Marissa Ypsilon, a.s.	78	--	--	78	--	--	--	--
Michalovce Property Development, a.s.	81	--	--	81	--	--	--	--
MMR RUSSIA S.à r.l.	10	--	--	10	--	--	--	--
Na Pořící, a.s.	252	--	--	252	--	--	--	--
Nymburk Property Development, a.s.	3,810	--	--	3,810	7,646	--	--	7,646
OC Nová Zdaboř a.s.	517	--	--	517	--	--	--	--
OC Spektrum, s.r.o.	1	--	--	1	--	--	--	--
OFFICE CENTER HRADČANSKÁ, a.s.	215	--	--	215	--	--	--	--
Pelhřimov Property Development, a.s.	53	--	--	53	--	--	--	--
Prievidza Property Development, a.s.	32	--	--	32	--	--	--	--
PROJECT FIRST a.s.	4,834	--	--	4,834	5,344	--	--	5,344
Projekt Nisa, s.r.o.	2	--	--	2	--	--	--	--
Projekt Zlatý Anděl, s.r.o.	1,848	--	--	1,848	--	--	--	--
Přibor Property Development, s. r. o.	3	--	--	3	--	--	--	--
Rezidence Jančova, s.r.o.	--	--	--	--	8	--	--	8
Rezidence Malkovského, s.r.o.	--	--	--	--	73	--	--	73
ST Project Limited	6,742	176,870	--	183,612	6,751	172,987	--	179,738
Svitavy Property Alfa, a.s.	373	--	--	373	--	--	--	--
Tachov Investments, s.r.o.	54	--	--	54	90	--	--	90

	2020				2019			
	Owed to affiliated payable within one year	Owed to affiliated payable after more than one year	Owed to affiliated payable within one year	Total	Owed to affiliated payable within one year	Owed to affiliated payable after more than one year	Owed to affiliated payable within one year	Total
Note	7.1	7.2	8	--	7.1	7.2	8	--
Telč Property Development, a.s.	50	--	--	50	--	--	--	--
Tepelné hospodářství Litvínov s.r.o.	107	--	--	107	--	--	--	--
Třebíšov Property Development, s. r. o.	17	--	--	17	--	--	--	--
Třinec Investments, s.r.o.	57	--	--	57	--	--	--	--
Třinec Property Development, a.s.	336	--	--	336	--	--	--	--
ZET.office, a.s. (formerly CPI Orange, a.s.)	79	--	--	79	--	--	--	--
Ždírec Property Development, a.s.	14	--	--	14	18	--	--	18
<b>Mr. Radovan Vitek and his entity reported as affiliated</b>	<b>75</b>	--	--	<b>75</b>	--	--	--	--
CPI Yellow, a.s.	75	--	--	75	--	--	--	--
<b>Other related reported as other</b>	--	--	<b>49</b>	<b>49</b>	--	--	<b>50</b>	<b>50</b>
Turf Praha a.s.	--	--	49	49	--	--	50	50
<b>Total</b>	<b>449,476</b>	<b>4,845,339</b>	<b>49</b>	<b>5,294,864</b>	<b>276,290</b>	<b>3,879,917</b>	<b>50</b>	<b>4,156,257</b>

### Related party transactions

	2020					2019				
	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total
Note	9	14	15	16	--	9	14	15	16	--
<b>Owned by the Company (directly, indirectly) - affiliated</b>	--	<b>13,218</b>	<b>17,172</b>	<b>648</b>	<b>31,038</b>	<b>270</b>	<b>103</b>	<b>6,078</b>	<b>427</b>	<b>6,878</b>
Bubenská 1, a.s.	--	--	4,047	162	4,209	--	--	1,504	7	1,511
Bubny Development, s.r.o.	--	--	1,692	4	1,696	--	--	89	4	93
BYTY PODKOVA, a.s.	--	9,779	--	191	9,970	--	--	--	2	2
Camuzzi, a.s.	--	--	55	1	56	--	--	57	27	84
CD Property s.r.o.	--	--	595	71	666	--	103	696	90	889
CPI - Krásné Březno, a.s.	--	--	30	--	30	--	--	5	--	5
CPI - Land Development, a.s.	--	--	350	3	353	--	--	101	12	113
CPI Park Žďárek, a.s.	--	--	158	--	158	--	--	164	113	277
CPI Pigna S.r.l.	--	--	350	--	350	--	--	46	--	46
CPI REV Italy II S.r.l.	--	--	344	--	344	--	--	64	--	64
CPI South, s.r.o.	--	--	10	--	10	--	--	9	--	9
Darilia, a.s.	--	--	--	1	1	--	--	--	--	--
Data Trade s.r.o. Development	--	--	25	--	25	--	--	24	--	24
Doupovská, s.r.o.	--	--	--	1	1	--	--	1	--	1
Diana Property Sp. z o.o.	--	--	137	--	137	--	--	166	2	168

Income	2020					2019				
	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total
Note	9	14	15	16	--	9	14	15	16	--
Endurance Real Estate Management Company S.A.	--	273	--	--	273	--	--	--	--	--
Equator IV Offices sp. z o.o. (formerly Cirrus Real sp. z o.o.)	--	--	2,209	--	2,209	--	--	320	--	320
Estate Grand, s.r.o.	--	--	27	--	27	--	--	29	19	48
Eurocentrum Offices sp. z o.o. (formerly Dakota Investments sp. z o.o.)	--	--	4,520	--	4,520	--	--	419	--	419
FAMIACO ENTERPRISES COMPANY LIMITED	--	--	223	--	223	--	--	210	--	210
GCA Property Development sp. z o.o.	--	--	1	--	1	--	--	3	--	3
Industrial Park Stříbro, s.r.o.	--	3,166	--	67	3,233	--	--	--	--	--
JÍHOVÝCHODNÍ MĚSTO, a.s.	--	--	12	--	12	--	--	16	--	16
Karviná Property Development, a.s.	--	--	29	--	29	--	--	45	31	76
Land Properties, a.s.	--	--	--	3	3	--	--	--	--	--
Les Mas du Figuier	--	--	151	--	151	--	--	13	--	13
Marki Real Estate sp. z o.o. w likwidacji	--	--	--	5	5	--	--	--	--	--
MQM Czech, a.s.	--	--	23	--	23	--	--	16	--	16
NOVÁ ZBROJOVKA, s.r.o.	--	--	1,870	37	1,907	--	--	1,065	6	1,071
Nupaky a.s.	--	--	15	--	15	--	--	16	11	27
Polygon BC, a.s.	--	--	96	1	97	--	--	57	--	57
Rezidence Pragovka, s.r.o.	--	--	23	--	23	--	--	11	--	11
SCP Reflets	--	--	122	--	122	--	--	--	--	--
Strakonice Property Development, a.s.	--	--	3	--	3	--	--	3	2	5
STRM Beta , a.s.	--	--	24	--	24	--	--	14	6	20
STRM Gama, a.s.	--	--	13	--	13	--	--	11	2	13
Svitavy Property Development, a.s.	--	--	18	2	20	--	--	28	--	28
Szczecin Project sp. z o.o. w likwidacji	--	--	--	4	4	--	--	876	93	969
WFC Investments sp. z o.o.	--	--	--	95	95	270	--	--	--	270
<b>Owned by the Company (directly, indirectly) - interest participated</b>	--	--	<b>821</b>	--	<b>821</b>	--	--	<b>772</b>	--	<b>772</b>
Uniborc S.A.	--	--	821	--	821	--	--	772	--	772
<b>CPI Group's entity</b>	<b>21,806</b>	--	<b>165,510</b>	<b>9,034</b>	<b>196,350</b>	<b>18,890</b>	--	<b>144,249</b>	<b>13,673</b>	<b>176,812</b>
1 Bishops Avenue Limited	--	--	3,423	20	3,443	--	--	206	--	206
AIRPORT CITY INGATLANBEFEKTETÉSI Kft.	--	--	705	24	729	--	--	598	--	598
Airport City Phase B Kft.	--	--	76	8	84	--	--	59	--	59
Andrassy Hotel Zrt.	--	--	212	9	221	--	--	135	--	135
Andrássy Real Kft.	--	--	504	21	525	--	--	914	--	914



Income	2020					2019				
	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total
Note	9	14	15	16	--	9	14	15	16	--
ARENA CORNER INGATLANBEFEKTETÉSI KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG										
Balvinder, a.s.	--	--	208	5	213	--	--	311	13	324
Baron Puglia S.r.l.	--	--	529	--	529	--	--	20	--	20
Baudry Beta, a.s.	--	--	481	11	492	--	--	446	4	450
BAYTON Alfa, a.s.	--	--	691	17	708	--	--	1,161	24	1,185
BC 91 Real Estate Ingatlanbefektetési Kft.	--	--	68	18	86	--	--	19	--	19
BC 99 Office Park Kft.	--	--	1,561	32	1,593	--	--	1,167	--	1,167
Beroun Property Development, a.s.	--	--	466	23	489	--	--	538	--	538
Best Properties South, a.s.	--	--	2,408	63	2,471	--	--	2,838	382	3,220
BPT Development, a.s.	--	--	--	37	37	--	--	233	2	235
Brandýs Logistic, a.s.	--	--	946	35	981	--	--	561	12	573
Branch of MMR RUSSIA S.à r.l. (Luxembourg)	--	--	--	--	--	49	--	--	--	49
Brno Development Services, s.r.o.	--	--	18	7	25	--	--	--	--	--
BRNO INN, a.s.	--	--	--	6	6	--	--	--	--	--
Brno Property Development, a.s.	--	--	--	56	56	--	--	44	75	119
Březiněves, a.s.	--	--	373	133	506	--	--	626	41	667
Buy-Way Dunakeszi Kft.	--	--	297	27	324	--	--	215	--	215
Buy-Way Soroksár Kft.	--	--	206	12	218	--	--	116	--	116
Byty Lehovec, s.r.o.	--	--	742	60	802	--	--	176	--	176
CAMPONA Shopping Center Kft.	--	--	5,290	--	5,290	--	--	5,531	--	5,531
Carpenter Invest, a.s.	--	--	143	100	243	--	--	203	2	205
CB Property Development, a.s.	--	--	71	2	73	--	--	62	--	62
Conradian, a.s.	--	--	369	78	447	--	--	537	62	599
CPI - Bor, a.s.	--	--	529	10	539	--	--	164	4	168
CPI - Horoměřice, a.s.	--	--	--	13	13	--	--	--	--	--
CPI - Orlová, a.s.	--	--	67	--	67	--	--	66	44	110
CPI - Real Estate, a.s.	--	--	95	3	98	--	--	125	9	134
CPI - Zbraslav, a.s.	--	--	--	5	5	--	--	--	--	--
CPI Beet, a.s.	--	--	13	--	13	--	--	25	--	25
CPI BYTY, a.s.	40	--	3,817	388	4,245	40	--	4,717	44	4,801
CPI Delta, a.s.	--	--	83	4	87	--	--	59	1	60
CPI East, s.r.o.	--	--	4,117	85	4,202	--	--	10,285	2,180	12,465
CPI Energo, a.s.	--	--	--	18	18	--	--	--	--	--
CPI Facility Slovakia, a.s.	820	--	--	--	820	765	--	--	--	765
CPI Flats, a.s.	--	--	4	45	49	--	--	91	8	99
CPI Hotels Europeum Kft.	--	--	32	11	43	--	--	--	--	--
CPI Hotels Properties, a.s.	--	--	511	8	519	--	--	364	76	440
CPI Hotels, a.s.	--	--	526	--	526	--	--	--	--	--
CPI Hungary Investments Kft.	--	--	--	--	--	400	--	2	--	402

Income	2020					2019				
	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total
Note	9	14	15	16	--	9	14	15	16	--
(formerly BC 30 Property Kft.)										
CPI Hungary Kft.	2,274	--	--	--	2,274	2,089	--	--	--	2,089
CPI IMMO	--	--	57	--	57	--	--	57	--	57
CPI Jihlava Shopping, a.s.	--	--	1,006	46	1,052	--	--	1,178	349	1,527
CPI Kappa, s.r.o.	--	--	57	2	59	--	--	74	4	78
CPI Management, s.r.o.	--	--	--	5	5	--	--	--	--	--
CPI Meteor Centre, s.r.o.	--	--	606	17	623	--	--	539	9	548
CPI Národní, s.r.o.	--	--	--	8	8	--	--	--	1	1
CPI Office Prague, s.r.o.	--	--	951	681	1,632	--	--	5,602	841	6,443
CPI Palmovka Office, s.r.o.	--	--	148	6	154	--	--	66	2	68
CPI Poland Sp. z o.o.	3,469	--	--	5	3,474	1,135	--	--	--	1,135
CPI Property a Facility, s.r.o.	--	--	5	1	6	--	--	13	--	13
CPI Property Group S.A.	24	--	35,946	82	36,052	12	--	12,373	3	12,388
CPI Reality, a.s.	--	--	2,503	57	2,560	--	--	2,692	169	2,861
CPI Retail MB s.r.o.	--	--	--	59	59	--	--	--	--	--
CPI Retail One Kft.	--	--	813	88	901	--	--	1,042	--	1,042
CPI RETAIL PORTFOLIO HOLDING Kft.	--	--	850	116	966	--	--	1,935	--	1,935
CPI Retail Portfolio I, a.s.	--	--	97	6	103	--	--	210	22	232
CPI Retail Portfolio II, a.s.	--	--	--	96	96	--	--	170	57	227
CPI Retail Portfolio IV, s.r.o.	--	--	48	3	51	--	--	171	13	184
CPI Retail Portfolio V, s.r.o.	--	--	190	10	200	--	--	228	2	230
CPI Retail Portfolio VI, s.r.o.	--	--	64	2	66	--	--	76	3	79
CPI Retail Portfolio VIII s.r.o.	--	--	215	4	219	--	--	221	4	225
CPI Retails ONE, a.s.	--	--	477	8	485	--	--	623	74	697
CPI Retails Rosa s.r.o.	--	--	159	--	159	--	--	173	--	173
CPI Retails THREE, a.s.	--	--	1,160	--	1,160	--	--	1,392	--	1,392
CPI Retails TWO, a.s.	--	--	356	3	359	--	--	525	31	556
CPI Services, a.s.	14,602	--	84	14	14,700	12,797	--	51	--	12,848
CPI Shopping MB, a.s.	--	--	1,747	63	1,810	--	--	2,119	322	2,441
CPI Shopping Teplice, a.s.	--	--	2,966	269	3,235	--	--	2,228	84	2,312
CPI Vestec, s.r.o.	--	--	287	3	290	--	--	312	17	329
CPIPG Management S.à r.l.	10	--	--	--	10	6	--	--	--	6
Czech Property Investments, a.s.	--	--	36,832	3,689	40,521	9	--	21,533	1,274	22,816
Čadca Property Development, s.r.o.	--	--	40	1	41	--	--	105	--	105
Čáslav Investments, a.s.	--	--	131	2	133	--	--	157	4	161
Duca Puglia S.r.l.	--	--	307	--	307	--	--	--	--	--
EMH South, s.r.o.	--	--	408	10	418	--	--	739	183	922
ENDURANCE HOSPITALITY ASSET S.à r.l.	10	--	--	--	10	6	--	--	--	6

Income	2020					2019				
	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total
Note	9	14	15	16	--	9	14	15	16	--
ENDURANCE										
HOSPITALITY FINANCE S.à r.l.	10	--	96	--	106	6	--	173	--	179
Europeum Kft.	--	--	1,241	83	1,324	--	--	175	--	175
Farhan, a.s.	--	--	2,805	41	2,846	--	--	2,884	631	3,515
FL Property Development, a.s.	--	--	10	--	10	--	--	12	8	20
Futurum HK Shopping, s.r.o.	--	--	4,331	75	4,406	--	--	4,174	14	4,188
Gateway Office Park Kft.	--	--	563	91	654	--	--	456	--	456
Gewerbesiedlungs-Gesellschaft mbH	1,050	--	--	52	1,102	1,041	--	--	--	1,041
HD Investment s.r.o.	--	--	4	--	4	--	--	4	--	4
Hightech Park Kft.	--	--	210	15	225	--	--	172	--	172
Hospitality invest S.à r.l.	10	--	--	--	10	6	--	19	--	25
HOTEL U PARKU, s.r.o.	--	--	--	2	2	--	--	--	--	--
Hraničář, a.s.	--	--	675	14	689	--	--	754	342	1,096
IGY2 CB, a.s.	--	--	196	2	198	--	--	140	6	146
IS Nyír Kft.	--	--	79	22	101	--	--	169	--	169
IS Zala Kft.	--	--	599	19	618	--	--	735	--	735
Janáčkovo nábřeží 15, s.r.o.	--	--	351	6	357	--	--	516	69	585
Jeseník Investments, a.s.	--	--	109	1	110	--	--	129	--	129
Jetřichovice Property, a.s.	--	--	--	2	2	--	--	--	--	--
Kerina, a.s.	--	--	262	6	268	--	--	300	6	306
KOENIG Shopping, s.r.o.	--	--	2,724	46	2,770	--	--	4,091	281	4,372
Komárno Property Development, a.s.	--	--	62	--	62	--	--	191	--	191
Kosmonosy Property Development, s.r.o.	--	--	383	7	390	--	--	378	--	378
Kravařská zemědělská, a.s.	--	--	159	39	198	--	--	163	--	163
LD Praha, a.s.	--	--	175	3	178	--	--	354	62	416
Levice Property Development, a.s.	--	--	157	--	157	--	--	327	--	327
Lockhart, a.s.	--	--	1,528	40	1,568	--	--	1,565	229	1,794
Lucemburská 46, a.s.	--	--	146	2	148	--	--	213	32	245
Marissa Gama, a.s.	--	--	1,887	30	1,917	--	--	1,751	7	1,758
Marissa Omikrón, a.s.	--	--	838	1	839	--	--	956	2	958
Marissa Tau, a.s.	--	--	396	--	396	--	--	547	256	803
Marissa Théta, a.s.	--	--	38	1	39	--	--	50	1	51
Marissa West, a.s.	--	--	2,614	35	2,649	--	--	3,296	1,135	4,431
Marissa Yellow, a.s.	--	--	524	7	531	--	--	921	322	1,243
Marissa Ypsilon, a.s.	--	--	1,947	33	1,980	--	--	2,239	238	2,477
MB Futurum HK s.r.o.	--	--	--	--	--	--	--	--	7	7
MB Property Development, a.s.	--	--	70	2	72	--	--	48	--	48
Mercuda, a.s.	(523)	--	--	--	(523)	523	--	--	--	523
Michalovce Property Development, a.s.	--	--	177	--	177	--	--	395	--	395
MMR RUSSIA S.à r.l.	10	--	--	--	10	6	--	--	--	6
MUXUM, a.s.	--	--	141	3	144	--	--	274	31	305
Na Poříčí, a.s.	--	--	1,744	35	1,779	--	--	2,008	9	2,017

Income	2020					2019				
	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total
Note	9	14	15	16	--	9	14	15	16	--
New Age Kft.	--	--	40	5	45	--	--	22	--	22
Nymburk Property Development, a.s.	--	--	--	405	405	--	--	--	--	--
OC Nov� Zdaboř a.s.	--	--	431	3	434	--	--	442	3	445
OC Spektrum, s.r.o.	--	--	550	38	588	--	--	403	89	492
OFFICE CENTER HRADČANSK�, a.s.	--	--	639	11	650	--	--	777	9	786
Office Center Pořtov�, s.r.o.	--	--	106	16	122	--	--	188	--	188
Olomouc Building, a.s.	--	--	649	22	671	--	--	804	243	1,047
Olomouc City Center, a.s.	--	--	--	--	--	--	--	173	29	202
Orchard Hotel a.s.	--	--	661	20	681	--	--	641	1	642
Outlet Arena Moravia, s.r.o.	--	--	15	48	63	--	--	90	2	92
Ozrics Kft.	--	--	147	42	189	--	--	51	--	51
Pelhřimov Property Development, a.s.	--	--	140	4	144	--	--	153	8	161
Platn�řsk� 10 s.r.o.	--	--	7	--	7	--	--	--	--	--
P�lus Shopping Center Zrt.	--	--	4,399	21	4,420	--	--	4,197	--	4,197
Povařsk� Bystrica Property Development, a.s.	--	--	37	--	37	--	--	114	--	114
Prievidza Property Development, a.s.	--	--	95	--	95	--	--	283	--	283
PROJECT FIRST a.s.	--	--	--	22	22	--	--	--	2	2
Projekt Nisa, s.r.o.	--	--	4,703	122	4,825	--	--	6,551	1,219	7,770
Projekt Zlat� And�l, s.r.o.	--	--	3,228	103	3,331	--	--	5,014	1,454	6,468
Prost�jov Investments, a.s.	--	--	42	1	43	--	--	54	--	54
Přibor Property Development, s. r.o.	--	--	19	1	20	--	--	26	--	26
Real Estate Energy Kft.	--	--	9	--	9	--	--	1	--	1
Residence Belgick�, s.r.o.	--	--	72	1	73	--	--	80	2	82
Residence Izabella Zrt.	--	--	222	3	225	--	--	137	--	137
Rezidence Jančova, s.r.o.	--	--	49	4	53	--	--	2	--	2
Rezidence Malkovsk�ho, s.r.o.	--	--	33	2	35	--	--	9	--	9
Savile Row 1 Limited	--	--	9	--	9	--	--	--	--	--
Statek Kravaře, a.s.	--	--	237	47	284	--	--	66	--	66
Statenice Property Development, a.s.	--	--	115	--	115	--	--	123	86	209
Svitavy Property Alfa, a.s.	--	--	469	9	478	--	--	727	191	918
Tachov Investments, s.r.o.	--	--	--	1	1	--	--	--	--	--
Telč Property Development, a.s.	--	--	1	23	24	--	--	24	--	24
Tepeln� hospod�řstv� Litv�nov s.r.o.	--	--	34	4	38	--	--	34	(2)	32
Trebiřov Property Development, s. r. o.	--	--	1	--	1	--	--	19	--	19
Třinec Investments, s.r.o.	--	--	111	4	115	--	--	128	1	129
Třinec Property Development, a.s.	--	--	214	1	215	--	--	249	2	251

Income	2020					2019				
	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total	Other operating income	Financial income	Income from Financial fixed assets	Other financial income	Total
Note	9	14	15	16	--	9	14	15	16	--
Tyršova 6, a.s.	--	--	56	2	58	--	--	59	--	59
U svatého Michala, a.s.	--	--	133	1	134	--	--	176	133	309
V Team Prague, s.r.o.	--	--	248	9	257	--	--	407	45	452
Vigano, a.s.	--	--	641	445	1,086	--	--	900	4	904
Ždírec Property Development, a.s.	--	--	34	4	38	--	--	49	13	62
<b>Mr. Radovan Vitek and his entity reported as affiliated</b>	<b>2,546</b>	<b>--</b>	<b>--</b>	<b>2,655</b>	<b>5,201</b>	<b>3,366</b>	<b>--</b>	<b>--</b>	<b>2,817</b>	<b>6,183</b>
Efimacor S.à r.l.	10	--	--	--	10	6	--	--	--	6
GAMALA LIMITED	--	--	--	2,655	2,655	--	--	--	2,788	2,788
Ravento S.à r.l.	10	--	--	--	10	6	--	--	--	6
Mr. Mr. Radovan Vitek	2,526	--	--	--	2,526	3,354	--	--	29	3,383
<b>Other related reported as other</b>	<b>40</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>40</b>	<b>30</b>	<b>--</b>	<b>--</b>	<b>3</b>	<b>33</b>
CPIPG Holding S.à r.l.	10	--	--	--	10	6	--	--	--	6
Kosic, s.à r.l.	--	--	--	--	--	6	--	--	--	6
Logan Estates Sarl	10	--	--	--	10	6	--	--	--	6
POLMA 1 S.A.	10	--	--	--	10	6	--	--	--	6
Turf Praha a.s.	--	--	--	--	--	--	--	--	3	3
WHIPLASH EQUITIES S.à r.l.	10	--	--	--	10	6	--	--	--	6
<b>Total</b>	<b>24,392</b>	<b>13,218</b>	<b>183,503</b>	<b>12,337</b>	<b>233,450</b>	<b>22,556</b>	<b>103</b>	<b>151,099</b>	<b>16,920</b>	<b>190,678</b>

Expenses	2020					2019				
	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total
Note	10	13	18.1	18.2	--	10	13	18.1	18.2	--
<b>Owned by the Company (directly, indirectly) - affiliated</b>	<b>--</b>	<b>--</b>	<b>37,917</b>	<b>--</b>	<b>37,917</b>	<b>--</b>	<b>(31)</b>	<b>1,172</b>	<b>--</b>	<b>1,141</b>
Brillant 1419. GmbH & Co. Verwaltungs KG	--	--	--	--	--	--	(31)	--	--	(31)
Bubenská 1, a.s.	--	--	659	--	659	--	--	(9)	--	(9)
Bubny Development, s.r.o.	--	--	1,185	--	1,185	--	--	--	--	--
BYTY PODKOVA, a.s.	--	--	277	--	277	--	--	814	--	814
Camuzzi, a.s.	--	--	21	--	21	--	--	--	--	--
CD Property s.r.o.	--	--	344	--	344	--	--	(12)	--	(12)
CEREM S.A.	--	--	37,154	--	37,154	--	--	--	--	--
CPI - Krásné Březno, a.s.	--	--	14	--	14	--	--	--	--	--
CPI - Land Development, a.s.	--	--	137	--	137	--	--	1	--	1
CPI Park Žďárek, a.s.	--	--	60	--	60	--	--	--	--	--
CPI South, s.r.o.	--	--	4	--	4	--	--	1	--	1
Darilia, a.s.	--	--	1	--	1	--	--	1	--	1
Data Trade s.r.o.	--	--	2	--	2	--	--	--	--	--
Development Doupovská, s.r.o.	--	--	2	--	2	--	--	--	--	--
Endurance Real Estate Management Company S.A.	--	--	6	--	6	--	--	6	--	6
Estate Grand, s.r.o.	--	--	10	--	10	--	--	--	--	--

Expenses	2020					2019				
	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total
Note	10	13	18.1	18.2	--	10	13	18.1	18.2	--
Industrial Park Stříbro, s.r.o.	--	--	69	--	69	--	--	170	--	170
JIHOVÝCHODNÍ MĚSTO, a.s.	--	--	6	--	6	--	--	--	--	--
Karviná Property Development, a.s.	--	--	30	--	30	--	--	--	--	--
Land Properties, a.s.	--	--	--	--	--	--	--	8	--	8
Marki Real Estate sp. z o.o. w likwidacji	--	--	103	--	103	--	--	248	--	248
MQM Czech, a.s.	--	--	14	--	14	--	--	(2)	--	(2)
NOVÁ ZBROJOVKA, s.r.o.	--	--	781	--	781	--	--	(24)	--	(24)
Nupaky a.s.	--	--	6	--	6	--	--	--	--	--
Polygon BC, a.s.	--	--	38	--	38	--	--	(1)	--	(1)
Rezidence Pragovka, s.r.o.	--	--	12	--	12	--	--	1	--	1
Strakonice Property Development, a.s.	--	--	1	--	1	--	--	--	--	--
STRM Alfa, a.s.	--	--	8	--	8	--	--	7	--	7
STRM Beta, a.s.	--	--	7	--	7	--	--	--	--	--
STRM Gama, a.s.	--	--	5	--	5	--	--	1	--	1
Svitavy Property Development, a.s.	--	--	48	--	48	--	--	(1)	--	(1)
Szczecin Project sp. z o.o. w likwidacji	--	--	12,834	--	12,834	--	--	(37)	--	(37)
WFC Investments sp. z o.o.*	--	--	(15,921)	--	(15,921)	--	--	--	--	--
<b>CPI Group's entity</b>	<b>8,139</b>	<b>--</b>	<b>187,892</b>	<b>(14,715)</b>	<b>181,316</b>	<b>5,924</b>	<b>(62)</b>	<b>93,292</b>	<b>--</b>	<b>99,154</b>
1 Bishops Avenue Limited	359	--	4,823	--	5,182	236	--	--	--	236
AIRPORT CITY INGATLANBEFEKTETÉSI Kft.	--	--	1	--	1	--	--	--	--	--
Andrassy Hotel Zrt.	--	--	4	--	4	--	--	--	--	--
Andrássy Real Kft.	--	--	1	--	1	--	--	--	--	--
Balvinder, a.s.	--	--	125	--	125	--	--	1	--	1
Baudry Beta, a.s.	--	--	122	--	122	--	--	1	--	1
BAYTON Alfa, a.s.	--	--	215	--	215	--	--	(1)	--	(1)
BAYTON Gama, a.s.	--	--	66	--	66	--	--	5	--	5
BC 91 Real Estate Ingatlanbefektetési Kft.	--	--	3	--	3	--	--	97	--	97
BC 99 Office Park Kft.	--	--	88	--	88	--	--	--	--	--
Beroun Property Development, a.s.	--	--	303	--	303	--	--	(82)	--	(82)
Best Properties South, a.s.	--	--	994	--	994	--	--	(15)	--	(15)
BPT Development, a.s.	--	--	54	--	54	--	--	62	--	62
Brandýs Logistic, a.s.	--	--	398	--	398	--	--	3	--	3
Brno Development Services, s.r.o.	--	--	4	--	4	--	--	--	--	--
BRNO INN, a.s.	--	--	78	--	78	--	--	40	--	40
Brno Property Development, a.s.	--	--	453	--	453	--	--	903	--	903
Březiněves, a.s.	--	--	305	--	305	--	--	18	--	18
Buy-Way Soroksár Kft.	--	--	3	--	3	--	--	--	--	--
Byty Lehovce, s.r.o.	--	--	155	--	155	--	--	--	--	--
CAMPONA Shopping Center Kft.	--	--	65	--	65	--	--	--	--	--
Carpenter Invest, a.s.	--	--	75	--	75	--	--	(1)	--	(1)

Expenses	2020					2019				
	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total
Note	10	13	18.1	18.2	--	10	13	18.1	18.2	--
CB Property Development, a.s.	--	--	54	--	54	--	--	--	--	--
Conradian, a.s.	--	--	180	--	180	--	--	(14)	--	(14)
CPI - Bor, a.s.	--	--	152	--	152	--	--	22	--	22
CPI - Horoměřice, a.s.	--	--	5	--	5	--	--	10	--	10
CPI - Orlová, a.s.	--	--	22	--	22	--	--	--	--	--
CPI - Real Estate, a.s.	--	--	62	--	62	--	--	1	--	1
CPI - Zbraslav, a.s.	--	--	8	--	8	--	--	119	--	119
CPI Beet, a.s.	--	--	5	--	5	--	--	--	--	--
CPI BYTY, a.s.	--	--	3,216	--	3,216	--	--	(774)	--	(774)
CPI Delta, a.s.	--	--	43	--	43	--	--	--	--	--
CPI East, s.r.o.	--	--	1,649	--	1,649	--	--	(21)	--	(21)
CPI Energo, a.s.	--	--	28	--	28	--	--	12	--	12
CPI Finance CEE, a.s.	--	--	2	--	2	--	--	--	--	--
CPI Flats, a.s.	--	--	203	--	203	--	--	--	--	--
CPI Green, a.s.	--	--	2	--	2	--	--	--	--	--
CPI Hotels Europeum Kft.	--	--	1	--	1	--	--	--	--	--
CPI Hotels Poland sp. z o.o.	--	--	--	--	--	1	--	--	--	1
CPI Hotels Properties, a.s.	--	--	380	--	380	--	--	61	--	61
CPI Hotels, a.s.	--	--	8	--	8	2	--	108	--	110
CPI Hungary Investments Kft. (formerly BC 30 Property Kft.)	--	--	13	--	13	--	--	220	--	220
CPI Hungary Kft.	--	--	24	--	24	--	--	23	--	23
CPI Jihlava Shopping, a.s.	--	--	414	--	414	--	--	12	--	12
CPI Kappa, s.r.o.	--	--	23	--	23	--	--	(1)	--	(1)
CPI Management, s.r.o.	1,839	--	2	--	1,841	1,552	--	--	--	1,552
CPI Meteor Centre, s.r.o.	--	--	161	--	161	--	--	1	--	1
CPI Národní, s.r.o.	--	--	1,204	--	1,204	--	--	361	--	361
CPI Office Prague, s.r.o.	--	--	119	--	119	--	--	(3)	--	(3)
CPI Omikrón, a.s.	--	--	2	--	2	--	--	--	--	--
CPI Palmovka Office, s.r.o.	--	--	78	--	78	--	--	--	--	--
CPI Property a Facility, s.r.o.	--	--	35	--	35	--	--	--	--	--
CPI Property Group S.A.	379	--	137,882	--	138,261	582	--	88,990	--	89,572
CPI Reality, a.s.	--	--	742	6	748	--	--	18	--	18
CPI Retail MB s.r.o.	--	--	39	--	39	--	--	(37)	--	(37)
CPI Retail One Kft.	--	--	46	--	46	--	--	--	--	--
CPI RETAIL PORTFOLIO HOLDING Kft.	--	--	39	--	39	--	--	--	--	--
CPI Retail Portfolio I, a.s.	--	--	48	4	52	--	--	1	--	1
CPI Retail Portfolio II, a.s.	--	--	123	--	123	--	--	25	--	25
CPI Retail Portfolio IV, s.r.o.	--	--	31	--	31	--	--	10	--	10
CPI Retail Portfolio V, s.r.o.	--	--	92	--	92	--	--	2	--	2
CPI Retail Portfolio VI, s.r.o.	--	--	30	--	30	--	--	--	--	--

Expenses	2020					2019				
	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total
Note	10	13	18.1	18.2	--	10	13	18.1	18.2	--
CPI Retail Portfolio VIII s.r.o.	--	--	68	--	68	--	--	(1)	--	(1)
CPI Retails ONE, a.s.	--	--	191	7	198	--	--	1	--	1
CPI Retails THREE, a.s.	--	--	1	--	1	--	--	--	--	--
CPI Retails TWO, a.s.	--	--	151	4	155	--	--	7	--	7
CPI Services, a.s.	2,509	--	315	--	2,824	926	--	--	--	926
CPI Shopping MB, a.s.	--	--	760	6	766	--	--	7	--	7
CPI Shopping Teplice, a.s.	--	--	913	4	917	--	--	33	--	33
CPI Théta, a.s.	--	--	2	--	2	--	--	--	--	--
CPI Vestec, s.r.o.	--	--	69	--	69	--	--	1	--	1
Czech Property Investments, a.s.	--	--	12,190	7	12,197	--	--	213	--	213
Čáslav Investments, a.s.	--	--	64	--	64	--	--	(11)	--	(11)
EMH South, s.r.o.	--	--	174	--	174	--	--	1	--	1
Europeum Kft.	--	--	1	--	1	--	--	--	--	--
Farhan, a.s.	--	--	1,149	--	1,149	--	--	26	--	26
FL Property Development, a.s.	--	--	4	3	7	--	--	--	--	--
Futurum HK Shopping, s.r.o.	--	--	2,321	--	2,321	--	--	(575)	--	(575)
Gateway Office Park Kft.	--	--	1	--	1	--	--	--	--	--
GSG Asset GmbH & Co. Verwaltungs KG	--	--	13	--	13	--	--	--	--	--
GSG Europa Beteiligungs GmbH	--	--	--	--	--	--	(62)	--	--	(62)
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	--	--	41	--	41	--	--	--	--	--
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	--	--	63	--	63	--	--	--	--	--
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	--	--	95	--	95	--	--	--	--	--
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	--	--	62	--	62	--	--	--	--	--
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	--	--	109	--	109	--	--	--	--	--
HD Investment s.r.o.	--	--	1	--	1	--	--	--	--	--
HOTEL U PARKU, s.r.o.	--	--	13	--	13	--	--	14	--	14
Hraničář, a.s.	--	--	260	--	260	--	--	2	--	2
IGY2 CB, a.s.	--	--	81	--	81	--	--	(1)	--	(1)
Janáčkovo náměstí 15, s.r.o.	--	--	93	--	93	--	--	157	--	157
Jeseník Investments, a.s.	--	--	49	2	51	--	--	(5)	--	(5)
Jetřichovice Property, a.s.	--	--	6	--	6	--	--	10	--	10
Kerina, a.s.	--	--	96	--	96	--	--	1	--	1
KOENIG Shopping, s.r.o.	--	--	950	--	950	--	--	10	--	10
Kosmonosy Property Development, s.r.o.	--	--	288	--	288	--	--	1	--	1
LD Praha, a.s.	--	--	100	--	100	--	--	1	--	1
Lockhart, a.s.	--	--	511	--	511	--	--	25	--	25
Lucemburská 46, a.s.	--	--	105	--	105	--	--	40	--	40



Expenses	2020					2019				
	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total
Note	10	13	18.1	18.2	--	10	13	18.1	18.2	--
Marissa Gama, a.s.	--	--	1,239	7	1,246	--	--	(358)	--	(358)
Marissa Omikrón, a.s.	--	--	709	--	709	--	--	(202)	--	(202)
Marissa Tau, a.s.	--	--	191	--	191	--	--	1	--	1
Marissa Théta, a.s.	--	--	35	--	35	--	--	(10)	--	(10)
Marissa West, a.s.	--	--	839	--	839	--	--	6	--	6
Marissa Yellow, a.s.	--	--	163	--	163	--	--	1	--	1
Marissa Ypsilon, a.s.	--	--	858	--	858	--	--	(61)	--	(61)
MB Futurum HK s.r.o.	--	--	--	--	--	--	--	1	--	1
MB Property Development, a.s.	--	--	48	--	48	--	--	(4)	--	(4)
Michalovce Property Development, a.s.	--	--	1	--	1	--	--	--	--	--
MUXUM, a.s.	--	--	137	--	137	--	--	(11)	--	(11)
Na Pořičí, a.s.	--	--	933	7	940	--	--	(297)	--	(297)
New Age Kft.	--	--	17	--	17	--	--	--	--	--
Nymburk Property Development, a.s.	--	--	181	--	181	--	--	214	--	214
OC Nová Zdaboř a.s.	--	--	260	--	260	--	--	(45)	--	(45)
OC Spektrum, s.r.o.	--	--	185	--	185	--	--	9	--	9
OFFICE CENTER HRADČANSKÁ, a.s.	--	--	206	--	206	--	--	1	--	1
Olomouc Building, a.s.	--	--	320	--	320	--	--	8	--	8
Olomouc City Center, a.s.	--	--	--	--	--	--	--	(4)	--	(4)
Orchard Hotel a.s.	--	--	232	--	232	--	--	1	--	1
Ozrics Kft.	--	--	7	--	7	--	--	--	--	--
Pelhřimov Property Development, a.s.	--	--	76	--	76	--	--	(13)	--	(13)
Pólus Shopping Center Zrt.	--	--	8	--	8	--	--	--	--	--
PROJECT FIRST a.s.	--	--	114	--	114	--	--	193	--	193
Projekt Nisa, s.r.o.	--	--	1,337	3	1,340	--	--	207	--	207
Projekt Zlatý Anděl, s.r.o.	--	--	1,643	--	1,643	--	--	11	--	11
Prostějov Investments, a.s.	--	--	17	--	17	--	--	--	--	--
Příbor Property Development, s. r.o.	--	--	11	--	11	--	--	(1)	--	(1)
Residence Belgická, s.r.o.	--	--	18	--	18	--	--	2	--	2
Residence Izabella Zrt.	--	--	17	--	17	--	--	--	--	--
Rezidence Jančova, s.r.o.	--	--	6	--	6	--	--	--	--	--
Rezidence Malkovského, s.r.o.	--	--	9	--	9	--	--	1	--	1
ST Project Limited	3,053	--	--	--	3,053	2,625	--	3,544	--	6,169
Statek Kravaře, a.s. (formerly AVENA, výrobně obchodní družstvo, zkráceně AVENA, VOD)	--	--	276	--	276	--	--	--	--	--
Statenice Property Development, a.s.	--	--	42	--	42	--	--	--	--	--
Svitavy Property Alfa, a.s.	--	--	175	--	175	--	--	2	--	2
Tachov Investments, s.r.o.	--	--	1	--	1	--	--	3	--	3
Telč Property Development, a.s.	--	--	2	--	2	--	--	--	--	--
Tepelné hospodářství Litvínov s.r.o.	--	--	60	--	60	--	--	--	--	--

Expenses	2020					2019				
	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total	Other external expenses	Other operating expenses	Financial expenses affiliated	Financial expenses other	Total
Note	10	13	18.1	18.2	--	10	13	18.1	18.2	--
Třinec Investments, s.r.o.	--	--	61	--	61	--	--	(7)	--	(7)
Třinec Property Development, a.s.	--	--	110	--	110	--	--	(37)	--	(37)
Tyršova 6, a.s.	--	--	50	--	50	--	--	--	--	--
U svatého Michala, a.s.	--	--	63	--	63	--	--	--	--	--
V Team Prague, s.r.o.	--	--	78	--	78	--	--	8	--	8
Vigano, a.s.	--	--	325	--	325	--	--	(5)	--	(5)
Zakiono Enterprises Limited**	--	--	--	(14,775)	(14,775)	--	--	--	--	--
ZET.office, a.s. (formerly CPI Orange, a.s.)	--	--	2	--	2	--	--	--	--	--
Ždírec Property Development, a.s.	--	--	18	--	18	--	--	--	--	--
<b>Mr. Radovan Vítek and his entity reported as affiliated</b>	--	--	<b>1,569</b>	--	<b>1,569</b>	--	--	<b>(26)</b>	--	<b>(26)</b>
CPI Yellow, a.s.	--	--	2	--	2	--	--	--	--	--
GAMALA LIMITED	--	--	1,482	--	1,482	--	--	(44)	--	(44)
Mr. Radovan Vítek	--	--	85	--	85	--	--	18	--	18
<b>Other related reported as other</b>	--	--	--	<b>(1)</b>	<b>(1)</b>	--	--	--	<b>34</b>	<b>34</b>
Turf Praha a.s.	--	--	--	(1)	(1)	--	--	--	34	34
<b>Total</b>	<b>8,139</b>	--	<b>227,378</b>	<b>(14,716)</b>	<b>220,801</b>	<b>5,924</b>	<b>(93)</b>	<b>94,438</b>	<b>34</b>	<b>100,303</b>

(\*) disposal proceeds of shares of WFC Investments 16,003 thousands EUR

(\*\*) disposal proceeds of shares of Globalworth Real Estate Investments Limited 14,775 thousands EUR

## Value adjustments

Value adjustments	2020			2019		
	Value adjustment s of current assets	Value adjustment s of fixed assets	Total	Value adjustment s of current assets	Value adjustment s of fixed assets	Total
Note	12	17	--	12	17	--
<b>Owned by the Company (directly, indirectly) - affiliated</b>	<b>(28)</b>	<b>30,710</b>	<b>30,682</b>	<b>(13)</b>	<b>1,505</b>	<b>1,492</b>
CEREM S.A.	--	37,154	37,154	--	(1)	(1)
CPI Pigna S.r.l.	--	(5,433)	(5,433)	--	--	--
CPI REV Italy II S.r.l.	--	(417)	(417)	--	--	--
Data Trade s.r.o.	24	377	401	(2)	(23)	(25)
Development Doupovská, s.r.o.	--	--	--	1	10	11
FAMIACO ENTERPRISES COMPANY LIMITED	(13)	(216)	(229)	(12)	(203)	(215)
Karviná Property Development, a.s.	(39)	(8)	(47)	--	--	--
Les Mas du Figuier	--	(6,472)	(6,472)	--	--	--
SCP Reflets	--	(7,109)	(7,109)	--	--	--
Szczecin Project sp. z o.o. w likwidacji	--	12,834	12,834	--	1,722	1,722
<b>CPI Group's entity</b>	<b>974</b>	<b>(9,745)</b>	<b>(8,771)</b>	<b>(1,114)</b>	<b>8,776</b>	<b>7,662</b>
Baron Puglia S.r.l.	--	(1,405)	(1,405)	--	--	--
Byty Lehovec, s.r.o.	--	--	--	--	4	4
CAMPONA Shopping Center Kft.	--	(6,222)	(6,222)	--	--	--
CPI IMMO	--	4	4	--	(2)	(2)
CPI Retail One Kft.	--	(3,763)	(3,763)	--	856	856
CPI Retail Portfolio V, s.r.o.	--	295	295	--	194	194

Value adjustments	2020			2019		
	Value adjustment s of current assets	Value adjustment s of fixed assets	Total	Value adjustment s of current assets	Value adjustment s of fixed assets	Total
Note	12	17	--	12	17	--
Duca Puglia S.r.l.	--	(285)	(285)	--	--	--
HD Investment s.r.o.	--	54	54	--	(64)	(64)
Hospitality Invest S.a r.l.	974	--	974	(974)	--	(974)
Janáčkovo nábřeží 15, s.r.o.	--	--	--	--	783	783
Liptovský Mikuláš Property Development, a.s.	--	1,815	1,815	--	(1,795)	(1,795)
Marissa Théta, a.s.	--	(234)	(234)	--	--	--
OC Spektrum, s.r.o.	--	--	--	--	7,111	7,111
Outlet Arena Moravia, s.r.o.	--	(16)	(16)	--	--	--
Real Estate Energy Kft.	--	12	12	--	(21)	(21)
Spišská Nová Ves Property Development, a.s.	--	--	--	--	1,304	1,304
Tepelné hospodářství Litvínov s.r.o.	--	--	--	--	3	3
V Team Prague, s.r.o.	--	--	--	--	403	403
VINOHRADY SARL	--	--	--	(140)	--	(140)
<b>Total</b>	<b>946</b>	<b>20,965</b>	<b>21,911</b>	<b>(1,127)</b>	<b>10,281</b>	<b>9,154</b>

The positive value is decrease of value adjustments, the negative value is increase of value adjustments.

## NOTE 23 - GUARANTEES AND OTHER CONTINGENCIES

### Eclair Aviation commitment

On March 2, 2018, the Company entered a contract with Eclair Aviation under the terms of which the Company commit to a minimum usage of flight services representing a amount of TUSD 4,200 per year.

### Guarantee

In June 2007 the Company issued a guarantee up to a maximum amount of EUR 5 million to secure all payment claims of IBB Holding and BTGI against inter alia Gewerbesiedlungs-Gesellschaft (Berlin), Orco Russian Retail, and MSREF V/MSREF Turtle B.V under an option agreement dated 22/23 May 2006 as amended on 24/25 April 2007 concerning the acquisition of all shares in Gewerbesiedlungs-Gesellschaft.

According to the framework agreement dated 18 August 2011 between the Company and MSREF V Turtle, the Company assumed the obligation to release the Morgan Stanley companies (MSREF V and MSREF V Turtle) from all claims under the Morgan Stanley guarantee by issuing a respective back to back guarantee of EUR 10 million.

IBB Holding and BTGI agreed to accept a top up of OPG guarantee and the release of Morgan Stanley companies from their engagement as per the option agreement. In June 2015 the Company issued the EUR 5 million top up guarantee in favour IBB Holding and BTGI and obtained a release from Morgan Stanley back to back guarantee. The aggregate guarantee of the Company to the benefit of IBB Holding and BTGI amounts to EUR 10 million.

As at the date of the publication of the financial statements, the Company has no litigation that would lead to any material contingent liability except as disclosed in Note 24.

## NOTE 24 - LITIGATIONS

### Kingstown dispute

In January 2015 the Company was served with summons by Kingstown Partners Master Ltd. of the Cayman Islands, Kingstown Partners II LP of Delaware, Ktown LP of Delaware (collectively referred to as "Kingstown"), claiming to be former shareholders of the Company. The action was filed with the "Tribunal d'Arrondissement de et a Luxembourg" (the "Court") and seeks condemnation of the Company, CPI PG and certain members of the Company's board of directors as jointly and severally liable to pay damages in the amount of EUR 14.5 million and compensation for moral damage in the amount of EUR 5 million. According to Kingstown's allegation the damage claimed arose inter alia from the alleged violation of the Company's minority shareholders rights. The management of the Company has been taking all available legal actions to oppose these allegations in order to protect the corporate interest as well as the interest of its shareholders. Accordingly, the parties sued by Kingstown raised the exceptio judicatum solvi plea, which consists in requiring the entity who initiated the proceedings and who does not reside in the EU or in a State which is not a Member State of the Council of Europe to pay a legal deposit to cover the legal costs and compensation procedure. The Court rendered a judgement on 19 February 2016, whereby each claimant has to pay a legal deposit in the total amount of EUR 90 thousand to the "Caisse de Consignation" in Luxembourg. Kingstown paid the deposit in January 2017 and the litigation, currently being in a procedural stage, is pending. In October 2018, Kingstown's legal advisors filed additional submission to increase the amount of alleged damages claimed to EUR 157 million.

The Company continues to believe the claim is without merit and intends to vigorously contest it. In June 2019, the Court issued a first instance judgement, dismissing the claim against CPI PG because the claim was not clearly pleaded ("libellé obscur") in relation to CPI PG.

In relation to the admissibility of Kingstown's claim against the Company and other defendants, the Court is expected to rule only after it further examines positions of the remaining parties on certain procedural aspects; until then, the case will continue in a procedural stage. The merits of the case will be pleaded by any remaining defendants only if the Court declares the claim admissible. The hearings on the admissibility of the claim against the Company are expected to take place in second half of 2020.

In December 2020, the Luxembourg Court declared that the inadmissibility of the claim against certain defendants has not resulted in the inadmissibility of the litigation against the Company and the remaining defendants. The Company and the remaining defendants are scheduled to present their written submissions during the first half of 2021. Some defendants have decided to appeal against this judgment, which declared the claim admissible against the Company.

### Hagibor Office Building dispute

In March 2016, the insolvency administrator of the CPI FIM SA's subsidiary HAGIBOR OFFICE BUILDING ("HOB"), filed a lawsuit, requesting that the CPI FIM SA returns to HOB in aggregate USD 16.49 million, paid by HOB to CPI FIM SA in 2012. CPI FIM SA is of the opinion that the lawsuit has no merit given that in 2012 HOB duly repaid its loan to CPI FIM SA. CPI FIM SA will defend itself against this lawsuit. In August 2016, the litigation has been stayed until litigation concerning the ownership of the Radio Free Europe building is resolved. In December 2016 CPI FIM SA filed a lawsuit claiming the non-existence of pledges registered on the Radio Free Europe building in favor of the financing bank. A hearing on the matter of the non-existence of pledges took place in November 2018. After the lawsuit was dismissed, CPI FIM SA filed a new claim in the matter of non-existence of pledges.

In November 2019, a global settlement agreement was agreed in relation to the above disputes relating to HOB and Radio Free Europe building. The settlement agreement was concluded along with extensive ancillary documentation, which included, inter alia, termination of all court proceedings and confirmations that concerned parties no claims against each other. The settlement became effective on 20 March 2020.

**NOTE 25 - POST BALANCE SHEET EVENTS****Share buy-back programme of CPI Property Group S.A.**

In February 2021, The Company disposed 252,302,248 shares of CPI Property Group S.A. at the price of EUR 0.616 per share. The disposal occurred as part of the share buy-back programme of CPI Property Group S.A. The Company continues to hold 67,000,000 shares of CPI Property Group S.A. indirectly, through its subsidiary Pietroni, a.s., representing 0.77 % shareholding in CPI Property Group S.A.