

# FINANCIAL INFORMATION

## 2021



Including the  
Condensed consolidated interim financial statements  
for the six-month period ended 30 June 2021  
(Unaudited)

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 30 June 2021

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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 and land bank primarily in Poland and in the Czech Republic. The Company is a subsidiary of CPI Property Group (also “**CPIPG**” and together with its subsidiaries as the “**CPIPG 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 CPIPG 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 ongoing COVID-19 pandemic, the Group demonstrated resilient performance in the first half of 2021. This was largely due to the Group's high exposure to office properties and land bank, the resilience of our tenants and careful cost management.

Total assets increased by €262.8 million (4%) to €6,767.1 million as at 30 June 2021. The EPRA Net Reinstatement Value (former EPRA NAV) per share as at 30 June 2021 was €0.84 compared to €0.74 as at 31 December 2020. As at 30 June 2021, the EPRA Net Disposal Value (former EPRA NNNAV) amounted to €0.78 per share compared to €0.68 as at 31 December 2020.

The Group achieved an operating profit of €35.1 million in H1 2021 compared to €18.9 million in H1 2020. Total net profit was €98.1 million in H1 2021 compared to €-36.6 million in H1 2020.

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 30 June 2021, the outstanding balance of the provided loans to CPIPG Group amounted to approximately €5,172.5 million. The Company also continues in providing strategic management and advisory services to entities within CPIPG Group.

During the first half of 2021, the Group purchased a resort hotel in Puglia, Italy and also sold two office properties in the Czech Republic, Bubenská 1 in Prague and ZET.Office in Brno to CPIPG Group. As a result of these sales, the Group's office gross leasable area decreased by 47,000 sqm.

The annual general meeting held in May 2021 (the "AGM") approved the statutory and consolidated accounts and the allocation of financial results for the financial year ending 31 December 2020. The AGM resolved to re-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 re-appointed as Managing Directors (administrateurs délégués) 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

## FIRST HALF 2021 AND POST-CLOSING KEY EVENTS

### Annual general meeting of shareholders

The AGM of shareholders of the Company was held on 28 May 2021 in Luxembourg, with approximately 97.3% of the voting rights present or represented.

The AGM approved the statutory annual accounts and consolidated annual accounts for the financial year ending 31 December 2020, as well as the allocation of financial results for the financial year ending 31 December 2020.

The AGM 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 2020.

The AGM also resolved to re-appoint the following persons as members of the Company's Board of Directors until the annual general meeting of 2022: Anita Dubost, David Greenbaum, Edward Hughes, and Scot Wardlaw. The AGM also re-approved Ernst & Young S.A., Luxembourg as an auditor of the Company until the annual general meeting of 2022.

The AGM re-elected David Greenbaum and Martin Němeček to serve as Managing Directors (administrateurs délégués) of the Company.

### 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.

### Acquisition of a resort hotel in Italy and of a land plot in the Czech Republic

During the first half of 2021, the Group acquired the Acaya resort in Puglia, Italy. The resort is surrounded by the natural oasis of Le Cesine, with its extraordinary biodiversity, and is located less than five kilometres from the Adriatic Sea. It offers 97 rooms and suites, 18 hole golf course, football field and two outdoor pools.

On 1 June 2021, the Group also acquired a land plot in Brno, the Czech Republic of 6,000 sqm.

### Disposals of Bubenská 1, Prague and ZET.Office, Brno

During the first half of 2021, the Group sold two office properties in the Czech Republic, Bubenská 1 in Prague and ZET.Office in Brno to CPIPG Group. As a result of these sales, the Group's office gross leasable area decreased by 47,000 sqm.

### 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. During the first half of 2021, the Group continued to provide the equity loans to other entities within the CPIPG Group. As at 30 June 2021, the outstanding balance of the provided loans to CPIPG Group amounted to €5,172.5 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 ongoing COVID-19 pandemic, the Group demonstrated resilient performance in the first half of 2021. This was largely attributed to the Group's high exposure to office properties and land bank, 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 first half of 2021 was heavily affected by COVID-19 as the Czech government enforced a lockdown that lasted until April. However, even in the period with the strictest lockdown, the government decided to prioritise comprehensive testing over widespread industry closure, limiting the quarter-on-quarter GDP decrease to only 0.3% in Q1 2021, matching initial estimates. In the second quarter, GDP rebounded 0.6% thanks to the easing of restrictions (though below market expectations of around 2%), representing a 7.8% hike on a year-on-year basis.

As the country emerged from almost five months of lockdown in April, employment levels and consumer activity increased significantly. The Czech unemployment rate dropped to 3.7% in June, boasting one of the lowest unemployment rates in the Euro Area, having declined steadily since January when a rate of 4.3% was recorded and representing the lowest jobless rate since October 2020. Employment was boosted by the hospitality and services sectors in particular. In addition, the consumer confidence indicator rose to 105.5 in June, marking the highest reading since December 2019.

The IHS Markit Manufacturing PMI also climbed to a record high of 62.7 in June, as both domestic and foreign demand drove the fastest increase in new business in three and a half years. However, supply constraints saw the largest increase in backlogs of work in over a decade and unprecedented supplier delays linked to raw material shortages. Workforces were expanded in response, although some firms noted difficulties in hiring adequate candidates. On the price front, both input and output inflation hit record highs. Despite these challenges, the annual inflation rate in the Czech Republic remained at 2.8% in June 2021, having edged down from a peak of 3.1% in April.

In light of the inflation outlook and rebound in economic activity, in June 2021, the Czech central bank raised the benchmark two-week repo rate for the first time since the first half of 2020, when it was cut to 0.25%. The Czech Koruna has remained relatively stable since the beginning of 2021, with EURCZK remaining rangebound between 25-26, versus over 27 in spring and autumn 2020.

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

The negative impact on GDP in Poland at the peak of the pandemic in Q2 2020 was -8.9%. The economic activity rebounded sharply during the first half of 2021. In Q1 2021, Poland's quarter-on-quarter GDP growth was 1.3%. In Q2, the resurgence was even stronger. Poland's quarter-on-quarter GDP growth was 1.9%. The economic stimulus packages of the EU Recovery Fund promise to provide additional momentum to the ongoing upswing by significantly boosting growth, especially from 2022 onwards. In Poland, the impact of the pandemic was felt on the unemployment rate, which had increased to 6.5% in January 2021, though it declined steadily to 5.9% as of June 2021. In Poland, inflation rose to 5.0% in July from June's 4.4%, making it the highest level since May 2011.

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

At the end of June 2021, the total Prague modern office stock reached 3.73 million m<sup>2</sup>, following very limited completions in the first half (only 3,500 m<sup>2</sup> in Q1 and 49,500 m<sup>2</sup> in Q2). The total amount of space under construction was circa 147,300 m<sup>2</sup> at the end of Q2 2021, as completions of several projects had been postponed since 2020. However, the total new supply in 2021 is expected to be the lowest volume since 2016, with approximately 14,600 m<sup>2</sup> due in the second half of 2021 and the remaining 132,700 m<sup>2</sup> scheduled between 2022-

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<sup>1</sup> Sources: Czech Statistical Office, Trading Economics, Ministry of Labour and Social Affairs

<sup>2</sup> Sources: Euler Hermes, Trading Economics, Erstegroup.com

<sup>3</sup> Source: C&W, CBRE, Savills, Prague Research Forum

2023. Consequently, only 10% of the space under construction has been pre-leased. During Q2 2021, no new developments or refurbishment projects commenced construction.

In general, the office sector does not reflect any significant structural changes in the occupational market, with several signs of expansion plans of corporate companies in Prague. Gross take-up reached 48,800 m<sup>2</sup> in Q1, 0.4% more than Q4 2020, but up 30% year-on-year. In Q2 2021, take-up reached 49,600 m<sup>2</sup>, slightly above the previous quarter, and a year-on-year increase of 6%.

In terms of leasing activity in Q2 2021, renegotiations accounted for a significant portion at 46% in Q1 and 37% in Q2. In Q2, net demand (new leases, expansions and pre-leases) accounted for 55% of the total gross take-up, and the share of subleases accounted for the remaining 8%.

The overall vacancy rate in the Prague office market rose slightly by 20 basis points to 7.8% in the first half of 2021 as new office supply exceeded net absorption (which was positive at 38,100 m<sup>2</sup> in Q2 2021). This was up slightly from 7.0% at the end of 2020 and reached the highest level since Q2 2017. However, the volume of office space offered for sublease began to decrease in Q2, equating to 65,000 m<sup>2</sup>, a 14% decrease compared to Q1. Prague 2 and Prague 3 registered the lowest vacancy levels in the city, while Prague 4 and Prague 5 registered the highest vacancy.

Despite the rising vacancy rate, at the end of H1 2021, headline rents remained broadly stable in prime locations such as the city centre, standing between €22.00 and €22.50/m<sup>2</sup>/month. Inner-city prime rents ranged from €15.50 to €17.00/m<sup>2</sup>/month and €13.50 to €15.00/m<sup>2</sup>/month in the outer city.

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

The office market in Warsaw saw total take up of approximately 250,000 m<sup>2</sup> in H1 2021, characterised by a weak Q1 which amounted to around 109,000 m<sup>2</sup>, while Q2 saw a pick-up to around 140,000 m<sup>2</sup>. Nevertheless, despite the higher take-up level achieved in Q2, this was still around 25% lower than the same period in 2020 and 45% below Q2 2019 before the COVID-19 pandemic.

Demand for new office space reduced in H1 2021, as lease renegotiations and renewals accounted for an increasing proportion of gross demand, constituting a 48% share in Q2, up from 31% in Q1. The largest transaction concluded in Q2 was also a renewal at over 20,000 m<sup>2</sup>.

The total new supply introduced to the Warsaw office market in H1 2021 amounted to 226,000 m<sup>2</sup>, primarily driven by Q1, as eight buildings comprising 167,100 m<sup>2</sup> were delivered to the market, representing the second-highest level of quarterly supply since 2016. The largest new developments included Warsaw Unit (59,300 m<sup>2</sup>, Ghelamco Poland), Skyliner (48,500 m<sup>2</sup>, Karimpol) and Generation Park Y – the tower (44,000 m<sup>2</sup>, Skanska Property Poland). Q2 saw a slowdown in completions, relating to two projects comprising approximately 60,000 m<sup>2</sup> primarily in the city centre.

The combination of high supply brought to the Warsaw market combined with the lower demand for new office space translated into lower absorption and rising average vacancy rate, which climbed to 12.4% at the end of the first half. Besides the heavy level of new supply, the vacancy rate was also directly impacted by an increase in space for subleases as a result of tenants' attempts to reduce their office size. The rate of growth of sublease space, however, decelerated as the year has progressed. At the end of H1, there was over 120,000 m<sup>2</sup> available for sublease in Warsaw – 10,000 m<sup>2</sup> less than at the end of 2020.

After several years of constantly increasing developer activity, the volume of space under

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<sup>4</sup> Source: JLL, Knight Frank, PINK

construction has significantly decreased in Warsaw, which stood at only 370,000 m<sup>2</sup> at the end of H1 2021 – the lowest level since 2010. Despite the near-term pressure on vacancy rates, there is potential for a supply shortage in the market by 2023, which may especially have an impact outside the city centre.

There was no observable decline in market rents in the first half of 2021 despite the muted demand levels and high level of supply. The highest transaction rents for prime properties remained stable at €18 to €24/ m<sup>2</sup>/ month in the city centre and €16/ m<sup>2</sup>/ month outside of the area.

Despite the widespread nature of remote working, investor interest in Warsaw and Poland office buildings remained very high. During H1 2021, total turnover in Poland for offices was approximately €800 million, down 40% on H1 2020 but still 4% above the 10-year average. Transactions concluded in Warsaw accounted for 53% of the turnover and included the sale of four office buildings by Immofinanz in April.

## OPERATIONS OF THE GROUP IN H1 2021

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.

During the first half of 2021, the Group continued to provide the equity loans to other entities within the CPIPG Group.

The Group generated interest income of €105 million in H1 2021 which represents an increase by €26 million, compared to H1 2020.

As at 30 June 2021, the Group provided loans to related parties in the amount of €5,156 million, which represents an increase by €839 million compared to 31 December 2020. As at 30 June 2021, the loans provided in the amount of €197 million and €4,972 million were classified as current and non-current, respectively.

### **Rendering of services to CPIPG Group**

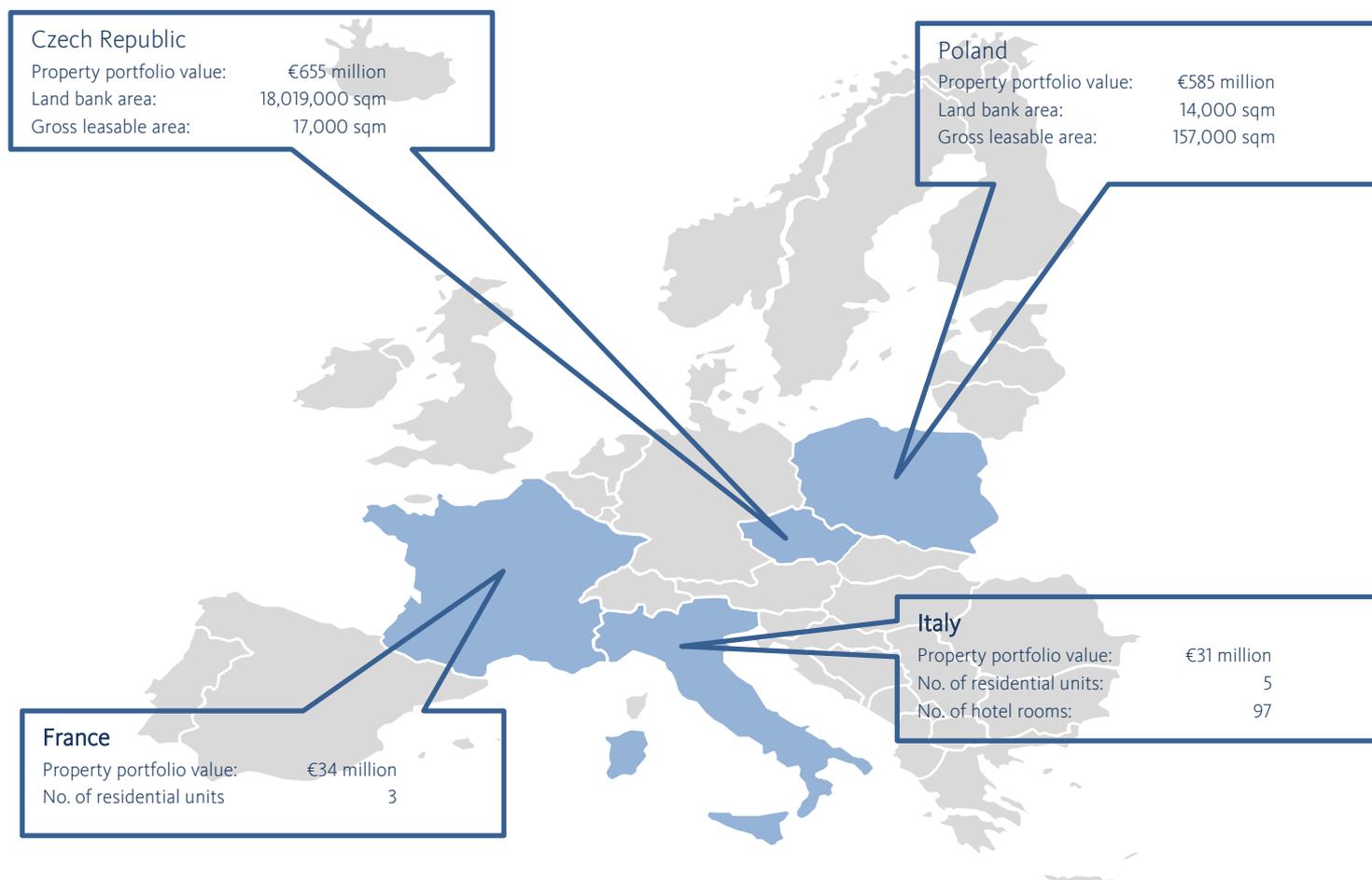
CPI FIM, as the main service company within the CPIPG Group provides its affiliates with a wide range of management and key business services. Key strategic services provided by CPI FIM mainly include development of investment strategies and plans for SPVs, communication with banks and financial strategy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

In the first half of 2021, the Group provided CPIPG and its subsidiaries with services for a total amount of €11.3 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 can be 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.

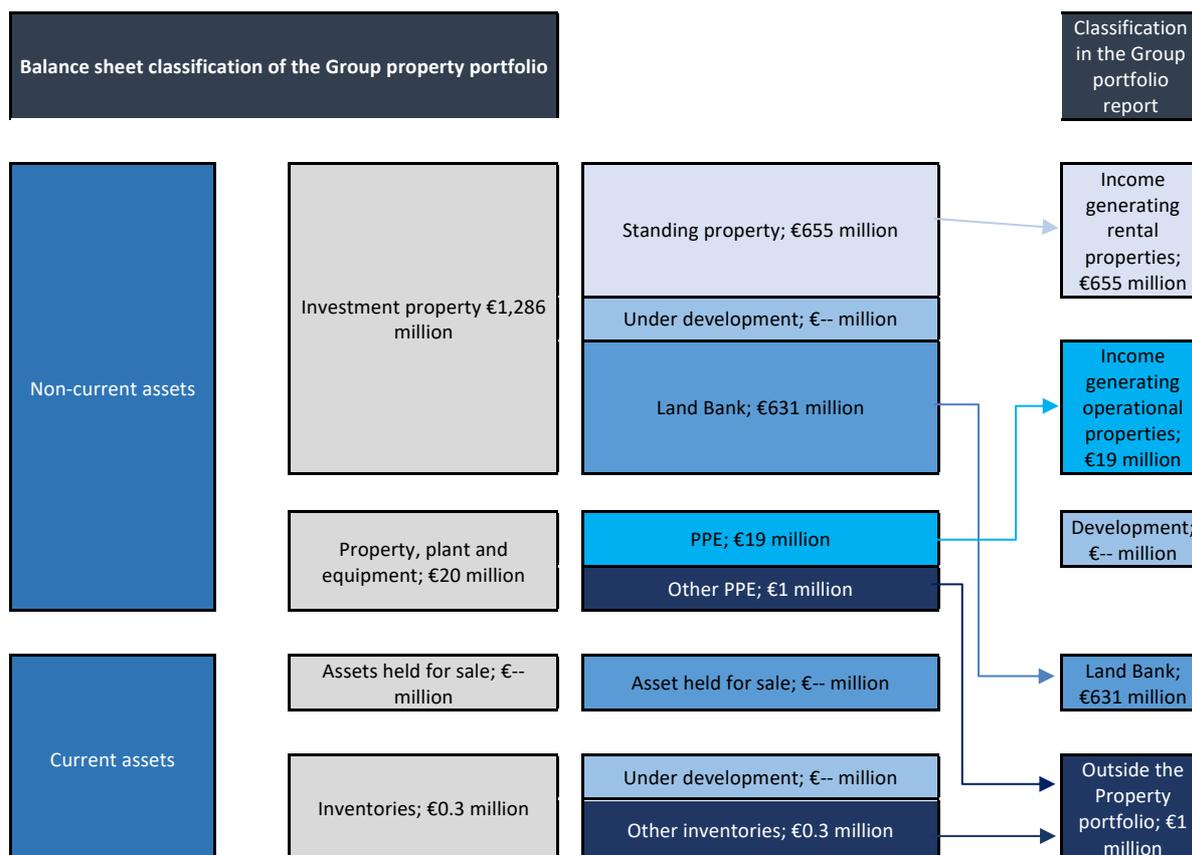
“Property, plant and equipment” comprises hotel properties or advances paid for construction works on the projects.

“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 30 June 2021 with the presentation in our portfolio report:



## Property Valuation

The condensed consolidated interim financial statements for the six months ended 30 June 2021 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 property portfolio owned by the Group must be stated at fair value, the regular valuation of these properties by independent experts is recommended.

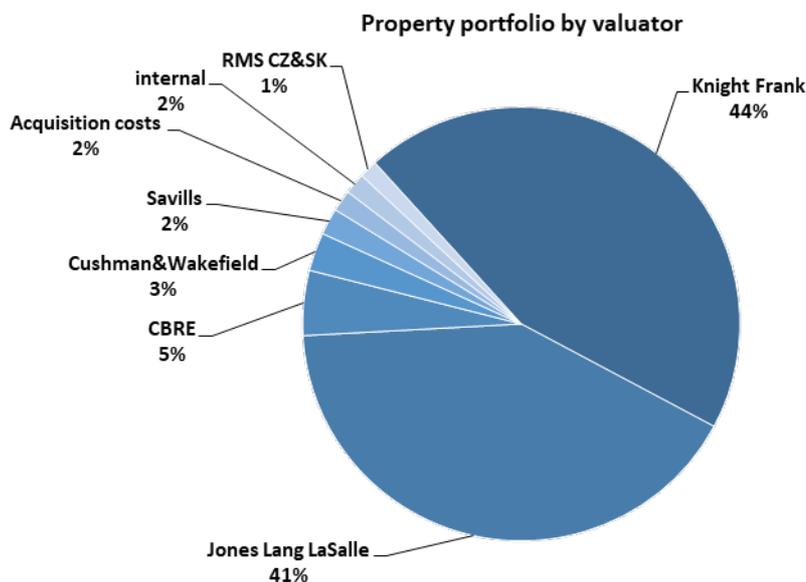
The Group revalues the entire property portfolio on an annual basis; for the semi-annual period, CPI FIM only revalues properties where the performance has been exceptional, either positively or negatively.

The Group’s management analysed the situation on the real estate market at the time together with current yields and then applied discount rates and other factors used by independent valuers in their appraisals as of 31 December 2020. As a result, the fair value of the property portfolio as of 30 June 2021 was determined based on

the management's analysis described above and it does not significantly differ from the fair value as of 31 December 2020.

The property portfolio valuation as at 30 June 2021 is based on reports issued by:

- 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.
- 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 91,000 employees across 337 corporate offices in more than 52 countries and serve the local, regional and global real estate needs of their clients.
- 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 820 offices and more than 48,000 professionals. RMS provides clients with services in the field of mergers & acquisitions, valuations, tax, trustee services, accounting and payroll.

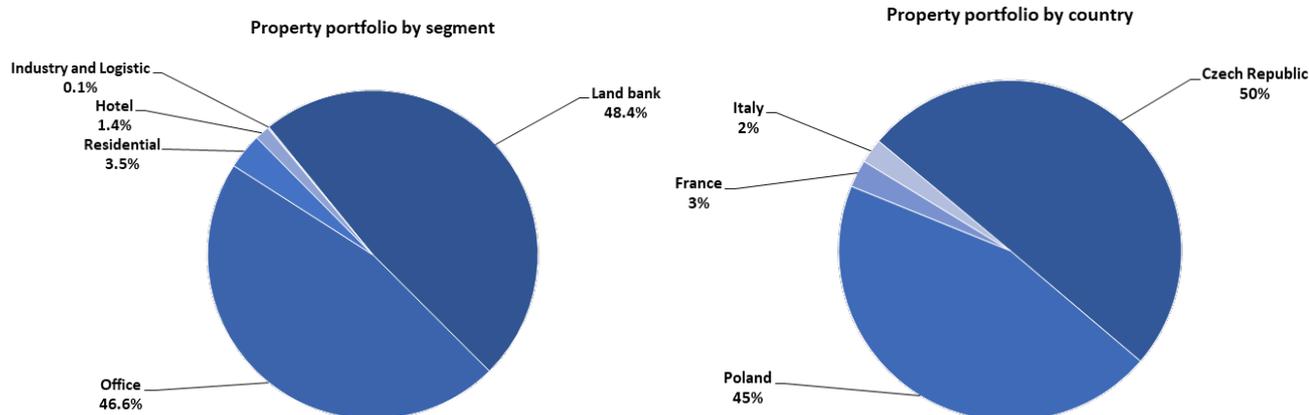


The following table shows the carrying value of the Group's property portfolio as at 30 June 2021 and 31 December 2020:

PROPERTY PORTFOLIO as at 30 June 2021	No of properties	No. of units	No. of hotel rooms	GLA thousand sqm	Office € million	Residential € million	Industry and logistics € million	Hotel € million	Land bank € million	PP value	PP value
										€ million	%
Czech Republic	2	--	--	17	22	--	2	--	631	655	50%
Poland	4	--	--	157	585	--	--	--	0.4	585	45%
France	--	3	--	--	--	34	--	--	--	34	3%
Italy	1	5	97	--	--	12	--	19	--	31	2%
<b>The GROUP</b>	<b>7</b>	<b>8</b>	<b>97</b>	<b>174</b>	<b>607</b>	<b>46</b>	<b>2</b>	<b>19</b>	<b>631</b>	<b>1,305</b>	<b>100%</b>

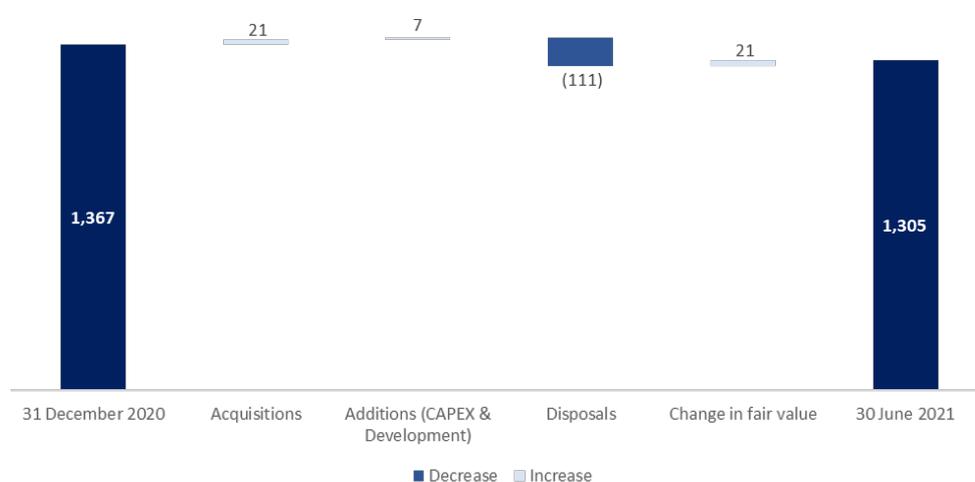
PROPERTY PORTFOLIO as at 31 December 2020	No of properties	No. of units	No. of hotel rooms	GLA thousand sqm	Office € million	Residential € million	Industry and logistics € million	Hotel € million	Land bank € million	PP value	PP value
										€ million	%
Czech Republic	4	--	--	64	131	--	2	--	604	737	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>--</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>

The Group property value totals €1,305 million as at 30 June 2021 (31 Dec 2020: €1,367 million), of which 48% is represented by land bank and 47% is represented by office. The majority of the Group property portfolio is located in Czech Republic with 50%, Poland with 45%, followed by France with 3% and Italy with 2%.



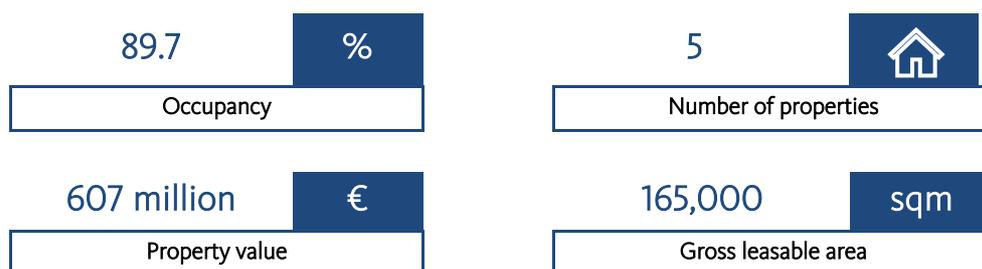
The total net change of €62 million in the portfolio value in H1 2021 was mainly attributable to the following:

- Acquisitions of €21 million, relating to the Acaya resort in Italy of €19 million, and the acquisition of land bank of €2 million in the Czech Republic;
- Disposals of €111 million, comprising especially office properties (Bubenská 1 in Prague and ZET.Office in Brno) and land bank in the Czech Republic;
- Change in fair value of €21 million, relating mainly to land bank in the Czech Republic and FX impact;
- Additions of €7 million, mainly spent on investment property within the whole Group.



## Office

Key Figures – June 2021



Office portfolio represents an important segment of investment activities of the Group. As at 31 June 2021 the Group owns buildings in Poland and in the Czech Republic.

OFFICE 30 June 2021	No. of properties	PP value € million	PP value %	GLA thds. sqm	Occupancy %	Rent per sqm €	Outstanding financing € million
Poland	4	585	96%	157	92.3%	18.4	--
Czech Republic	1	22	4%	8	38.1%	13.5	--
<b>The GROUP</b>	<b>5</b>	<b>607</b>	<b>100%</b>	<b>165</b>	<b>89.7%</b>	<b>18.3</b>	<b>--</b>

OFFICE 31 December 2020	No. 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>

- 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.



- **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 – June 2021

631 million	€	18,033,000	sqm
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 30 June 2021	Total area	Area with zoning	Area without zoning	PP value	PP value	Outstanding financing
	thds. sqm	thds. sqm	thds. sqm	€ million	%	€ million
Czech Republic	18,019	1,597	16,422	631	99.9%	--
Poland	14	14	--	0.4	0.1%	--
<b>THE GROUP</b>	<b>18,033</b>	<b>1,611</b>	<b>16,422</b>	<b>631</b>	<b>100%</b>	<b>--</b>

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>

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 at the end of 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 the first half of 2021, the Group extended its land bank portfolio by 6,000 sqm in Brno, the Czech Republic. On the other hand, the Group disposed 15,000 sqm of land bank representing selected projects in the Czech Republic.

## Residential

Key Figures – June 2021



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 30 June 2021	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 2020	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

- **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.



## Hotels

Key Figures – June 2021



During the first half of 2021, the Group acquired the Acaya resort in Puglia, Italy.

HOTELS 30 June 2021	No. of properties	No. of rooms	PP value € million	PP value %	Outstanding financing € million
Italy	1	97	19	100%	--
The GROUP	1	97	19	100%	--

HOTELS 31 December 2021	No. of properties	No. of rooms	PP value € million	PP value %	Outstanding financing € million
--	--	--	--	--	--
The GROUP	--	--	--	--	--

- Hotel Acaya

The Acaya resort is surrounded by the natural oasis of Le Cesine, with its extraordinary biodiversity, and is located less than five kilometres from the Adriatic Sea. It offers 97 rooms and suites, 18 hole golf course, football field, an extraordinary 1,200 sqm spa, indoor and outdoor pools.



## Industry and Logistics

Key Figures – June 2021

2 million €  
Property value

1   
Number of properties

9,000 sqm  
Gross leasable area

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 30 June 2021	No. of properties	PP value € million	PP value %	GLA thds. sqm	Occupancy %	Rent per sqm €	Outstanding financing € million
Czech Republic	1	2	100%	9	13.5%	3.9	--
The GROUP	1	2	100%	9	13.5%	3.9	--

INDUSTRY AND LOGISTICS 31 December 2020	No. 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%	--	--
The GROUP	1	2	100%	9	0.0%	--	--

## Development

At the end of June 2021, the Group has no active development project in the portfolio.

DEVELOPMENT 30 June 2021	No. 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 2020	No. 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>	--	--	--	--	--	--	--	--

## FINANCING

### Cash and cash equivalents

As at 30 June 2021, cash and cash equivalents consist of cash at bank of €44.2 million (2020: €249.2 million) and cash on hand for €2 thousand (2020: €2 thousand).

### Financial liabilities

Financial debts amount to €5,364.8 million including mainly loans from CPIPG (€4,932.5 million).

Financial debts increased by €132.9 million. This variation is mainly due to additional drawdowns of long-term loans provided by CPIPG (€265.0 million), on the other hand there was a decrease in loans provided by Czech Property Investments, a.s. to the Company (€131.2 million).

## RESULTS AND NET ASSETS

### Income statement

Income statement for the six-month period ended 30 June 2021 corresponds to the semi-annual consolidated financial statements. Reported income statement for the period of six months ended 30 June 2021 is as follows:

	12 month period ended	
	30 June 2021	30 June 2020
Gross rental income	17,653	16,413
Sale of services	16,091	12,838
Cost of service charges	(5,387)	(5,293)
Property operating expenses	(1,707)	(1,169)
<b>Net service and rental income</b>	<b>26,650</b>	<b>22,789</b>
Total revenues	33,744	29,251
Total direct business operating expenses	(7,094)	(6,462)
<b>Net business income</b>	<b>26,650</b>	<b>22,789</b>
Net valuation gain on investment property	7,255	-
Net gain on the disposal of investment property and subsidiaries	1,267	29
Net gain on the disposal of other investments	6,175	-
Amortization, depreciation and impairments	(184)	2,269
Administrative expenses	(5,965)	(5,733)
Other operating income	355	20
Other operating expenses	(459)	(434)
<b>Operating result</b>	<b>35,094</b>	<b>18,940</b>
Interest income	105,163	78,938
Interest expense	(81,051)	(59,432)
Other net financial result	43,699	(52,592)
<b>Net finance income</b>	<b>67,811</b>	<b>(33,086)</b>
Share of loss of equity-accounted investees (net of tax)	(387)	(427)
<b>Profit / (Loss) before income tax</b>	<b>102,518</b>	<b>(14,573)</b>
Income tax expense	(4,407)	(22,031)
<b>Net profit / (loss) from continuing operations</b>	<b>98,111</b>	<b>(36,604)</b>

### Rendering of services

Service income increased to €16.1 million in H1 2021 (H1 2020: €12.8 million). The increase is due to advisory and accounting services provided to the related parties in amount of €11.3 million (€8.0 million in H1 2020).

### Net valuation gain

Net valuation gain of €7.3 million was generated by Czech land bank portfolio in H1 2021.

### Net gain on the disposal of the other investments

The Company sold part of CPIPG shares for total of EUR 155.4 million with profit of EUR 6.2 million (carrying value of respective CPIPG shares was EUR 149.2 million).

### Administrative expenses

Administrative expenses slightly increased to €6.0 million in H1 2021 compared to €5.7 million in H1 2020.

### Net finance income

Total net finance income has increased from €-33.1 million in H1 2020 to €67.8 million in H1 2021. Interest income increased from €78.9 million in H1 2020 to €105.2 million in H1 2021. 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. Interest expense increased from €59.4 million in H1 2020 to €81.1 million in H1 2021. 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.

Other net financial result has increased from a loss of €52.6 million in H1 2020 to a gain of €43.7 million in H1 2021. Other net foreign exchange gain was driven by retranslation of loans provided to related parties in foreign currencies.

## Balance sheet

Balance sheet as at 30 June 2021 corresponds to semi-annual consolidated financial statements.

	30 June 2021	31 December 2020
<b>NON-CURRENT ASSETS</b>		
Intangible assets	496	15
Investment property	1,286,125	1,367,184
Property, plant and equipment	19,599	662
Equity accounted investees	6,657	7,044
Other investments	44,048	188,884
Loans provided	4,971,919	4,234,093
Deferred tax asset	141,122	142,019
<b>Total non-current assets</b>	<b>6,469,966</b>	<b>5,939,901</b>
<b>CURRENT ASSETS</b>		
Inventories	308	300
Current tax receivables	722	81
Derivative instruments	904	1,694
Trade receivables	4,109	6,511
Loans provided	197,192	115,168
Cash and cash equivalents	44,180	249,190
Other receivables	42,742	188,232
Other non-financial assets	7,010	3,289
<b>Total current assets</b>	<b>297,167</b>	<b>564,465</b>
<b>TOTAL ASSETS</b>	<b>6,767,133</b>	<b>6,504,366</b>
<b>EQUITY</b>		
Equity attributable to owners of the Company	1,025,763	899,041
Non-controlling interests	199,143	204,531
<b>Total equity</b>	<b>1,224,906</b>	<b>1,103,572</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial debts	5,124,567	4,855,740
Deferred tax liability	82,616	78,500
Other financial liabilities	4,635	8,904
<b>Total non-current liabilities</b>	<b>5,211,818</b>	<b>4,943,144</b>
<b>CURRENT LIABILITIES</b>		
Financial debts	240,236	376,179
Trade payables	2,299	8,618
Income tax liabilities	2	20
Other financial liabilities	86,071	68,677
Other non-financial liabilities	1,801	4,156
<b>Total current liabilities</b>	<b>330,409</b>	<b>457,650</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,767,133</b>	<b>6,504,366</b>

### Total assets and total liabilities

Total assets increased by €262.8 million (4%) to €6,767.1 million as at 30 June 2021. The main reason is the increase of long-term loans provided to entities within the CPI PG Group.

Non-current and current liabilities total €5,542.2 million as at 30 June 2021 which represents an increase by €141.4 million (2.6%) compared to 31 December 2020. Main driver of this increase was an additional drawdown of loans provided to the Company by CPIPG.

### 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 30 June 2021, the consolidated equity increased by €126.7 million. The main driver of this increase is the profit for the period amounting to €103.5 million and increase of translation reserve by €18.8 million and revaluation reserve by €4.4 million.

The EPRA Net Reinstatement Value per share as at 30 June 2021 is €0.84 compared to €0.74 as at 31 December 2020.

	30 June 2021	31 December 2020
<b>Consolidated equity</b>	<b>1,025,763</b>	<b>899,041</b>
Deferred taxes on revaluations	78,960	79,708
<b>EPRA Net reinstatement value</b>	<b>1,104,723</b>	<b>978,749</b>
Existing shares (in thousands)	1,314,508	1,314,508
Net reinstatement value in € per share	0.84	0.74
<b>EPRA Net reinstatement value</b>	<b>1,104,723</b>	<b>978,749</b>
Deferred taxes on revaluations	(78,960)	(79,708)
<b>EPRA Net disposal value</b>	<b>1,025,763</b>	<b>899,041</b>
Fully diluted shares	1,314,508	1,314,508
Net disposal value in € per share	0.78	0.68

The EPRA Net Disposal Value amounts to €0.78 per share as at 30 June 2021 compared to €0.68 at the end of 2020.

## 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 30 June 2021 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 2023 concerning the approval of the annual accounts of the Company for the financial year ending 31 December 2021.

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 H1 2021, the Board held three 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 30 June 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 30 June 2021 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 H1 2021 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 H1 2021, the Audit Committee held two meetings (with 100% attendance).

### ***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 H1 2021 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 30 June 2021.

### **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 outstanding, 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 30 June 2021.

(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 2021. 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>

(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:

The Company has no authorized but unissued and unsubscribed share capital in addition to the issued and subscribed corporate capital of €13,145,076.29.

(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 30 June 2021, 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.cpifimsa.com](http://www.cpifimsa.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 AGM resolved to approve Ernst & Young S.A., Luxembourg as auditors for the financial year ending 31 December 2021.

#### *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.

The Company has no authorized but unissued and unsubscribed share capital in addition to the issued and subscribed corporate capital of €13,145,076.29.

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 has no authorized but unissued and unsubscribed share capital in addition to the issued and subscribed corporate capital of €13,145,076.29.

## 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 half-year 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 NNNAV)**

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  
INTERIM FINANCIAL REPORTS  
AS AT 30 JUNE 2021**

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

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

- the condensed consolidated interim financial statements of the Company as at 30 June 2021, 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 30 June 2021 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 August 2021



Mr. David Greenbaum  
Managing Director

# CPI FIM GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR  
THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

## Condensed consolidated interim statement of comprehensive income

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

	Note	Six-month period ended	
		30 June 2021	30 June 2020
Gross rental income	5.1	17,653	16,413
Sale of services	5.2	16,091	12,838
Cost of service charges		(5,387)	(5,293)
Property operating expenses		(1,707)	(1,169)
<b>Net service and rental income</b>		<b>26,650</b>	<b>22,789</b>
Total revenues	4.2	33,744	29,251
Total direct business operating expenses		(7,094)	(6,462)
<b>Net business income</b>		<b>26,650</b>	<b>22,789</b>
Net valuation gain	5.3	7,255	-
Net gain on the disposal of investment property and subsidiaries	5.4	1,267	29
Net gain on the disposal of other investments	5.5	6,175	-
Amortization, depreciation and impairments	5.6	(184)	2,269
Administrative expenses	5.7	(5,965)	(5,733)
Other operating income		355	20
Other operating expenses		(459)	(434)
<b>Operating result</b>		<b>35,094</b>	<b>18,940</b>
Interest income	5.8	105,163	78,938
Interest expense	5.8	(81,051)	(59,432)
Other net financial result	5.9	43,699	(52,592)
<b>Net finance income</b>		<b>67,811</b>	<b>(33,086)</b>
Share of loss of equity-accounted investees (net of tax)	6.3	(387)	(427)
<b>Profit / (Loss) before income tax</b>		<b>102,518</b>	<b>(14,573)</b>
Income tax expense	5.10	(4,407)	(22,031)
<b>Net profit / (loss) from continuing operations</b>		<b>98,111</b>	<b>(36,604)</b>
<b>Items that may or are reclassified subsequently to profit or loss</b>			
Translation difference	6.9	18,816	(39,402)
Fair value changes of financial assets		4,407	(8,744)
Other comprehensive income for the period, net of tax		23,223	(48,146)
<b>Total comprehensive income for the period</b>		<b>121,334</b>	<b>(84,750)</b>
<b>Profit/ (loss) attributable to:</b>	6.9		
Owners of the Company		103,499	(42,188)
Non-controlling interests		(5,388)	5,584
<b>Profit/ (loss) for the period</b>		<b>98,111</b>	<b>(36,604)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		126,722	(90,334)
Non-controlling interests	6.9	(5,388)	5,584
<b>Total comprehensive income for the period</b>		<b>121,334</b>	<b>(84,750)</b>
<b>Earnings per share</b>			
Basic earnings in EUR per share	6.9	0.08	(0.03)
Diluted earnings in EUR per share		0.08	(0.03)

## Condensed consolidated interim statement of financial position

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

	Note	30 June 2021	31 December 2020
<b>Non-current assets</b>			
Intangible assets		496	15
Investment property	6.1	1,286,125	1,367,184
Property, plant and equipment	6.2	19,599	662
Equity accounted investees	6.3	6,657	7,044
Other investments	6.4	44,048	188,884
Loans provided	6.5	4,971,919	4,234,093
Deferred tax asset	5.10	141,122	142,019
		<b>6,469,966</b>	<b>5,939,901</b>
<b>Current assets</b>			
Inventories		308	300
Income tax receivables		722	81
Derivative instruments		904	1,694
Trade receivables	6.6	4,109	6,511
Loans provided	6.5	197,192	115,168
Cash and cash equivalents	6.7	44,180	249,190
Other financial assets	6.8	42,742	188,232
Other non-financial assets		7,010	3,289
		<b>297,167</b>	<b>564,465</b>
<b>Total assets</b>		<b>6,767,133</b>	<b>6,504,366</b>
<b>Equity</b>			
Equity attributable to owners of the Company	6.9	1,025,763	899,041
<i>Share capital</i>		13,145	13,145
<i>Share premium</i>		784,670	784,670
<i>Other reserves</i>		95,912	72,689
<i>Retained earnings</i>		132,036	28,537
Non-controlling interests	6.9	199,143	204,531
		<b>1,224,906</b>	<b>1,103,572</b>
<b>Non-current liabilities</b>			
Financial debts	6.10	5,124,567	4,855,740
Deferred tax liability		82,616	78,500
Other financial liabilities	6.11	4,635	8,904
		<b>5,211,818</b>	<b>4,943,144</b>
<b>Current liabilities</b>			
Financial debts	6.10	240,236	376,179
Trade payables	6.12	2,299	8,618
Income tax liabilities		2	20
Other financial liabilities	6.13	86,071	68,677
Other non-financial liabilities	6.14	1,801	4,156
		<b>330,409</b>	<b>457,650</b>
<b>Total equity and liabilities</b>		<b>6,767,133</b>	<b>6,504,366</b>

## Condensed consolidated interim statement of changes in equity

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

	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Equity attributable to owners of the company	Non controlling interests	Total equity
<b>Balance at 1 January 2021</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>
<b>Profit for the period</b>	-	-	-	-	103,499	103,499	(5,388)	98,111
Translation difference	-	-	18,816	-	-	18,816	-	18,816
Fair value changes of financial assets	6.4	-	-	4,407	-	4,407	-	4,407
<b>Total comprehensive income for the period</b>	-	-	<b>18,816</b>	<b>4,407</b>	<b>103,499</b>	<b>126,722</b>	<b>(5,388)</b>	<b>121,334</b>
<b>Balance at 30 June 2021</b>	<b>13,145</b>	<b>784,670</b>	<b>4,829</b>	<b>91,083</b>	<b>132,036</b>	<b>1,025,763</b>	<b>199,143</b>	<b>1,224,906</b>

	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Equity attributable to owners of the company	Non controlling interests	Total equity
<b>Balance 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 period</b>	-	-	-	-	(42,188)	(42,188)	5,584	(36,604)
Translation difference	-	-	(39,402)	-	-	(39,402)	-	(39,402)
Fair value changes of financial assets	6.4	-	-	(8,744)	-	(8,744)	-	(8,744)
<b>Total comprehensive income for the period</b>	-	-	<b>(39,402)</b>	<b>(8,744)</b>	<b>(42,188)</b>	<b>(90,334)</b>	<b>5,584</b>	<b>(84,750)</b>
<b>Balance at 30 June 2020</b>	<b>13,145</b>	<b>784,670</b>	<b>(12,972)</b>	<b>77,335</b>	<b>(126,156)</b>	<b>736,022</b>	<b>177,106</b>	<b>913,128</b>

## Condensed consolidated interim statement of cash flows

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

	Note	Six-month period ended	
		30 June 2021	30 June 2020
<b>Profit/(loss) before income tax</b>		<b>102,518</b>	<b>(14,573)</b>
<i>Adjusted by:</i>			
Net valuation gain on investment property	5.3	(7,255)	-
Gain on the disposal of investment property and subsidiaries	5.4	(1,267)	(29)
Gain on the disposal of other investments	5.5	(6,175)	-
Depreciation/amortisation of tangible and intangible assets	5.6	115	2
Impairment of assets/Reversal of impairment of assets	5.6	69	(2,271)
Net finance costs	5.8, 5.9	(23,951)	(19,434)
Share of loss of equity accounted investees	6.3	387	427
Unrealized exchange rate and other non-cash differences		(34,221)	37,250
<b>Profit before changes in working capital and provisions</b>		<b>30,220</b>	<b>1,372</b>
Increase in inventories		(8)	(94)
Decrease in trade and other receivables		144,171	7,514
Increase/(Decrease) in trade and other payables		4,417	(6,058)
Changes in provisions		(1)	(79)
Income tax paid		(569)	(58)
<b>Net cash from operating activities</b>		<b>178,230</b>	<b>2,597</b>
Proceeds from disposals of subsidiaries, net of cash disposed		-	3
Proceeds from disposals of other investments, net of cash disposed	5.5, 11	155,418	-
Acquisition of subsidiaries, net of cash disposed	3.1	(1,182)	-
Purchase and expenditures on investment property	6.1	(7,084)	(18,995)
Purchase and expenditures of property, plant and equipment		(1,210)	-
Proceeds from sale of investment property		39,649	52
Loans provided		(1,027,339)	(880,407)
Loans repaid		364,702	145,505
Interest received		54,191	52,970
<b>Net cash used in investing activities</b>		<b>(422,855)</b>	<b>(700,872)</b>
Drawdowns of loans and borrowings		281,223	733,839
Repayments of loans and borrowings		(196,153)	(2,584)
Repayments of bank loans	6.10	-	(15,000)
Repayments of finance lease liabilities		-	(217)
Interest paid		(45,455)	(30,190)
<b>Net cash from financing activities</b>		<b>39,615</b>	<b>685,848</b>
<b>Net decrease in cash</b>		<b>(205,010)</b>	<b>(12,427)</b>
Cash and cash equivalents at the beginning of the year		249,190	129,447
Effect of movements in exchange rates on cash held		-	923
<b>Cash and cash equivalents at the end of the six-month period ended</b>		<b>44,180</b>	<b>117,943</b>

# Notes to the condensed consolidated interim 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 30 June 2021, 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. For more details, visit [www.cpipg.com](http://www.cpipg.com).

As at 30 June 2021, Radovan Vítek, the ultimate beneficial owner of the Group, indirectly owns 93.6% of CPI PG outstanding shares.

### Board of Directors

As at 30 June 2021 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 interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020.

As at 30 June 2021, the interim condensed consolidated statement of financial position shows an excess of current liabilities over current assets of EUR 33.2 million. The net current assets deficit was caused by the classification of part of loans received from related parties within the current liabilities when the associated loans provided to related parties has been classified within non-current assets. Group’s management expects that the net cash inflows from financing activities will be sufficient to cover the net current assets deficit in foreseeable future. The interim condensed consolidated financial statements have been prepared on a going concern basis.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 30 August 2021.

The interim condensed consolidated financial statements have not been audited.

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

The Group’s operations are not subject to any significant seasonal fluctuations.

#### (b) New and amended standards and interpretations adopted in the six-month period ended 30 June 2021

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the consolidated financial statements of the Group.

### 3 The Group structure

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

As at 30 June 2021 the Group comprises its parent company and 40 subsidiaries (at 31 December 2020 - 40 subsidiaries) and two joint ventures.

#### 3.1 Changes in the Group structure in the six-month period ended 30 June 2021

In 2021, the Group acquired or founded the following subsidiary :

Entity	Change	Group's share	Date
CPI ACAYA S.r.l.	Acquisition	100.00%	21 May 2021
Brno Property Invest XV., s.r.o.	Acquisition	100.00%	1 June 2021

##### Property asset acquisition

###### CPI ACAYA S.r.l.

To support operations of newly acquired hotel building in Italy, the Group acquired an Italian based company CPI ACAYA S.r.l.

Total consideration of the acquisition was EUR 0.8 million.

The acquisition was recognized as a property asset acquisition as 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
Intangible assets	0.5
Property, plant and equipment	0.3
Trade receivables	0.1
<b>Identifiable acquired assets</b>	<b>0.9</b>
Trade payables	(0.1)
<b>Identifiable acquired liabilities</b>	<b>(0.1)</b>

Net identifiable assets of subsidiary acquired at the date of acquisition amounted to EUR 0.8 million. The net cash outflow connected with the acquisition amounted to EUR 0.8 million.

###### Brno Property Invest XV., s.r.o.

On 1 June 2021, the Group acquired A.M.A. Brno spol. s.r.o., an owner of one land plot in Brno, the Czech Republic. The company was subsequently renamed to Brno Property Invest XV., s.r.o. The total consideration paid was EUR 2.2 million.

The acquisition was recognized as a property asset acquisition as 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	2.2
Current assets	0.2
<b>Identifiable acquired assets</b>	<b>2.4</b>
Financial debts and other liabilities	(0.2)
<b>Identifiable acquired liabilities</b>	<b>(0.2)</b>

Net identifiable assets of subsidiary acquired at the date of acquisition amounted to EUR 2.2 million. The net cash outflow connected with the acquisition amounted to EUR 0.4 million, remaining EUR 1.8 million is payable as at 30 June 2021.

##### In the six-month period ended 30 June 2021, the Group disposed or liquidated the following subsidiaries:

Entity	Change	Group's share	Date
Bubenská 1, a.s.	Disposal	100.00%	1 April 2021
HAGIBOR OFFICE BUILDING, a.s.	Liquidation	100.00%	29 April 2021

Development of the office Bubenská 1 office was completed and sold of the value of its net assets of EUR 17.2 million to the related party Czech Property Investments, a.s. on 1 April 2021.

## 4 Entity-wide disclosures

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 portfolio in the Czech Republic;
- renting of office portfolio in Poland;
- managing of residential portfolio in France and Italy and managing of one hotel in Italy.

### 4.1 Financing

Interest income by countries

	Six-month period ended			
	30 June 2021		30 June 2020	
	Amount	In %	Amount	In %
Luxembourg	105,163	100%	78,924	100%
Poland	-	-	14	-
<b>Total</b>	<b>105,163</b>	<b>100%</b>	<b>78,938</b>	<b>100%</b>

Loans provided by country of the creditor

	30 June 2021		31 December 2020	
	Amount	In %	Amount	In %
<b>Luxembourg</b>	<b>5,169,111</b>	<b>100%</b>	<b>4,349,261</b>	<b>100%</b>
Non-current loans provided	4,971,919	96%	4,234,093	97%
Current loans provided	197,192	4%	115,168	3%
<b>Total</b>	<b>5,169,111</b>	<b>100%</b>	<b>4,349,261</b>	<b>100%</b>

### 4.2 Other business activities

Revenues by countries

	Six-month period ended			
	30 June 2021		30 June 2020	
	Amount	In %	Amount	In %
<b>Czech Republic</b>	<b>1,760</b>	<b>5%</b>	<b>875</b>	<b>3%</b>
- Land bank	291	1%	430	2%
- Office	1,408	4%	314	1%
- Industry and logistics	61	-	131	-
<b>Luxembourg</b>	<b>11,292</b>	<b>34%</b>	<b>7,953</b>	<b>27%</b>
- Rendering of services	11,292	34%	7,953	27%
<b>Poland</b>	<b>20,692</b>	<b>61%</b>	<b>20,423</b>	<b>70%</b>
- Office	20,692	61%	20,423	70%
<b>Total</b>	<b>33,744</b>	<b>100%</b>	<b>29,251</b>	<b>100%</b>

### 4.3 Non-current assets per countries

Investment property by countries

	30 June 2021		31 December 2020	
	Amount	In %	Amount	In %
<b>Czech Republic</b>	<b>654,383</b>	<b>51%</b>	<b>736,749</b>	<b>54%</b>
- Land bank	630,824	49%	604,267	44%
- Office	21,890	2%	130,822	10%
- Industry and logistics	1,669	-	1,660	-
<b>Poland</b>	<b>585,922</b>	<b>45%</b>	<b>584,615</b>	<b>43%</b>
- Office	585,555	45%	584,251	43%
- Land bank	367	-	364	-
<b>Other – residential</b>	<b>45,820</b>	<b>4%</b>	<b>45,820</b>	<b>3%</b>
<b>Total</b>	<b>1,286,125</b>	<b>100%</b>	<b>1,367,184</b>	<b>100%</b>

Property, plant and equipment by countries

	30 June 2021		31 December 2020	
	Amount	In %	Amount	In %
Italy	18,937	97%	-	-
France	629	3%	629	95%
Czech Republic	33	-	33	5%
<b>Total</b>	<b>19,599</b>	<b>100%</b>	<b>662</b>	<b>100%</b>

## 5 Condensed consolidated interim statement of comprehensive income

### 5.1 Gross rental income

	Six-month period ended	
	30 June 2021	30 June 2020
Gross rental income	17,653	16,413

In the six-month period ended 30 June 2021, the gross rental income increased due to rental income generated by offices in Warsaw, Poland and Prague, the Czech Republic.

### 5.2 Sale of services

	Six-month period ended	
	30 June 2021	30 June 2020
Service revenue	11,263	7,986
Service charge income	4,828	4,852
<b>Total sale of services</b>	<b>16,091</b>	<b>12,838</b>

In the six-month period ended 30 June 2021, 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

	Six-month period ended	
	30 June 2021	30 June 2020
Valuation gain	8,443	-
Valuation loss	(1,188)	-
<b>Net valuation gain</b>	<b>7,255</b>	<b>-</b>

In the six-month period ended 30 June 2021, the valuation gain was generated by Czech land bank portfolio.

### 5.4 Net gain on the disposal of investment property and subsidiaries

	Six-month period ended	
	30 June 2021	30 June 2020
Proceeds from disposal of investment property and subsidiaries	56,887	17,577
Carrying value of investment property and subsidiaries disposed of and related costs	(55,620)	(17,548)
<b>Total gain on the disposal of investment property and subsidiaries</b>	<b>1,267</b>	<b>29</b>

Proceeds from disposal of investment property and subsidiaries and the related carrying value in the six-month period ended 30 June 2021 was primarily related to one office building in Brno of EUR 39.3 million and subsidiary Bubenská 1 of EUR 17.2 million to CPI PG Group.

In the six-month period ended 30 June 2020, the proceeds from disposal of investment property and subsidiaries and the related carrying value was primarily related to sale of SCP Cayo.

### 5.5 Net gain on the disposal of the other investments

	Six-month period ended	
	30 June 2021	30 June 2020
Proceeds from disposal of CPI PG shares	155,418	-
Carrying value of CPI PG shares	(149,243)	-
<b>Total gain on the disposal of other investments</b>	<b>6,175</b>	<b>-</b>

In the six-month period ended 30 June 2021, the proceeds and carrying value of the disposal of other investments related to the sale of CPI PG shares (for more details refer to note 6.4).

### 5.6 Amortization, depreciation and impairments

	Six-month period ended	
	30 June 2021	30 June 2020
Depreciation and amortization	(115)	(2)
Impairment of assets/reversal of impairment	(69)	2,271
<b>Total amortization, depreciation and impairments</b>	<b>(184)</b>	<b>2,269</b>

In the six-month period ended 30 June 2021, the Group increased impairment related to loans provided primarily to third parties due to change in their default.

## 5.7 Administrative expenses

	Six-month period ended	
	30 June 2021	30 June 2020
Advisory and tax services	(4,189)	(3,829)
Personnel expenses	(630)	(613)
Other administrative expenses	(1,146)	(1,291)
<b>Total administrative expenses</b>	<b>(5,965)</b>	<b>(5,733)</b>

In the six-month period ended 30 June 2021 and 2020, the advisory expenses primarily include the management services received from related parties of EUR 3.7 million and EUR 3.7 million, respectively.

### Personnel administrative expenses

	Six-month period ended	
	30 June 2021	30 June 2020
Wages and salaries	(482)	(517)
Social and health security contributions	(148)	(96)
<b>Total personnel administrative expenses</b>	<b>(630)</b>	<b>(613)</b>

The Group has 13 employees as at 30 June 2021 (12 employees as at 30 June 2020).

## 5.8 Interest income and expense

Interest income on loans and receivables relates primarily to loans provided to related parties (see note 6.5 and 11).

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

## 5.9 Other net financial result

	Six-month period ended	
	30 June 2021	30 June 2020
Bank and other charges	(161)	(66)
Net foreign exchange gain/(loss) on investment property	(11,257)	34,602
Other net foreign exchange gain/(loss)	55,117	(87,128)
<b>Total other net financial result</b>	<b>43,699</b>	<b>(52,592)</b>

In the six-month period ended 30 June 2021 and 2020, the other net foreign exchange gain and loss was driven by retranslation of loans provided to related parties in foreign currencies of EUR 51.5 million and EUR (79.2) million, respectively.

## 5.10 Income tax expense

### Tax recognized in profit or loss

	Six-month period ended	
	30 June 2021	30 June 2020
Current income tax charge	(4,388)	(88)
Deferred income tax charge from temporary differences	(19)	(21,943)
<b>Total income tax recognised in profit or loss</b>	<b>(4,407)</b>	<b>(22,031)</b>

The Group recognized the deferred tax asset from tax losses carried forward by CPI FIM in the amount of EUR 134.7 million as at 30 June 2021 and 31 December 2020, respectively. The Group's perspective of tax losses utilization is based on the 10 years budget of CPI FIM's taxable profits. In the six-month period ended 30 June 2021, there was no movement on deferred tax asset.

The partial write-off in the amount of EUR 20.9 million in the six-month period ended 30 June 2020 was on the updated CPI FIM's budget.

## 6 Condensed consolidated interim statement of financial position

### 6.1 Investment property

	Office	Land bank	Development	Residential	Industry and logistics	Total
<b>Balance as at 1 January 2021</b>	<b>715,075</b>	<b>604,629</b>	-	<b>45,820</b>	<b>1,660</b>	<b>1,367,184</b>
Acquisitions of subsidiaries	-	2,205	-	-	-	2,205
Development costs and other additions	3,609	3,466	-	-	9	7,084
Disposals	(111,368)	(28)	-	-	-	(111,396)
Net foreign exchange loss	(5,300)	(5,908)	-	-	(49)	(11,257)
Translation differences	6,617	18,384	-	-	49	25,050
Valuation Gain/Loss	(1,188)	8,443	-	-	-	7,255
<b>Balance as at 30 June 2021</b>	<b>607,445</b>	<b>631,191</b>	-	<b>45,820</b>	<b>1,669</b>	<b>1,286,125</b>

	Office	Land bank	Development	Residential	Industry and logistics	Total
<b>Balance as at 1 January 2020</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>
Transfer from assets held for sale and intangible assets	-	1,453	-	1,109	-	2,562
Development costs and other additions	2,010	2,134	14,812	24	15	18,995
Disposals	-	(232)	-	-	-	(232)
Net foreign exchange gain	26,619	7,891	-	-	91	34,601
Translation differences	(27,250)	(24,609)	(3,151)	-	(91)	(55,101)
<b>Balance as at 30 June 2020</b>	<b>590,203</b>	<b>477,439</b>	<b>70,902</b>	<b>51,901</b>	<b>1,815</b>	<b>1,192,260</b>

#### Acquisition of subsidiaries

In the six-month period ended 30 June 2021, the Group acquired land bank in Brno, Czech Republic of EUR 2.2 million.

#### Development costs and other additions

In the six-month period ended 30 June 2021, the development costs related primarily to projects Nová Zbrojovka in Brno and remaining land bank portfolio in the Czech Republic of EUR 3.1 million and EUR 2.0 million, respectively.

In the six-month period ended 30 June 2020, the development costs related primarily to projects Nová Zbrojovka in Brno, Czech Republic and Bubenská project in Prague of EUR 2.6 million and EUR 12.6 million, respectively.

#### Disposals

In the six-month period ended 30 June 2021, the Group disposed two fully developed offices in the Czech Republic, Nová Zbrojovka (office building sold) in Brno and Bubenská 1 (the subsidiary sold) in Prague, the Czech Republic of EUR 39.3 million and EUR 71.7 million, respectively.

#### Net foreign exchange loss

The net foreign exchange loss of EUR 11.3 million in the six-month period ended 30 June 2021 (net foreign exchange gain of EUR 34.6 million in the six-month period ended 30 June 2020) reflects foreign retranslation of investment property valued in EUR and recognized by the Group's subsidiaries which use non-EUR functional currencies.

#### Translation reserve

The increase of translation reserve of EUR 25.1 million in the six-month period ended 30 June 2021 (the decrease of translation reserve of EUR 55.1 million in the six-month period ended 30 June 2020) relates to investment property (valued either in EUR or non-EUR currencies) recognized by the Group's subsidiaries which use non-EUR functional currencies.

### 6.2 Property, plant and equipment

In the six-month period ended 30 June 2021, the Group acquired Hotel Acaya Golf Resort in South Italy of EUR 18.7 million.

### 6.3 Equity accounted investees

The equity accounted investment in the amount of EUR 6.7 million as at 30 June 2021 (EUR 7.0 million as at 31 December 2020) represents investment in joint venture constituted in 2013 with Unibail Rodamco Westfield with aim to develop a shopping center in the Bubny area in Prague, the Czech Republic. The Group's shareholding is 35%.

	30 June 2021	31 December 2020
<b>At 1 January</b>	7,044	3,672
Share of loss	(387)	3,320
Other	-	52
<b>Total</b>	<b>6,657</b>	<b>7,044</b>

Condensed interim financial statement of comprehensive income of Uniborc S.A.

	Six-month period ended	
	30 June 2021	30 June 2020
Administrative expenses	(43)	(47)
<b>Operating result</b>	<b>(43)</b>	<b>(47)</b>
Interest expenses	(1,042)	(1,001)
<b>Loss before taxes</b>	<b>(1,085)</b>	<b>(1,048)</b>
Income taxes	(21)	(23)
<b>Loss after income tax</b>	<b>(1,106)</b>	<b>(1,071)</b>

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

	30 June 2021	31 December 2020
Investment property	67,609	67,439
Cash and cash equivalents	152	89
<b>Total assets</b>	<b>67,761</b>	<b>67,528</b>
Non-current financial liabilities	(37,910)	(36,582)
Deferred tax liabilities	(10,530)	(10,530)
Current financial liabilities	(264)	(263)
Other current liabilities	(38)	(28)
<b>Total liabilities</b>	<b>(48,742)</b>	<b>(47,403)</b>
<b>Net assets</b>	<b>19,019</b>	<b>20,125</b>

## 6.4 Other investments

Through CPI PG share buy back on 26 February 2021, the Company sold 252,302,248 CPI PG shares for total of EUR 155.4 million with profit of EUR 6.2 million (carrying value of respective CPI PG shares was EUR 149.2 million). Sale price per share was EUR 0.616 per share and the Group's carrying value of each share was EUR 0.592 per share. As at 30 June 2021, the Group's subsidiary Pietroni remains to hold 67,000,000 shares of CPI PG in the amount of EUR 44.0 million.

For the valuation of the CPI PG shares, held as at 30 June 2021, the EPRA NAV per CPI PG share was used. The same valuation approach was used as at 31 December 2020, when the Group used EPRA NAV per share of CPI PG as at 31 December 2020. EPRA NAV per share of CPI PG (EUR 0.66) differs from the price at the stock-exchange (EUR 0.70) as at 30 June 2021.

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 half-year report. The Group adjusted the number of shares used in the calculation for the amount of shares owned by the Group as at 30 June 2021 and 31 December 2020. As at 30 June 2021, the EPRA NAV per share of EUR 0.66 (EUR 0.61 as at 31 December 2020) disclosed by CPI PG therefore differs from value used by the Group to value the CPI PG's shares owned.

## 6.5 Loans provided

	30 June 2021	31 December 2020
Loans provided - related parties and joint ventures	4,988,548	4,250,722
Impairment to non-current loans provided to related parties	(16,629)	(16,629)
<b>Total non-current loans provided</b>	<b>4,971,919</b>	<b>4,234,093</b>
Loans provided - related parties and joint ventures	197,192	95,165
Loans provided - third parties	-	20,003
<b>Total current loans provided</b>	<b>197,192</b>	<b>115,168</b>

Loans provided increased in the six-month period ended 30 June 2021 due to new drawing of existing loans provided to related parties. These loans bear interest rate between 1.04% - 13.18% p.a. (determined based on the Group's risk assessment) and mature in 2021 – 2030 (refer to note 11 for more information).

Loans provided to joint venture include loan principal including the interest provided to Uniborc S.A. (see note 6.3) in the amount of EUR 13.1 million and EUR 12.7 million as at 30 June 2021 and 31 December 2020. The loan is repayable in 2023.

## 6.6 Trade receivables current

	30 June 2021	31 December 2020
Trade receivables due from related parties	553	1,644
Trade receivables due from third parties	3,960	5,141
Impairment – trade receivables due from other parties	(404)	(274)
<b>Total trade receivables current</b>	<b>4,109</b>	<b>6,511</b>

## 6.7 Cash and cash equivalents

	30 June 2021	31 December 2020
Bank balances	44,178	249,188
Cash on hand	2	2
<b>Total cash and cash equivalents</b>	<b>44,180</b>	<b>249,190</b>

## 6.8 Other current receivables

	30 June 2021	31 December 2020
Cash pool receivables due from related parties	25,006	29,541
Deposits available upon request due from related parties	-	149,521
Other receivables due from related parties	17,717	5,945
Other receivables due from third parties	32	3,236
Impairment – other receivables due from other parties	(13)	(11)
<b>Total other financial current assets</b>	<b>42,742</b>	<b>188,232</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 were available to the Group upon request. As at 30 June 2021, the deposits were repaid.

The Company agreed a cash-pool contracts with related subsidiaries of CPI PG Group. As at 30 June 2021 and 31 December 2020, other current receivables related to cash pool amounted to EUR 25.0 million and EUR 29.5 million, respectively.

As at 30 June 2021, the other current receivables due from related parties included EUR 17.7 million from sale of Bubenská office.

## 6.9 Equity

### Share capital and share premium

As at 30 June 2021 and 31 December 2020, the subscribed and fully paid-up capital of the Company of EUR 13,145,076.29 was represented by 1,314,507,629 ordinary shares with nominal value of EUR 0.01 each.

### Translation reserve

The following table shows the movement of the translation reserve per related counter accounts in the period:

	30 June 2021	30 June 2020
Opening balance as of 1 January	(13,987)	26,430
Translation differences related to retranslation of investment property	25,050	(55,101)
- Valued in EUR (and recognized by subsidiaries with non-EUR functional currency)	11,257	(34,601)
- Valued in non-EUR currencies (and recognized by subsidiaries with non-EUR functional currency)	13,793	(20,500)
Translation differences related to retranslation of intra-group loans and other items	(6,234)	15,699
<b>Closing balance</b>	<b>4,829</b>	<b>(12,972)</b>

### 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

	30 June 2021	30 June 2020
At the beginning of the period	1,314,507,629	1,314,507,629
At the end of the period	1,314,507,629	1,314,507,629
Weighted average outstanding shares for the purpose of calculating the basic EPS	1,314,507,629	1,314,507,629
Weighted average outstanding shares for the purpose of calculating the diluted EPS	1,314,507,629	1,314,507,629
Net profit attributable to the Equity holders of the Company	103,499	(42,188)
Net profit attributable to the Equity holders of the Company after assumed conversions/exercises	103,499	(42,188)
<b>Total Basic earnings in EUR per share</b>	<b>0.08</b>	<b>(0.03)</b>
<b>Diluted earnings in EUR per share</b>	<b>0.08</b>	<b>(0.03)</b>

Basic earnings per share is calculated by dividing the profit/(loss) 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.

#### Non-controlling interests (NCI)

After the sale of 80% stake in 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, the Group continues to control and consolidate these entities as at 30 June 2021 and 2020.

#### As at 30 June 2021

	Bubny Development	STRM Alfa	MQM Czech	Polygon BC	Vysočany Office	Total
	Land bank	Land bank	Land bank	Land bank	Land bank	
Group's interest	20%	20%	20%	20%	20%	-
<b>NCI - at the beginning of the period</b>	<b>138,887</b>	<b>25,760</b>	<b>9,197</b>	<b>28,756</b>	<b>1,931</b>	<b>204,531</b>
<b>NCI - profit for the period</b>	<b>(5,361)</b>	<b>18</b>	<b>(12)</b>	<b>(31)</b>	<b>(2)</b>	<b>(5,388)</b>
<b>Condensed interim financial information</b>						
<i>Non-current assets</i>	228,065	34,446	12,422	38,783	4,715	318,431
<i>Current assets</i>	74	78	303	259	79	793
Total assets	228,139	34,524	12,725	39,042	4,794	319,224
<i>Equity attributable to owners</i>	166,907	32,223	11,482	34,471	3,846	248,929
<i>Non-current liabilities and other</i>	61,232	2,301	1,243	4,571	948	70,295
Total equity and liabilities	228,139	34,524	12,725	39,042	4,794	319,224
Profit for the year	(6,702)	23	(15)	(39)	(2)	(6,735)
Net increase/(decrease) in cash and cash equivalents	(3,600)	(3,609)	(1)	(33)	(65)	(7,308)

#### As at 30 June 2020

	Bubny Development	STRM Alfa	MQM Czech	Polygon BC	Vysočany Office	Total
	Land bank	Land bank	Land bank	Land bank	Land bank	
Group's interest	20%	20%	20%	20%	20%	-
<b>NCI - at the beginning of the period</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>5,591</b>	<b>19</b>	<b>(10)</b>	<b>(17)</b>	<b>1</b>	<b>5,584</b>
<b>Condensed interim financial information</b>						
<i>Non-current assets</i>	183,985	30,354	11,781	38,535	1	264,656
<i>Current assets</i>	5,781	139	294	122	72	6,408
Total assets	189,766	30,493	12,075	38,657	73	271,064
<i>Equity attributable to owners</i>	143,153	30,268	11,454	36,430	77	221,382
<i>Non-current liabilities and other</i>	46,613	225	621	2,227	(4)	49,682
Total equity and liabilities	189,766	30,493	12,075	38,657	73	271,064
Profit for the year	6,989	23	(12)	(21)	1	6,980
Net increase/(decrease) in cash and cash equivalents	(24)	(15)	5	21	(8)	(21)

## 6.10 Financial debts

	30 June 2021	31 December 2020
Loans from related parties	5,099,739	4,830,951
Bank loans	20,525	20,525
Lease liabilities	4,303	4,264
<b>Total non-current financial debts</b>	<b>5,124,567</b>	<b>4,855,740</b>
Loans from related parties	239,984	375,925
Bank loans	26	30
Lease liabilities	226	224
<b>Total current financial debts</b>	<b>240,236</b>	<b>376,179</b>

Compared to 31 December 2020, there was significant increase in the loan principals received from CPI Property Group S.A. as at 30 June 2021. Balance of these loans increased from EUR 4,594.8 million as at 31 December 2020 to EUR 4,859.9 million as at 30 June 2021. The loans bear interest rate between 1.30% - 5.47% p.a.

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	Finance lease liabilities	Total
<b>Balance at 1 January 2021</b>	<b>5,227,431</b>	<b>4,488</b>	<b>5,231,919</b>
<b>Changes from financing cash flows</b>			
Interest paid	(45,455)	-	(45,455)
Drawings of loans and borrowings	281,223	-	281,223
Repayments of loans and borrowings	(196,153)	-	(196,153)
<b>Total changes from financing cash flows</b>	<b>39,615</b>	<b>-</b>	<b>39,615</b>
The effect of changes in foreign exchange rates	11,171	41	11,212
Interest expense	82,057	-	82,057
<b>Balance at 30 June 2021</b>	<b>5,360,274</b>	<b>4,529</b>	<b>5,364,803</b>

	Loans and borrowings	Finance lease liabilities	Total
<b>Balance at 1 January 2020</b>	<b>4,134,515</b>	<b>4,815</b>	<b>4,139,330</b>
<b>Changes from financing cash flows</b>			
Interest paid	(30,190)	-	(30,190)
Drawings of loans and borrowings	733,839	-	733,839
Repayments of loans and borrowings	(17,584)	-	(17,584)
Repayments of finance lease liabilities	-	(217)	(217)
<b>Total changes from financing cash flows</b>	<b>686,065</b>	<b>(217)</b>	<b>685,848</b>
The effect of changes in foreign exchange rates	(13,453)	2	(13,450)
Interest expense	60,214	-	60,214
<b>Balance at 30 June 2020</b>	<b>4,867,341</b>	<b>4,600</b>	<b>4,871,942</b>

## 6.11 Other financial non-current liabilities

	30 June 2021	31 December 2020
Trade payables due to third parties	222	-
Tenant deposits	3,310	3,725
Payables from retentions	1,101	3,121
Other payables due to third parties	2	2,058
<b>Total other financial non-current liabilities</b>	<b>4,635</b>	<b>8,904</b>

## 6.12 Trade payables

	30 June 2021	31 December 2020
Trade payables due to related parties	861	1,444
Trade payables due to third parties	1,438	7,174
<b>Total trade payables</b>	<b>2,299</b>	<b>8,618</b>

## 6.13 Other financial current liabilities

	30 June 2021	31 December 2020
Cash pool payables due to related parties	34,808	27,880
Other payables due to related parties	45,594	34,731
Other financial current liabilities due to third parties	5,669	6,066
<b>Total other financial current liabilities</b>	<b>86,071</b>	<b>68,677</b>

The Company agreed a cash-pool contracts with selected subsidiaries of CPI PG Group. As at 30 June 2021 and 31 December 2020, the other financial current liabilities related to cash pool amounted to EUR 34.8 million and EUR 27.9 million, respectively.

In the six-month period ended 30 June 2021, the other payables increased due to the acquisition of hotel building Hotel Acaya Golf Resort (EUR 17.6 million).

## 6.14 Other non-financial current liabilities

	30 June 2021	31 December 2020
Value added tax payables	212	3,178
Provisions	948	939
Other	641	39
<b>Total other non-financial current liabilities</b>	<b>1,801</b>	<b>4,156</b>

## 7 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 six months ended 30 June 2021.

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.

	30 June 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets measured at fair value</b>				
CPI Property Group shares*	44,039	44,039	188,875	188,875
Other investments	9	9	9	9
<b>Financial assets not measured at fair value</b>				
Loans provided**	5,155,906	5,625,401	4,336,516	4,765,402
Loans provided to joint venture	13,205	13,205	12,745	12,745
<b>Financial liabilities not measured at fair value</b>				
Financial debt – other	5,344,252	5,448,207	5,211,364	5,359,778
Financial debt – bank loans (fixed rate)	20,551	19,214	20,555	19,399

\* For the valuation as at 30 June 2021, the shares are valued using EPRA NAV per share of CPI PG as at 30 June 2021 (refer to note 6.4).

\*\* 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. In cases where there have been indicators of significant changes identified, the value of the asset has been updated based on the external or internal appraisal as of 30 June 2021.

The Group hired external appraisals to determine the fair values of the Czech land bank portfolio – Land Properties.

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 30 June 2021 and 31 December 2020, respectively. 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.

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 in the six-month period ended 30 June 2021.

### Main observable and unobservable inputs

The table below presents the fair value hierarchy of the valuation, the valuation method, the key observable and unobservable inputs for each class of property owned by the Group, used by the valuers as at 30 June 2021.

Class of property – Landbank & Development	Fair Value 2021 MEUR	Fair Value 2020 MEUR	Valuation technique	Key unobservable inputs	Range (weighted avg) 2021	Range (weighted avg) 2020
Czech Republic - Landbank Level 3	35	26	Comparable	Fair value per sqm	€2 - €30 (€11)	€2 - €16 (€8)
Czech Republic Prague - Landbank Level 3	5	5	Comparable	Fair value per sqm	€67 - €3,251 (€1,187)	€65 - €3,157 (€1,153)

## 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 iudicatum 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 157.0 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 December 2020, the Luxembourg Court declared that the inadmissibility of the claim against CPI PG and certain other defendants has not resulted in the inadmissibility of the litigation against the Company and the remaining defendants. Some defendants have decided to appeal against this judgment of 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 16.5 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 the 2014 Warrants registered under ISIN code XS0290764728. The first group of the holders of the 2014 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, currently being in a procedural stage, are pending.

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 Plan, 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 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

### Capital and other commitments

The Group has capital commitments of EUR 0.6 million in respect of capital expenditures contracted as at 30 June 2021 (EUR 1.0 million as at 31 December 2020).

## 11 Related party transactions

### Transactions with key management personnel

Total compensation given as short-term employee benefits to the top managers for the six-month period ended 30 June 2020 was EUR 0.2 million (EUR 0.3 million in the six-month period ended 30 June 2019).

The Board and Committees attendance compensation for the six-month period ended 30 June 2021 was EUR 18 thousand (EUR 18 thousand in the six-month period ended 30 June 2020).

### The remuneration of the key management personnel and members of Board of Directors

	30 June 2021	30 June 2020
Remuneration paid to the key management personnel and members of Board of Directors	234	329
<b>Total remuneration</b>	<b>234</b>	<b>329</b>

### Breakdown of balances and transactions with related of the Group

#### Majority shareholder of the Group

Balances at	30 June 2021	31 December 2020
Trade receivables	351	456

#### Entities over which the majority shareholder has control

Balances at	30 June 2021	31 December 2020
Loans provided current (refer below for the detail)	-	35,109
Trade receivables	3	8
Loans received current (refer below for the detail)	-	-
Transactions	30 June 2021	30 June 2020
Rental income	10	10
Administrative expenses	15	15
Interest income (refer below for the detail)	261	1,363
Interest expense (refer below for the detail)	1	1

#### Entities controlled by members of Board of Directors

Balances at	30 June 2021	31 December 2020
Loans received current (refer below for the detail)	73	120

#### CPI PG Group

Balances at	30 June 2021	31 December 2020
Loans provided non-current (refer below for the detail)	4,975,485	4,238,117
Loans provided current (refer below for the detail)	197,050	59,917
Trade receivables	199	1,180
Other current receivables	42,723	185,007
Other non-financial assets	2,500	-
Loans received non-current (refer below for the detail)	5,099,739	4,830,950
Loans received current (refer below for the detail)	239,911	375,805
Trade payables	861	1,444
Other current liabilities	80,402	62,611

## CPI FIM GROUP

Transactions	30 June 2021	30 June 2020
Sale of services	11,306	7,915
Cost of service charges	527	372
Administrative expenses	4,548	3,678
Interest income (refer below for the detail)	104,288	76,939
Interest expense (refer below for the detail)	81,882	60,315

## Joint venture

Balances at	30 June 2021	31 December 2020
Loans provided non-current (refer below for the detail)	13,063	12,605
Loans provided current (refer below for the detail)	142	139
Transactions	30 June 2021	30 June 2020
Interest income (refer below for the detail)	418	404

## Non-current loans provided to related parties

CPI PG Group	30 June 2021	31 December 2020
1 Bishops Avenue Limited	135,764	126,938
Airport City Kft.	15,416	15,656
Airport City Phase B Kft.	1,633	1,754
Andrássy Hotel Zrt.	5,051	4,683
Andrássy Real Kft.	11,107	10,778
Arena Corner Kft.	36,856	35,530
Balvinder, a.s.	3,647	4,434
BARON PUGLIA S.a.r.l.	-	16,085
Baudry Beta, a.s.	11,041	10,372
BAYTON Alfa, a.s.	11,388	11,655
BC 91 Real Estate Kft.	1,019	1,210
BC 99 Office Park Kft.	35,869	34,851
Beroun Property Development, a.s.	9,654	8,792
Best Properties South, a.s.	62,746	56,178
Brandýs Logistic, a.s.	24,630	23,797
Brno Development Services, s.r.o.	97	255
Březiněves, a.s.	1,076	5,277
Bubenská 1, a.s.	51,738	-
Buy-Way Dunakeszi Kft.	5,442	5,791
Buy-Way Soroksár Kft.	3,687	3,783
CAMPONA Shopping Center Kft.	70,536	67,881
Carpenter Invest, a.s.	2,167	2,050
CB Property Development, a.s.	3,586	935
Conradian, a.s.	4,550	5,375
CPI – Bor, a.s.	13,126	10,869
CPI - Orlová, a.s.	1,264	1,189
CPI - Real Estate, a.s.	2,329	2,115
CPI Beet, a.s.	178	52
CPI BYTY, a.s.	91,410	93,658
CPI Delta, a.s.	1,673	1,651
CPI East, s.r.o.	83,670	81,471
CPI Facility Slovakia, a.s.	7,433	-
CPI Hotels, a.s.	31,187	35,169
CPI Hotels Europeum Kft.	564	527
CPI Hotels Properties, a.s.	14,157	12,592
CPI IMMO, S.a.r.l.	3,797	3,797
CPI Jihlava Shopping, a.s.	16,225	15,433
CPI Kappa, s.r.o.	698	650
CPI Meteor Centre, s.r.o.	15,504	15,353
CPI Palmovka Office, s.r.o.	1,446	1,280
CPI PROPERTY GROUP S.A.	2,476,043	1,634,505
CPI Reality, a.s.	53,380	48,628
CPI Retail MB s.r.o.	964	-
CPI Retail One Kft.	10,709	10,349
CPI Retail Portfolio Holding Kft.	27,947	20,931
CPI Retail Portfolio I, a.s.	6,831	2,009
CPI Retail Portfolio II, a.s.	493	-
CPI Retail Portfolio IV, s.r.o.	1,583	1,287
CPI Retail Portfolio V, s.r.o.	3,969	4,094
CPI Retail Portfolio VI, s.r.o.	1,291	1,326
CPI Retail Portfolio VIII s.r.o.	4,390	4,048
CPI Retail ONE, a.s.	9,314	8,916
CPI Retail ROSA s.r.o.	4,508	4,485
CPI Retail THREE, a.s.	31,932	31,637

## CPI FIM GROUP

CPI PG Group	30 June 2021	31 December 2020
CPI Retails TWO, a.s.	7,429	7,260
CPI Sekunda, s.r.o.	804	-
CPI Shopping MB, a.s.	37,254	34,887
CPI Shopping Teplice, a.s.	53,146	50,269
CPI Vestec, s.r.o.	5,480	5,360
Czech Property Investments, a.s.	439,816	773,988
Čadca Property Development, s.r.o.	6,221	934
Čáslav Investments, a.s.	2,219	2,178
Duca Puglia S.r.l.	-	6,600
EMH South, s.r.o.	7,669	7,429
ENDURANCE HOSPITALITY FINANCE S.á.r.l.	8,043	8,043
Europeum Kft.	25,914	24,246
Farhan, a.s.	54,881	52,198
FL Property Development, a.s.	203	192
Futurum HK Shopping, s.r.o.	91,720	86,060
Gateway Office Park Kft.	11,617	12,450
HD Investment s.r.o.	68	66
Hightech Park Kft.	3,838	3,633
Hraničář, a.s.	13,047	12,276
IGY2 CB, a.s.	2,064	2,424
IS Nyír Ingatlanhasznosítóés Vagyonkezelő Kft.	1,898	1,350
IS Zala Ingatlanhasznosítóés Vagyonkezelő Kft.	8,588	8,431
Janáčkovo náměstí 15, s.r.o.	7,376	6,892
Jeseník Investments, a.s.	2,517	1,895
Kerina, a.s.	6,131	5,755
KOENIG Shopping, s.r.o.	49,719	46,899
Komárno Property Development, a.s.	1,953	2,009
Kosmonosy Property Development, s.r.o.	8,036	8,037
LD Praha, a.s.	4,441	4,571
Levice Property Development, a.s.	3,902	3,898
Lockhart, a.s.	24,316	28,905
Lucemburská 46, a.s.	5,117	4,805
Marissa Gama, a.s.	40,155	38,933
Marissa Omikrón, a.s.	15,873	15,181
Marissa Tau, a.s.	16,585	5,028
Marissa Théta, a.s.	588	1,060
Marissa West, a.s.	39,542	37,495
Marissa Yellow, a.s.	7,875	7,250
Marissa Ypsilon, a.s.	38,970	37,008
MARRETIM s.r.o.	955	-
MB Property Development, a.s.	3	208
Míchalovce Property Development, a.s.	3,674	3,729
MUXUM, a.s.	6,142	3,627
Na Poříčí, a.s.	30,534	29,364
New Age Kft.	839	832
OC Nová Zdáboř a.s.	9,524	8,811
OC Spektrum, s.r.o.	13,946	10,100
OFFICE CENTER HRADČANSKÁ, a.s.	12,951	11,692
Olomouc Building, a.s.	19,200	14,111
Orchard Hotel a.s.	5,171	9,802
Outlet Arena Moravia, s.r.o.	17	17
Ozrics Kft.	3,222	3,014
Pelhřimov Property Development, a.s.	2,778	2,493
Platněnská 10 s.r.o.	44	528
Pólus Shopping Center Zrt.	69,033	66,589
Považská Bystrica Property Development, a.s.	968	1,130
Prievidza Property Development, a.s.	2,641	2,673
Projekt Nisa, s.r.o.	81,243	77,912
Projekt Zlatý Anděl, s.r.o.	78,939	76,654
Prostějov Investments, a.s.	706	645
Příbor Property Development, s.r.o.	595	401
Real Estate Energy Kft.	1	85
Residence Belgická, s.r.o.	1,681	1,521
Residence Izabella, Zrt.	4,452	4,084
Rezidence Jančova, s.r.o.	950	1,212
Rezidence Malkovského, s.r.o.	519	400
Savile Row 1 Limited	63,524	5,615
Statek Kravaře, a.s.	4,708	4,573
Statenice Property Development, a.s.	2,404	2,265
Svitavy Property Alfa, a.s.	9,141	9,015

## CPI FIM GROUP

CPI PG Group	30 June 2021	31 December 2020
Tepelné hospodářství Litvínov, s.r.o.	451	680
Třebíšov Property Development, s.r.o.	3,698	-
Třinec Investments, s.r.o.	2,415	2,346
Třinec Property Development, a.s.	3,006	3,224
Tyršova 6, a.s.	3,469	1,845
U svatého Michala, a.s.	3,405	3,192
Uchaux Limited	852	-
V Team Prague, s.r.o.	6,014	5,603
Vigano, a.s.	10,232	9,490
ZET.office, a.s.	29,035	-
Ždírec Property Development, a.s.	673	659
<b>Total loans provided non-current - related parties</b>	<b>4,975,485</b>	<b>4,238,117</b>
<b>Joint venture</b>		
Uniborc S.A.	13,063	12,605
<b>Total</b>	<b>4,988,548</b>	<b>4,250,722</b>

## Current loans provided to related parties

CPI PG Group	30 June 2021	31 December 2020
Balvinder, a.s.	47	51
BARON PUGLIA S.a.r.l.	-	549
BAYTON Alfa, a.s.	181	172
Brno Development Services, s.r.o.	26	18
Bubenská 1, a.s.	826	-
CAMPONA Shopping Center Kft.	2,314	5,651
Carpenter Invest, a.s.	33	38
CB Property Development, a.s.	52	19
Conradian, a.s.	89	200
CPI – Real Estate, a.s.	27	25
CPI Beet, a.s.	5	2
CPI BYTY, a.s.	906	941
CPI Facility Slovakia, a.s.	27	-
CPI Hotels, a.s.	1,655	529
CPI Hotels Properties, a.s.	145	133
CPI IMMO, S.a.r.l.	210	182
CPI Italy 130 SPV S.r.l.	109,071	-
CPI Kappa, s.r.o.	35	13
CPI PROPERTY GROUP S.A.	60,602	34,450
CPI Retail MB s.r.o.	23	-
CPI Retail One Kft.	210	168
CPI Retail Portfolio II, a.s.	12	-
CPI RETAIL PORTFOLIO HOLDING Kft.	512	512
CPI Shopping MB, a.s.	-	125
Czech Property Investments, a.s.	14,284	11,247
Duca Puglia S.r.l.	-	307
HD Investment s.r.o.	2	-
Hospitality Invest S.a r.l.	37	-
Hraničář, a.s.	179	170
IGY2 CB, a.s.	84	96
Janáčkovo nábřeží 15, s.r.o.	99	91
Kerina, a.s.	67	64
LD Praha, a.s.	44	43
Lockhart, a.s.	381	398
Lucemburská 46, a.s.	36	34
MARRETIM s.r.o.	8	-
Marissa Théta, a.s.	9	9
MUXUM, a.s.	54	32
Olomouc Building, a.s.	215	160
Orchard Hotel a.s.	92	170
Outlet Arena Moravia, s.r.o.	1	-
PAC Italy 130 SPV S.R.L.	2,015	-
Platněřská 10 s.r.o.	6	7
Prostějov Investments, a.s.	46	21
Real Estate Energy Kft.	1	2
Residence Belgická, s.r.o.	19	18
Residence Jančova, s.r.o.	63	39
Residence Malkovského, s.r.o.	22	18
Státek Kravaře, a.s.	1,259	2,610
Tepelné hospodářství Litvínov, s.r.o.	5	7
Třebíšov Property Development, s. r. o.	34	-

## CPI FIM GROUP

CPI PG Group	30 June 2021	31 December 2020
Třinec Property Development, a.s.	110	164
Tyršova 6, a.s.	25	13
V Team Prague, s.r.o.	88	82
Vigano, a.s.	157	337
ZET.office, a.s.	600	-
<b>Total loans provided current - related parties</b>	<b>197,050</b>	<b>59,917</b>
<b>Entities over which the majority shareholder has control</b>		
GAMALA LIMITED	-	35,109
<b>Joint venture</b>		
Uniborc S.A.	142	139
<b>Total</b>	<b>197,192</b>	<b>95,165</b>

## Other current receivables (Deposits)

CPI PG Group	30 June 2021	31 December 2020
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 Poříčí, 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>-</b>	<b>149,521</b>

## Other current receivables (Cash pool)

CPI PG Group	30 June 2021	31 December 2020
Balvinder, a.s.	72	237
Baudry Beta, a.s.	229	235
BAYTON Alfa, a.s.	287	507
Beroun Property Development, a.s.	53	204
Best Properties South, a.s.	1,706	1,261
Brandýs Logistic, a.s.	446	716
Brno Development Services, s.r.o.	-	34
BRNO INN, a.s.	41	91
Březiněves, a.s.	900	-
Bubenská 1, a.s.	2,948	-
CPI - Bor, a.s.	275	13
CPI - Real Estate, a.s.	90	180
CPI - Zbraslav, a.s.	6	23
CPI Beet, a.s.	8	83
CPI BYTY, a.s.	-	41
CPI Delta, a.s.	7	26
CPI East, s.r.o.	126	1,091

## CPI FIM GROUP

CPI PG Group	30 June 2021	31 December 2020
CPI Energo, a.s.	2	-
CPI Finance CEE, a.s.	1	1
CPI Hotels Properties, a.s.	1,593	227
CPI Jihlava Shopping, a.s.	-	402
CPI Kappa, s.r.o.	18	13
CPI Management, s.r.o.	-	366
CPI Meteor Centre, s.r.o.	276	179
CPI Národní, s.r.o.	3,914	1,129
CPI Office Prague, s.r.o.	766	1,610
CPI Palmovka Office, s.r.o.	-	12
CPI PROPERTY GROUP S.A.	3,442	3,179
CPI Reality, a.s.	180	1,060
CPI Retail MB s.r.o.	279	34
CPI Retail Portfolio I, a.s.	80	625
CPI Retail Portfolio II, a.s.	43	163
CPI Retail Portfolio VI, a.s.	15	57
CPI Retail Portfolio VIII, a.s.	17	195
CPI Retails ONE, a.s.	42	151
CPI Retails TWO, a.s.	41	98
CPI Services, a.s.	741	-
CPI Shopping MB, a.s.	40	856
CPI Shopping Teplice, a.s.	-	815
CPI Vestec, s.r.o.	24	101
CPIPG Management S.à r.l.	223	169
Čadca Property Development, s.r.o.	-	215
Čáslav Investments, a.s.	6	25
EMH South, s.r.o.	6	113
Farhan, a.s.	1,280	1,434
FL Property Development, a.s.	-	1
Futurum HK Shopping, s.r.o.	128	1,379
Hospitality invest S.à r.l.	2	6
HOTEL U PARKU, s.r.o.	18	46
Hraničář, a.s.	34	331
IGY2 CB, a.s.	93	-
Janáčkovo nábřeží 15, s.r.o.	116	270
Jeseník Investments, a.s.	5	19
Kerina, a.s.	135	228
KOENIG Shopping, s.r.o.	96	481
Kosmonosy Property Development, s.r.o.	60	189
LD Praha, a.s.	90	135
Lockhart, a.s.	519	639
Lucemburská 46, a.s.	99	227
Marissa Gama, a.s.	129	213
Marissa Omikrón, a.s.	-	190
Marissa Théta, a.s.	22	77
Marissa West, a.s.	821	761
Marissa Ypsilon, a.s.	96	202
MB Property Development, a.s.	2	178
MUXUM, a.s.	77	219
Na Poříčí, a.s.	-	54
OC Nová Zdaboř a.s.	87	239
OC Spektrum, s.r.o.	734	1,194
OFFICE CENTER HRADČANSKÁ, a.s.	-	17
Olomouc Building, a.s.	44	538
Orchard Hotel a.s.	146	215
Pelhřimov Property Development, a.s.	8	31
Platněřská 10 s.r.o.	6	1
Považská Bystrica Property Development, a.s.	-	12
Projekt Nisa, s.r.o.	187	1,678
Projekt Zlatý Anděl, s.r.o.	586	719
Příbor Property Development, s. r.o.	3	12
Residence Belgická, s.r.o.	-	60
Svitavy Property Alfa, a.s.	41	67
Třinec Investments, s.r.o.	11	45
Třinec Property Development, a.s.	14	-
Tyršova 6, a.s.	55	177
U svatého Michala, a.s.	-	34
V Team Prague, s.r.o.	317	677
Ždírec Property Development, a.s.	2	9
<b>Total</b>	<b>25,006</b>	<b>29,541</b>

**Non-current financial debts received from related parties**

CPI PG Group	30 June 2021	31 December 2020
CPI PROPERTY GROUP S.A.	4,797,884	4,532,880
GSG Asset GmbH & Co. Verwaltungs KG	4,013	4,000
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	13,141	13,100
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	19,963	19,900
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	30,095	30,000
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	19,662	19,600
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	34,710	34,600
ST Project Limited	180,271	176,870
<b>Total financial debts non-current - related parties</b>	<b>5,099,739</b>	<b>4,830,950</b>
<b>Total</b>	<b>5,099,739</b>	<b>4,830,950</b>

**Current financial debts received from related parties**

CPI PG Group	30 June 2021	31 December 2020
BAYTON Gama, a.s.	1,809	1,732
BPT Development, a.s.	131	1,617
BRNO INN, a.s.	3,175	3,098
Brno Property Development, a.s.	22,229	21,809
Byty Lehovec, s.r.o.	8,157	3,753
CPI – Horoměřice, a.s.	81	80
CPI - Zbraslav, a.s.	2,756	2,590
CPI Energo, a.s.	340	326
CPI Finance CEE, a.s.	72	71
CPI Flats, a.s.	3,260	4,073
CPI Green, a.s.	79	77
CPI Hungary Investments Kft.	2,091	998
CPI Hungary Kft.	822	809
CPI Kvarta, s.r.o.	2	2
CPI Kvinta, s.r.o.	2	2
CPI Národní, s.r.o.	35,204	33,934
CPI Office Prague, s.r.o.	1,398	620
CPI Omikrón, a.s.	79	77
CPI PROPERTY GROUP S.A.	134,579	146,945
CPI Retail MB s.r.o.	5	39
CPI Retail Portfolio II, a.s.	3	714
CPI Sekunda, s.r.o.	2	2
CPI Tercie, s.r.o.	2	2
CPI Théta, a.s.	79	76
Czech Property Investments, a.s.	3,048	135,863
GSG Asset GmbH & Co. Verwaltungs KG	30	13
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	98	41
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	149	63
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	224	95
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	146	62
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	258	109
HOTEL U PARKU, s.r.o.	647	651
Jetřichovice Property, a.s.	255	247
MB Property Development, a.s.	614	-
Nymburk Property Development, a.s.	6,238	3,622
PROJECT FIRST, a.s.	4,846	4,720
ST Project Limited	6,679	6,679
Tachov Investments, s.r.o.	41	53
Telč Property Development, a.s.	34	48
Trebišov Property Development, s. r. o.	246	17
ZET.office, a.s. (formerly CPI Orange, a.s.)	1	76
<b>Total financial debts current - related parties</b>	<b>239,911</b>	<b>375,805</b>
<b>Entities controlled by members of Board of Directors</b>		
Turf Praha a.s.	-	48
CPI Yellow, a.s.	73	72
<b>Total</b>	<b>239,984</b>	<b>375,925</b>

**Other current liabilities (Cash pool)**

CPI PG Group	30 June 2021	31 December 2020
Baudry Beta, a.s.	393	376
Beroun Property Development, a.s.	308	337
Brandýs Logistic, a.s.	938	652
Brno Development Services, s.r.o.	281	-
Březiněves, a.s.	-	1,411
CB Property Development, a.s.	494	1,275

## CPI FIM GROUP

CPI PG Group	30 June 2021	31 December 2020
CPI - Bor, a.s.	-	135
CPI - Zbraslav, a.s.	47	33
CPI BYTY, a.s.	1,250	3,111
CPI Delta, a.s.	59	55
CPI East, s.r.o.	1,946	1,152
CPI Energo, a.s.	498	424
CPI Jihlava Shopping, a.s.	1,153	1,024
CPI Management, s.r.o.	268	590
CPI Meteor Centre, s.r.o.	613	401
CPI Národní, s.r.o.	873	1,356
CPI Office Prague, s.r.o.	259	-
CPI Palmovka Office, s.r.o.	156	50
CPI Property a Facility, s.r.o.	-	276
CPI Reality, a.s.	1,152	1,086
CPI Retail Portfolio II, a.s.	86	199
CPI Retail Portfolio IV, a.s.	83	25
CPI Retail Portfolio V, a.s.	52	328
CPI Retail Portfolio VI, a.s.	67	78
CPI Retail Portfolio VIII s.r.o.	115	-
CPI Retails ONE, a.s.	219	232
CPI Retails Rosa s.r.o.	314	56
CPI Retails THREE, a.s.	2,244	500
CPI Retails TWO, a.s.	167	312
CPI Services, a.s.	3,232	2,555
CPI Shopping MB, a.s.	700	493
CPI Shopping Teplice, a.s.	710	-
CPI Vestec, s.r.o.	138	129
Czech Property Investments, a.s.	552	231
Čadca Property Development, s.r.o.	466	-
Čáslav Investments, a.s.	53	48
EMH South, s.r.o.	156	145
Farhan, a.s.	1,379	1,629
FL Property Development, a.s.	6	2
Futurum HK Shopping, s.r.o.	1,758	-
Hraničář, a.s.	17	-
IGY2 CB, a.s.	66	730
Jeseník Investments, a.s.	49	64
KOENIG Shopping, s.r.o.	1,053	-
Komárno Property Development, a.s.	231	36
Kosmonosy Property Development, s.r.o.	363	191
Levice Property Development, a.s.	219	63
Marissa Gama, a.s.	797	697
Marissa Omikrón, a.s.	464	351
Marissa West, a.s.	1,646	1,069
Marissa Ypsilon, a.s.	904	78
MB Property Development, a.s.	236	-
Michalovce Property Development, a.s.	81	81
MMR RUSSIA S.à r.l.	4	10
Na Poříčí, a.s.	622	250
OC Nová Zdaboř a.s.	-	516
OC Spektrum, s.r.o.	120	1
OFFICE CENTER HRADČANSKÁ, a.s.	349	215
Olomouc Building, a.s.	27	-
Pelhřimov Property Development, a.s.	71	53
Považská Bystrica Property Development, a.s.	39	-
Prievidza Property Development, a.s.	136	32
Projekt Nisa, s.r.o.	1,453	-
Projekt Zlatý Anděl, s.r.o.	1,549	1,848
Příbor Property Development, s. r.o.	35	3
Residence Belgická, s.r.o.	9	-
Svitavy Property Alfa, a.s.	293	373
Tepelné hospodářství Litvínov s.r.o.	125	107
Třinec Investments, s.r.o.	76	57
Třinec Property Development, a.s.	154	335
U svatého Michala, a.s.	21	-
ZET.office, a.s.	391	-
Ždírec Property Development, a.s.	23	14
<b>Total</b>	<b>34,808</b>	<b>27,880</b>

## Interest income from related parties

	Six-month period ended	
	30 June 2021	30 June 2020
1 Bishops Avenue Limited	2,605	1,476
AIRPORT CITY Kft.	452	311
Airport City Phase B Kft.	46	33
Andrássy Hotel Zrt.	173	80
Andrássy Real Kft.	397	192
Arena Corner Kft.	1,230	608
Balvinder, a.s.	97	107
Baron Puglia S.r.l.	150	177
Baudry Beta, a.s.	364	202
BAYTON Alfa, a.s.	357	350
BC 91 Real Estate Kft.	39	33
BC 99 Office Park Kft.	1,071	689
Beroun Property Development, a.s.	288	226
Best Properties South, a.s.	1,794	1,030
Brandýs Logistic, a.s.	707	360
Brno Development Services, s.r.o.	7	5
Březiněves, a.s.	97	188
Bubenská 1, a.s.	829	-
Buy-Way Dunakeszi Kft.	196	123
Buy-Way Soroksár Kft.	143	81
Byty Lehovec, s.r.o.	-	311
CAMPONA Shopping Center Kft.	3,097	2,546
Carpenter Invest, a.s.	65	79
CB Property Development, a.s.	56	34
Conradian, a.s.	177	200
CPI – Bor, a.s.	348	226
CPI - Orlová, a.s.	39	32
CPI - Real Estate, a.s.	53	49
CPI Beet, a.s.	10	10
CPI BYTY, a.s.	1,849	1,950
CPI Delta, a.s.	52	38
CPI East, s.r.o.	2,216	2,119
CPI Flats, a.s.	-	4
CPI Facility Slovakia, a.s.	27	-
CPI Hotels, a.s.	1,096	-
CPI Hotels Europeum Kft.	18	18
CPI Hotels Properties, a.s.	287	250
CPI IMMO, S.a.r.l.	28	28
CPI Italy 130 SPV S.r.l.	609	-
CPI Jihlava Shopping, a.s.	560	486
CPI Kappa, s.r.o.	22	29
CPI Management, s.r.o.	4	-
CPI Meteor Centre, s.r.o.	480	243
CPI Národní, s.r.o.	5	-
CPI Office Prague, s.r.o.	3	944
CPI Palmovka Office, s.r.o.	45	87
CPI Property a Facility, s.r.o.	-	5
CPI PROPERTY GROUP S.A.	26,169	16,672
CPI Reality, a.s.	1,826	1,084
CPI Retail MB s.r.o.	24	-
CPI Retail One Kft.	330	452
CPI Retail Portfolio Holding Kft.	373	600
CPI Retail Portfolio I, a.s.	152	45
CPI Retail Portfolio II, a.s.	13	-
CPI Retail Portfolio IV, s.r.o.	44	22
CPI Retail Portfolio V, s.r.o.	120	85
CPI Retail Portfolio VI, s.r.o.	40	30
CPI Retail Portfolio VIII s.r.o.	147	96
CPI Retails ONE, a.s.	307	218
CPI Retails ROSA s.r.o.	134	60
CPI Retails THREE, a.s.	931	455
CPI Retails TWO, a.s.	244	157
CPI Services, a.s.	15	84
CPI Shopping MB, a.s.	1,098	812
CPI Shopping Teplice, a.s.	1,765	1,387
CPI Vestec, s.r.o.	180	134
CPIPG Management S.à r.l.	1	-
Czech Property Investments, a.s.	17,358	16,827
Čadca Property Development, s.r.o.	89	16

	Six-month period ended	
	30 June 2021	30 June 2020
Čáslav Investments, a.s.	75	64
Duca Puglia S.r.l.	127	-
EMH South, s.r.o.	253	192
ENDURANCE HOSPITALITY FINANCE S.à r.l.	-	86
Europeum Kft.	935	476
Farhan, a.s.	1,852	1,274
FL Property Development, a.s.	5	5
Futurum HK Shopping, s.r.o.	3,176	1,921
Gateway Office Park Kft.	359	242
Gewerbesiedlungs-Gesellschaft mbH	-	1
HD Investment s.r.o.	2	2
Hightech Park Kft.	122	97
Hraničář, a.s.	350	338
IGY2 CB, a.s.	78	102
IS Nyír Ingatlanhasznosítóés Vagyonkezelő Kft.	52	37
IS Zala Ingatlanhasznosítóés Vagyonkezelő Kft.	365	269
Janáčkovo nábřeží 15, s.r.o.	193	170
Jeseník Investments, a.s.	75	54
Kerina, a.s.	132	135
KOENIG Shopping, s.r.o.	1,686	1,261
Komárno Property Development, a.s.	44	28
Kosmonosy Property Development, s.r.o.	250	175
Kravařská zemědělská, a.s.	-	106
LD Praha, a.s.	88	90
Levice Property Development, a.s.	113	66
Liptovský Mikuláš Property Development, a.s.	-	201
Lockhart, a.s.	771	749
Lucemburská 46, a.s.	71	80
Marissa Gama, a.s.	1,341	812
Marissa Omikrón, a.s.	469	425
Marissa Tau, a.s.	359	205
Marissa Théta, a.s.	19	19
Marissa West, a.s.	1,421	1,277
Marissa Yellow, a.s.	277	255
Marissa Ypsilon, a.s.	1,238	883
MARRETIM s.r.o.	8	-
MB Property Development, a.s.	3	36
Míchalovce Property Development, a.s.	103	87
MUXUM, a.s.	100	76
Na Poříčí, a.s.	1,024	853
New Age Kft.	27	13
OC Nová Zdobov a.s.	283	202
OC Spektrum, s.r.o.	509	186
OFFICE CENTER HRADČANSKÁ, a.s.	428	292
Office Center Poštová, s.r.o.	-	71
Olomouc Building, a.s.	408	328
Orchard Hotel a.s.	203	331
Outlet Arena Moravia, s.r.o.	-	15
Ozrics, Kft.	102	58
PAC Italy 130 SPV S.R.L.	10	-
Pelhřimov Property Development, a.s.	89	66
Platněšská 10 s.r.o.	6	-
Pólus Shopping Center Zrt.	2,824	1,917
Považská Bystrica Property Development, a.s.	26	16
Prievidza Property Development, a.s.	65	44
Projekt Nisa, s.r.o.	2,708	2,365
Projekt Zlatý Anděl, s.r.o.	2,155	1,423
Prostějov Investments, a.s.	23	23
Příbor Property Development, s.r.o.	16	9
Real Estate Energy Kft.	3	4
Residence Belgická, s.r.o.	38	36
Residence Izabella, Zrt.	174	81
Rezidence Jančova, s.r.o.	62	9
Rezidence Malkovského, s.r.o.	21	16
Savile Row 1 Limited	1,048	-
Statek Kravaře, a.s.	139	92
Statenice Property Development, a.s.	63	56
Svitavy Property Alfa, a.s.	302	210
Telč Property Development, a.s.	-	1

	Six-month period ended	
	30 June 2021	30 June 2020
Tepelné hospodářství Litvínov, s.r.o.	10	21
Trebišov Property Development, s.r.o.	34	1
Třinec Investments, s.r.o.	74	50
Třinec Property Development, a.s.	109	106
Tyršova 6, a.s.	46	30
U svatého Michala, a.s.	89	60
Uchaux Limited	8	-
V Team Prague, s.r.o.	176	94
Vigano, a.s.	306	353
ZET.office, a.s.	598	-
Ždírec Property Development, a.s.	22	16
<b>Total interest income - related parties</b>	<b>104,288</b>	<b>76,939</b>
<b>Entities over which the majority shareholder has control</b>		
GAMALA LIMITED	261	1,363
<b>Joint venture</b>		
Uniborc S.A.	418	404
<b>Total interest income - related parties and joint ventures</b>	<b>104,967</b>	<b>78,706</b>

**Interest expense from related parties**

	Six-month period ended	
	30 June 2020	30 June 2019
Baudry Beta, a.s.	2	-
BAYTON Gama, a.s.	31	14
Beroun Property Development, a.s.	2	-
BPT Development, a.s.	8	37
Brandýs Logistic, a.s.	5	4
Brno Development Services, s.r.o.	3	-
BRNO INN, a.s.	46	34
Brno Property Development, a.s.	325	316
Březiněves, a.s.	12	-
Bubenská 1, a.s.	1	-
Byty Lehovec, s.r.o.	68	-
CB Property Development, a.s.	3	-
CPI - Horoměřice, a.s.	1	4
CPI - Zbraslav, a.s.	38	37
CPI BYTY, a.s.	55	-
CPI East, s.r.o.	10	-
CPI Energo, a.s.	7	4
CPI Finance CEE, a.s.	1	1
CPI Flats, a.s.	67	24
CPI Green, a.s.	1	1
CPI Hungary Investments Kft.	10	4
CPI Hungary Kft.	12	12
CPI Jihlava Shopping, a.s.	5	-
CPI Management, s.r.o.	4	-
CPI Meteor Centre, s.r.o.	4	-
CPI Národní, s.r.o.	525	374
CPI Office Prague, s.r.o.	14	40
CPI Omikrón, a.s.	1	1
CPI Orange, a.s.	-	1
CPI Palmovka Office, s.r.o.	1	-
CPI Property a Facility, s.r.o.	2	-
CPI PROPERTY GROUP S.A.	78,943	56,453
CPI Realty, a.s.	8	-
CPI Retail MB s.r.o.	-	20
CPI Retail Portfolio I, a.s.	1	-
CPI Retail Portfolio II, a.s.	4	53
CPI Retail Portfolio IV, s.r.o.	1	-
CPI Retail Portfolio V, s.r.o.	1	-
CPI Retail Portfolio VI, s.r.o.	1	-
CPI Retail Portfolio VIII, s.r.o.	1	-
CPI Retails ONE, a.s.	1	-
CPI Retails Rosa s.r.o.	1	-
CPI Retails THREE, a.s.	6	-
CPI Retails TWO, a.s.	1	-
CPI Services, a.s.	14	-
CPI Shopping MB, a.s.	3	-
CPI Shopping Teplice, a.s.	2	-
CPI Théta, a.s.	1	1

	Six-month period ended	
	30 June 2020	30 June 2019
CPI Vestec, s.r.o.	1	-
Czech Property Investments, a.s.	482	828
Čadca Property Development, s.r.o.	1	-
EMH South, s.r.o.	2	-
Farhan, a.s.	6	-
Futurum HK Shopping, s.r.o.	5	-
GSG Asset GmbH & Co. Verwaltungs KG	30	-
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	98	-
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	148	-
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	224	-
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	146	-
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	258	-
HOTEL U PARKU, s.r.o.	9	7
Hraničář, a.s.	1	-
IGY2 CB, a.s.	1	-
Janáčkovo náměstí 15, s.r.o.	-	-
Jetřichovice Property, a.s.	4	4
KOENIG Shopping, s.r.o.	4	-
Komárno Property Development, a.s.	1	-
Kosmonosy Property Development, s.r.o.	2	-
Levice Property Development, a.s.	1	-
Marissa Gama, a.s.	6	-
Marissa Omikrón, a.s.	1	-
Marissa West, a.s.	10	-
Marissa Ypsilon, a.s.	3	-
MB Property Development, a.s.	4	-
Na Poříčí, a.s.	5	-
Nymburk Property Development, a.s.	81	108
OC Nová Zdaboř a.s.	1	-
OFFICE CENTER HRADČANSKÁ, a.s.	2	-
Olomouc Building, a.s.	1	-
PROJECT FIRST a.s.	70	70
Projekt Nisa, s.r.o.	3	-
Projekt Zlatý Anděl, s.r.o.	6	-
Svitavy Property Alfa, a.s.	1	-
ST Project Limited	-	1,861
Tachov Investments, s.r.o.	1	1
Telč Property Development, a.s.	1	1
Tepelné hospodářství Litvínov s.r.o.	3	-
Třinec Property Development, a.s.	1	-
ZET.office, a.s.	5	-
<b>Total interest expense - related parties</b>	<b>81,882</b>	<b>60,315</b>
<b>Entities over which the majority shareholder has control</b>		
CPI Yellow, a.s.	1	1
<b>Total interest expense - related parties</b>	<b>81,883</b>	<b>60,316</b>

### Resale of investment property

On 2 February 2021, the Group sold to the related party one office building in Brno for selling price of EUR 39.3 million.

### Disposal of CPI PG 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 0.84% shareholding in CPI PG.

### Resale of Bubenská 1

On 1 April 2021, the Group sold to the related party Czech Property Investments, a.s. its subsidiary Bubenská 1, a.s. which owns office building in Prague for selling price of EUR 17.2 million.

### 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 price to related party Zakiono Enterprises Limited.

The related party transactions are priced on arm's length basis.

## **12 Events after the reporting period**

There were no significant events after the reporting period.