



Press Release

Luxembourg, 30 November 2020

CPI FIM SA reports financial results for the third quarter of 2020

CPI FIM SA (hereinafter “CPI FIM”, the “Company” or together with its subsidiaries the “Group”), a real estate group with a property portfolio primarily located in the Czech Republic and Poland, hereby publishes unaudited financial results for the third quarter of 2020.

Financial highlights

Performance		Q3 YTD 2020	Q3 YTD 2019	Change
Gross rental income	€ thousands	24,644	1,172	2,002%
Total revenues	€ thousands	43,171	22,162	95%
Operating result	€ thousands	23,317	16,616	40%
Net profit for the period	€ thousands	(67,339)	56,806	(219%)

Assets		30-Sep-20	31-Dec-19	Change
Total assets	€ thousands	6,083,334	5,244,046	16%
EPRA NRV	€ thousands	727,990	864,644	(16%)
Property Portfolio	€ thousands	1,194,000	1,193,000	(>0.1%)
Gross leasable area	sqm	174,000	174,000	0%
Occupancy in %	%	92.5%	93.0%	(0.5 p.p.)
Land bank area	sqm	18,012,000	18,068,000	(<1%)
Total number of properties	No.	8	8	0%

Financing structure		30-Sep-20	31-Dec-19	Change
Total equity	€ thousands	867,025	997,878	(13%)
Equity ratio	%	14%	19%	(5 p.p.)

STATEMENT OF COMPREHENSIVE INCOME*

The income statement for the nine-month period ended 30 September 2020 and 2019 was as follows:

INCOME STATEMENT (€ thousands)	30-Sep-20	30-Sep-19
Gross rental income	24,644	1,172
Sale of services	18,527	20,990
Cost of service charges	(7,786)	(2,416)
Property operating expenses	(2,788)	(816)
Net service and rental income	32,597	18,930
Total revenues	43,171	22,162
Total direct business operating expenses	(10,574)	(3,232)
Net business income	32,597	18,930
Net valuation gain on investment property (net of foreign exchange gain)	-	1,748
Net gain/(loss) on the disposal of investment property and subsidiaries	(582)	225
Amortization, depreciation and impairments	(615)	5,792
Administrative expenses	(8,757)	(10,013)
Other operating income	256	58
Other operating expenses	418	(124)
Operating result	23,317	16,616
Interest income	120,220	109,944
Interest expense	(105,753)	(60,671)
Other net financial result**	(82,575)	(6,441)
Net finance income	(68,108)	42,832
Share of loss of equity-accounted investees (net of tax)	(614)	(595)
Profit / (Loss) before income tax	(45,405)	58,853
Income tax expense	(21,934)	(2,047)
Net Profit / (Loss) for the period	(67,339)	56,806

* The presented financial statements do not represent a full set of interim financial statements as if prepared in accordance with IAS 34

** Including net foreign exchange gains and losses (including valuation gains classified within valuation gain under IFRS) and other financial gains and losses.

Gross rental income

The gross rental income increased in the nine-month period ended 30 September 2020 due to acquisitions of offices in Warsaw, Poland in 2019.

Net finance income

The interest income increased by €10.3 million to €120.2 million in the nine-month period ended 30 September 2020 due to increase of loans provided to related parties.

The interest expense increased by €45.1 million to €105.8 million in the nine-month period ended 30 September 2020 due to increase of loans received from related parties.

The other net foreign exchange loss in the nine-month period ended 30 September 2020 was driven by retranslation of loans provided to related parties in foreign currencies and net foreign exchange gain on property portfolio.

Income tax expense

Based on the updated budget, the Group partially released the deferred tax asset in the amount of €20.9 million in the nine-month period ended 30 September 2020.

BALANCE SHEET*

BALANCE SHEET (€ thousands)	30-Sep-20	31-Dec-19
NON-CURRENT ASSETS		
Intangible assets	13	1,123
Investment property	1,193,638	1,191,435
Property, plant and equipment	660	662
Equity accounted investees	3,109	3,672
Other investments	178,788	188,293
Loans provided	4,011,773	3,442,619
Trade and other receivables	1	12
Deferred tax assets	131,685	153,126
Total non-current assets	5,519,667	4,980,942
CURRENT ASSETS		
Inventories	275	341
Income tax receivables	252	36
Trade receivables	4,570	7,175
Derivative instruments	1,180	-
Loans provided	142,198	103,908
Cash and cash equivalents	221,366	129,447
Other current assets	193,826	20,693
Assets held for sale	-	1,504
Total current assets	563,667	263,104
TOTAL ASSETS	6,083,334	5,244,046
EQUITY		
Equity attributable to owners of the Company	689,702	826,356
Non-controlling interests	177,323	171,522
Total equity	867,025	997,878
NON-CURRENT LIABILITIES		
Financial debts	4,793,677	3,886,792
Deferred tax liabilities	35,467	38,200
Provisions	-	1,594
Other financial liabilities	10,063	10,794
Total non-current liabilities	4,839,207	3,937,380
CURRENT LIABILITIES		
Financial debts	323,102	252,538
Trade payables	5,286	10,543
Income tax liabilities	51	747
Other current liabilities	48,663	44,939
Liabilities held for sale	-	21
Total current liabilities	377,102	308,788
TOTAL EQUITY AND LIABILITIES	6,083,334	5,244,046

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Total assets

Total assets increased by €839.3 million (16%) to €6,083.3 million as at 30 September 2020 primarily due to increase of non-current loans provided to related parties of €577.8 million.

Deferred tax asset from tax losses carried forward decreased from €153.1 million to €131.7 million as at 30 September 2020. The partial release in the amount of €20.9 million was based on the update of CPI FIM's taxable profits.

Total liabilities

Total liabilities increased by €970.1 million (23%) to €5,216.3 million as at 30 September 2020 due to additional drawdown of loans received from the parent company CPI Property Group S.A. of €903.3 million and related interests.

Equity, EPRA NRV and EPRA NDV

In the nine-month period ended 30 September 2020 the consolidated equity decreased by €136.7 million due to the loss for the period of €73.1 million, decrease of translation reserve of €54.0 million and decrease of revaluation reserve of €9.5 million.

EPRA NRV per share amounts to €0.55 as at 30 September 2020 compared to €0.66 as at 31 December 2019.

EPRA NDV per share amounts to €0.52 as at 30 September 2020 compared to €0.63 as at 31 December 2019.

	30 September 2020	31 December 2019
Equity attributable to the owners (NAV)	689,702	826,356
Deferred taxes on revaluations	38,288	38,288
EPRA NRV	727,990	864,644
Number of shares (in thousands)	1,314,508	1,314,508
NRV per share (in €)	0.55	0.66
EPRA NRV	727,990	864,644
Deferred taxes on revaluations	(38,288)	(38,288)
EPRA NDV	689,702	826,356
Diluted number of shares (in thousands)	1,314,508	1,314,508
NDV per share (in €)	0.52	0.63

For more information please refer to our website at www.cpfimsa.com.

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GLOSSARY

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).

EPRA NRV per share

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

EPRA NDV (former EPRA NNNNAV)

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).

EPRA NDV per share

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

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 NNNNAV and EPRA NNNNAV 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.

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.

Other definitions

EPRA

European Public Real Estate Association

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.

Occupancy rate

The ratio of leased premises to leasable premises.

APM reconciliation

Equity ratio reconciliation (€ thousands)	30-Sep-20	31-Dec-19
Total equity	867,025	997,878
Total assets	6,083,334	5,244,046
Equity ratio	14%	19%