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FOREWORD

DEAR LADIES AND GENTLEMEN,

Without a doubt, the year 2020 has been indelibly inscribed in our memories. When the then-unknown virus COVID-19 spread worldwide and changed the way modern society lives right down to its core, we saw that the only constant in today's world is change. Each of us endured some difficult challenges at work and in our personal lives. It was no different in our company either. Despite all the

adverse circumstances, challenges and obstacles, 2020 was a year marked by stability and growth for ČMN. As it turned out, our company was able to persevere even under such difficult conditions.

The pandemic hit the Czech Republic just when ČMN completed its acquisition of office buildings in the modern CITY WEST complex in the Stodůlky district

in Prague. Despite the initial uncertainty of financing banks, we were able to successfully complete the transaction. It went on to become one of the largest acquisitions in the second quarter of 2020 on the office building market in the Czech Republic and represented an important milestone for the entire Czech real estate market.

Volatility and uncertainty on the investment market often brings with it not just threats, but also interesting opportunities that would not have arisen under other circumstances or would not have been financially attractive. ČMN found its opportunity near Prague's main train station, the office complex Churchill Square – one of the most modern buildings in all of Central Europe. ČMN succeeded in purchasing this unique project before the end of last year from the investment group Penta for roughly CZK 4 billion in a joint venture with CFH Group (now Legacy Residential Group). Another success through this transaction was that ČMN established business relations with major German and Austrian banks capable of offering attractive financing conditions. And while the acquisition of the aforementioned project CITY WEST C1 and C2 for the 2020 was the fourth largest office building transaction in the entire Czech Republic, Churchill Square topped them all.

Towards the end of 2020, the real estate group ČMN managed a real estate portfolio exceeding CZK 11 billion, thereby successfully establishing itself among the leading players on the domestic real estate market. It currently manages over 3% of all the office space in Prague.

ČMN undoubtedly had a very successful year. The average growth in 2019 and 2020 of 64% exceeded

even our most optimistic expectations. ČMN became a known player in the market, which has distinct advantages in the number of opportunities we can analyze in terms of investment potential. But there are not so many projects which meet our strict quality and economic criteria, especially in the premium real estate sector, in which Prague is still lacking compared to other metropolises. Nevertheless, we still see attractive investment opportunities on the market. We are currently analyzing entry onto other regional markets as well as the logistics real estate market. Our goal is to achieve healthy acquisition growth and in particular growth in the value of the portfolio already held.

With joy and an obligatory dose of humility, I would like to emphasize that the present success of ČMN is not that of individuals, but rather team success – employees, business partners, clients and our co-investors. And thank you all for your trust and I embrace the next challenges facing us in 2021.



Radek Stacha

Chairman of the Board of Directors
Českomoravská Nemovitostní

SELECTED ECONOMIC INDICATORS OF THE ČMN GROUP

Gross rent

CZK 255 mil.

CZK 112 mil. as of 31/12/2019

Gross rent growth

49%

Owner's equity

CZK 872 mil.

CZK 907 mil. as of 31/12/2019





ABOUT THE GROUP

The real estate group Českomoravská Nemovitostní ("ČMN") was established in 2016. In its business activities, it focuses primarily on the purchase and management of commercial real estate in the Czech Republic.

The business strategy of this intrinsically Czech real estate group is buying premium commercial buildings occupied by highly rated tenants. In terms of generating rental income, ČMN considers this type of real estate as both predictable and consistent. When selecting properties, the group emphasizes quality over quantity in order to achieve reasonable diversification of real estate projects. It selects for its portfolio properties meeting the highest standards of construction, including the necessary

green certifications. Another one of the company's long-term goals is maintaining a balance between economic success, environmental protection and social aspects

The group regards it as crucial to build and maintain long-term partnerships with major national and multinational companies. Acquisitions are preceded by careful consideration of all economic indicators and a detailed examination of the given real estate. A team of professionals with expertise in legal, commercial, technical, tax, accounting and financial areas works together on each transaction. The fundamental values on which ČMN builds are stability, professionalism, transparency and integrity.

Our partners

LEGAL ADVISORS

Wilsons

CLIFFORD
CHANCE

KINSTELLAR

FINANCIAL ADVISORS

EY

tpa
Face to Face Business

APPRAISERS AND COMMERCIAL ADVISORS

JLL

CBRE

CUSHMAN &
WAKEFIELD

TECHNICAL ADVISORS

ARCADIS

savills

BANKS PROVIDING FINANCING

Helaba | s

CSOB

UniCredit Bank

BOARD OF DIRECTORS

Ing. et Ing.

Radek Stacha

Chairman of the Board of Directors



Ing. Mgr.

Josef Eim

Vice-chairman of the Board of Directors





SIGNIFICANT MILESTONES OF ČMN IN 2020

1/2020

ČMN MORE THAN
DOUBLED ITS ASSETS OVER 2019

Compared to 2018, when ČMN managed assets of about CZK 2.2 billion, which more than doubled in 2019 to almost CZK 5 billion. In 2019, ČMN was the biggest Czech investor in the office market.

6/2020

NEMO REAL ESTATE FUND
CELEBRATES A YEAR SINCE ITS FOUNDING

The yield of the NEMO real estate fund exceeded 5%. Despite the pandemic, the fund reports consistent income and no losing month.

7/2020

ČMN REAL ESTATE GROUP OFFERED
INVESTORS SECURED BONDS

Bonds issued under the program of the company Českomoravská Projektová III are covered by liability of a holding company, whose consolidated asset value at the end of 2019 exceeded CZK 4.8 billion.

5/2020

THE VALUE OF THE NEMO FUND
PORTFOLIO ROSE TO CZK 1.3 BILLION

The NEMO real estate fund purchased an office building in the Prague district of Modřany, where the Czech branch of the world's largest food company Nestlé is headquartered, whose co-tenant is the technology concern Siemens.

6/2020

ČMN BOUGHT THE BUILDINGS
CITY WEST C1 AND C2, HEADQUARTERS
OF VODAFONE

The purchase of a modern office complex in Prague's Stodůlky district from the holding CFH was the largest transaction of the second quarter of 2020 on the office building market.

12/2020

CHURCHILL SQUARE IN A JOINT VENTURE
BETWEEN ČMN AND CFH

The acquisition of the office complex Churchill Square last year was the largest transaction on the office real estate market in the Czech Republic. The value of ČMN's managed property portfolio exceeded CZK 10 billion.

YEAR OF THE PANDEMIC

According to data of the Prague Property Forum, the real estate investment volume in Central and Eastern Europe declined in 2020 compared to the previous year by 32%, reaching EUR 9.7 billion. Approximately 57% of this amount is attributed to Poland (EUR 5.6 billion), followed by the Czech Republic (EUR 2.7 billion). The volume of transactions in Slovakia, Hungary and Romania ranged between EUR 500 and 900 million.

Excluding the Residomo transaction, worth EUR 1.3 billion, which is highly irregular on the Czech investment market, the total volume of investments in the Czech Republic declined by as much as 52%.

At the beginning of the first wave of the pandemic, the key factor was uncertainty. Analysis of the new variable in the form of a global pandemic required several months in which investment activity greatly slowed. Final results also include transactions that had begun before the pandemic took hold, so they do not adequately indicate the well-noticeable drop in investment enthusiasm that occurred. In the first half of the year, investments in commercial real estate in the Czech Republic reached EUR 756 million (excluding purchase of the Residomo portfolio for EUR 1.3 billion). In the latter half of the year, investment volumes fell to EUR 737 million.

Also severely hit was the retail sector, but investors still spent EUR 407 million on asset acquisition. There was keen interest in particular on the part of Czech real estate funds in retail parks situated in smaller towns. This type of asset is generally able

to offer investors the potential of higher returns, but at a higher risk of loss of capital. Unprecedented interest from investors fell upon the logistical and industrial areas, especially during the second wave of the pandemic, with investment volume more than doubling that of the previous six months. In total, investors in the second half bought industrial property in the Czech Republic for EUR 189 million.

IMPACT OF THE PANDEMIC ON ČMN

Last year reaffirmed that it is impossible to predict, but it is possible to prepare. While the first wave of the pandemic most harshly impacted tourism and restaurants, the second and third wave were a test for all other segments. In the most difficult periods of hard lockdown, the investment strategy of ČMN relative to risk proved an advantage. Its sole aim was not only to maximize the potential yield, but also to embrace a sophisticated system of risk management. A characteristic element of ČMN's strategy is specializing in high-quality buildings and lease agreements founded on partnership lasting years with major domestic and multinational players. Ultimately, the fact is that the pandemic's impact on ČMN's business was minimal.

Our KPI "weighted average unexpired lease term" (WAULT) reached almost 5.5 years, representing is a 12% increase over 2019. Concluding long-term agreements with highly rated tenants helps maintain asset values and group owner's equity. ČMN's largest tenants include Amazon, CertiCon, Vodafone, CGI, Health Insurance Company of the Ministry of the Interior and the General Health Insurance

Company, with which we, in the midst of the first wave of the pandemic, extended the lease agreement until 2032. During the ongoing coronavirus crisis, discussions were held regarding the postponement of rent payment only for companies operating mainly in tourism and gastronomy. These tenants however represented only 2% of the total rental income. The ČMN Group is resolving the situation of all these tenants individually.

Occupancy of office space in the Czech Republic over 2020 decreased from 95% to 93%. Occupancy of the ČMN-managed portfolio remained at 99%. Rent past due by the end of 2020 was less than 1%. Demand for rental space was quite low due to government measures throughout the period, resulting in a slight increase in vacancy. Even such a dramatic shock however did not change the market trend, which

OFFICE AS A MEETING PLACE

Today's situation has altered the way many companies perform strategic and tactical planning for the use of office space. The need to adapt to measures fighting the spread of COVID-19 has accelerated the already known and ongoing trend of working from home, flexible offices and the concept of shared working space, which has also gained a foothold in the law. Leading research by a series of companies shows the long-term direction towards a hybrid model of work – the combination of the workplace and work from home. Over 2020, many firms offered their briefly unused spaces through subleases, for which, however, there is still little demand due to costly modification of space and given the limited conditions of the lessor. However, the need for that personal contact between employees is absolutely crucial in the long run. Many acts and actions simply

Companies will still need offices enabling employees to interact with each other and affording smoother cooperation.



actually indicates a deficiency of attractive office space. This is given by the lack of construction, demographic factors and changes in the sectoral specialization of the entire economy. The pandemic also undercut future speculative construction, a fact that in the coming years will positively impact the value of already-standing buildings. Office space has traditionally constituted the steadiest and most liquid segment of commercial real estate. This situation remained unchanged.

cannot be done in the online environment. These include innovation, effective communication, employee loyalty and job enthusiasm. The concept of working from home is often mentioned in connection with the IT sector. Paradoxically, the largest IT companies like Facebook, Google and Apple signed over 2020 significant lease agreements, confirming the success of the aforementioned hybrid model.



EMPHASIS ON LONG-TERM SUSTAINABILITY

It is expected in the upcoming years that ČMN will continue to expand its property portfolio, but it will no longer involve such significant revenue growth or acquisition values as in the past three years. This claim concerns absolute and relative growth. Since its inception, ČMN's objective has been to build a stable real estate group whose portfolio and business model would remain sustainable in the long term. The Company continues to emphasize uncompromising long-term sustainability, which indicates the next phase of the group's development, which will focus on healthy growth and stabilization.

of the project CITY WEST C1 and C2 and a 50% stake in the project Churchill Square meant more than doubling the rental yield of the "core" portfolio of ČMN. Owner's equity, which we consider among the most meaningful metrics, reached CZK 872 million, representing a slight decrease of 3.9%. The decline in owner's equity was caused by many factors, which are not projected in the Profit and Loss Statement, e.g., the change in the exchange rate. Stability in owner's equity during the pandemic year was crucial. Owner's equity will remain the key financial indicator on into the future, which is closely monitored

This emphasis on uncompromising long-term sustainability indicates the next phase of the development of the group, which will be more moderate growth focused on efficiency.

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However, the key to success is not just having a good strategy and focusing on long-term sustainability. It is also the mutual synergy of people on the team who shape the unique environment of the company, all of whom are professionals in their respective field. Last year, our staff grew by almost 30%. The company focused on strengthening the corporate culture and its established inherent values.

FINANCIAL RESULTS AND STRUCTURE OF ČMN

ČMN Group's financial results are deemed positive considering the pandemic situation. Acquisition

in managing the entire group and provides a safety net for the group's lenders. Funds in bank accounts increased to CZK 446 million compared with 225 million in 2019. ČMN maintains a certain liquidity reserve in all circumstances; however, the amount of cash held in the account at the end of 2020 was well above the necessary liquidity and stands ready for investment opportunities that arise in 2021. Generally speaking, the Czech real estate market now suffers from a lack of quality projects available at an attractive price. According to ČMN models, the risk-adjusted return on optimized, efficiently

managed projects is higher than a diversification into a greater number of different smaller projects of diminished quality.

Over the last few years, ČMN has become a major issuer of debt securities. The growth of ČMN Group's assets is now firmly connected with the availability of funds from these emissions to exploit attractive investment opportunities. ČMN Group's strategy is to continue its healthy acquisition growth while using these very prospective bond issues. Since the start of 2021, four and seven-year bonds have been issued.

The result of this arrangement is that owned assets are not presented in financial statements as buildings and land, but as participation certificates, i.e., as other securities. Rental revenues are also not reported in the item revenues, but by means of revaluation of participation certificates, directly in the owner's equity of ČMN Group. Owner's equity is the most important metric because it best captures the Group's real economic management. Rental revenues and overall profitability of individual projects will always be duly recorded in individual financial statements of the individual companies.

Based on ČMN models, the risk-adjusted return on optimized, efficiently managed projects is higher than some notional diversification into a great number of varying projects of diminished quality.



As mentioned above, the ČMN's owner's equity is the basic economic indicator. Other accounting metrics such as assets, non-current tangible assets or revenues and EBITDA may not provide a completely accurate picture of the economic health of the Group as a whole. The reason for this is the holding of real estate projects through the fund that ČMN uses. Its benefits in the form of a real increase in profitability thanks to reducing costs of financing and new business opportunities are not significant enough however to fundamentally surpass other administrative costs associated with it.

ČMN holds a stake in its main projects through the CORE Fund, the details of which and how it functions were already described in the Annual Report 2019.

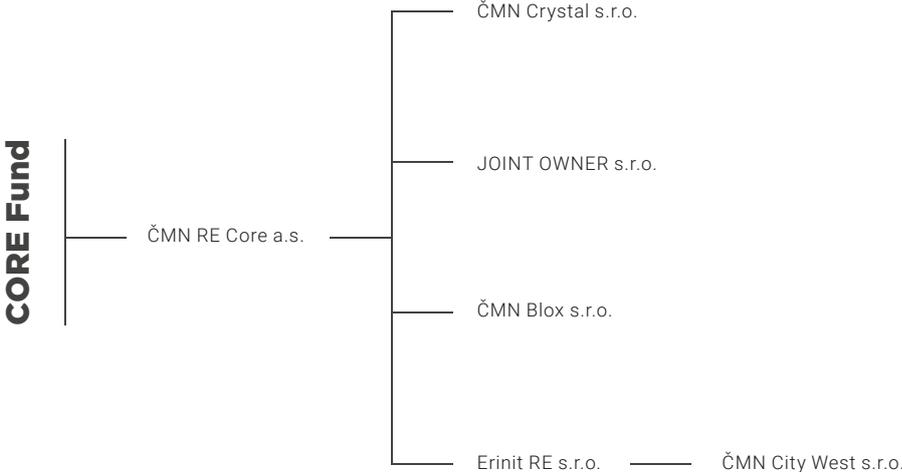
These financial statements are regularly published in the commercial register. To increase the peace of mind and security of our trading partners, we also have external audits performed on real estate projects, a service provided by the prestigious, globally recognized auditing firm BDO. This also applies to projects where no audit is mandated by law.

After this comprehensive introduction, the logical question about the benefits of this arrangement arises. The first benefit is the access to inexpensive foreign funding. For most important foreign institutions, it is either difficult to maneuver the Czech legislation, or they lack sufficient confidence in Czech institutions to be willing discuss business opportunities. Holding our projects through the foreign fund, which fully complies with the standards

of developed countries, has allowed ČMN to obtain attractive financing conditions in Western Europe. The second reason is the security of our investments against legal, regulatory and operational risks. CORE Fund is managed by a foreign administrator, a Portfolio manager and a depositary.

This securing of projects through other entities provides additional protection for all our investors. Another reason is the opening up of foreign business opportunities, whether it concerns potential acquisitions or other opportunities to increase profitability.

31/12/2020 ORGANIZATIONAL STRUCTURE OF CORE FUND





4 BILLION - VALUE OF ČMN ACQUISITIONS IN 2020

In the second quarter of 2020, the real estate ČMN Group implemented the most meaningful transaction of the given period on the Czech real estate market in the office segment. Its portfolio added a pair of administrative buildings in Prague's Stodůlky district, CITY WEST C1 and C2, for cca CZK 2 billion.

(CFH) from the real estate division of the investment PENTA. The transaction price approached CZK 4 billion. This acquisition thus became last year's largest within the framework of office buildings in the Czech Republic.

It is noteworthy that the German bank Helaba financed

Through the purchase of these two highly lucrative and attractive projects, the company has strengthened its market position and established itself among the ten largest owners of office space in Prague.



The transaction confirmed the direction its business strategy – investing in office properties with highly rated tenants. Two anchored tenants of this project are Vodafone Czech Republic and CGI. The given success was achieved despite the market slowdown and limitation of financing from financial institutions. The financing bank was Raiffeisenbank of Austria, which offered the most competitive conditions while being agile enough to implement the transaction in record time.

The second acquisition by ČMN is considered the real estate transaction of the year. ČMN purchased the premium office project Churchill Square on the boundary of Žižkov, Vinohrady and Prague's main railway station, in partnership with Corporate Finance House Group

this, the largest transaction of 2020 on the office market. This company had previously participated in the Czech Republic in financing the acquisition of the shopping center Palladium and implementing a developer plan of CTP in logistics.

Through the purchase of these two highly lucrative and attractive projects, the group has strengthened its market position and established itself among the ten largest owners of office space in Prague.

COOPERATION WITH FOREIGN BANKS

Both the aforementioned acquisitions were financed by foreign banks. It may seem like a bit of a trend reversal since historically, cooperation has mainly been established with Czech and Slovak financial

institutions. However, the aim of ČMN is to establish cooperation with all banks active on the Czech market. The attractiveness and low risk of the acquired projects aroused interest in cooperation even among foreign, especially German and Austrian institutions.

The timing of concluding the CITY WEST transaction in June 2020 and of the April negotiations on bank financing was highly specific. The great majority of banks responded to the spread of the pandemic by COVID-19 in Europe by suspending any funding due to increased vigilance.

No financial institution wanted to make a mistake. However, in these times, the stability of office space in the capital city was once again confirmed, where even during this crisis when precious few transactions were realized, several banks expressed

play a pivotal role in the final decision. For the Churchill Square project, the German bank Helaba was capable of offering the best conditions, a bank known for its conservatism and rigorous selection of their clients.

ATTRACTIVE EURO FINANCING

Typically across Europe, rents in major office projects are paid in Euro. Prague is no exception despite having a different local currency. Within the framework of natural hedging, a large part of bank financing is provided in Euro. Due to the extremely loose monetary policy of the European Central Bank, financing in Euro has become extremely attractive. Towards the end of 2020, the European interbank rate over the next 10 years averaged -0.25% as per market expectations. Banks are thus naturally motivated to lend because idle cash is awfully expensive.

Capitalization at unprecedentedly low-cost financing and relatively high yields, which Prague still offers compared to other European cities, is a cornerstone of the ČMN Group's strategy.



interest in financing the project CITY WEST C1 & C2. Ultimately the Austrian Raiffeisenbank offered the best conditions.

The general objective of the ČMN Group is diversification of financing. That's one reason why all instances of bank financing are subjected to a procurement procedure, whereas the terms offered

In hindsight, it can be said that the inaction of many investors in 2020 was not the right investment decision. Eighteen months ago, analysts commented on monetary conditions as very loose. However, the coronavirus pandemic caused an economic shock, to which it was necessary to react vigorously. This reaction was completely unprecedented and coordinated between monetary and fiscal policies.

Governments around the world cast aside doubts and proceeded to enormously increase spending at the cost of further borrowing. The European Central Bank announced further programs to enhance liquidity, and its assets grew by EUR 2.3 trillion. This is a growth of assets by an unbelievable 50% in a single year. For comparison, in 2019, the ECB's assets increased by 0.4%. To look at this in a different light: the assets of the ECB grew by nearly 20% of the aggregate GDP in the entire Euro area. Regardless of the metric, it is clear that this represents a drastic increase in liquidity and confirms that the policy of low interest rates will dominate Europe for at least the next few years. Because of the debt of some countries, it is simply not possible to raise interest rates. Otherwise, there would be an economic slowdown with far-reaching consequences.

The result of this dynamic is the fact that the market has a significant amount of new money looking to be invested. This can be seen in the prices of shares, bonds, cryptocurrency, land and other assets, including commercial and residential real estate. Investing has always been and will be the strategy of alternatives. Residential property in the Czech Republic is becoming scarce even for the middle class. This too is the result of the policy set forth by central banks. In the event of a drop in revenue of one asset, investors seek revenue elsewhere, thereby increasing the prices of other assets. The ČMN Group is aware of this economic environment, and all investment decisions are taken in relation to the macroeconomic developments that significantly affect not only the Czech Republic, but also the whole world. In the situation we find ourselves in, it is particularly important to account for the difference between the price and the value of each project.



REAL ESTATE FUND NEMO AMONG THE BEST

As already mentioned, many changes occurred in 2020 across the real estate market. The whole year was marked by fluctuations, and differences were noted on not only industrial and logistics real estate markets, but also on retail space and residential area markets.

All this has had an effect on the performance of individual real estate funds. Their focus decided on success or failure. Those that invested in hotels and business space have suffered most, while funds focused on logistics and warehouses came out of the situation as winners.

The crisis also confirmed the stability of the office sector, where, despite the broad shift to working from home, no dramatic declines occurred. It also depended on the set agreement terms and payment discipline of the tenants themselves.

Funds focused on logistics and warehouses came out of the whole situation as winners. The crisis also confirmed the stability of the office sector, where, despite the broad shift to working from home, no dramatic declines occurred.

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It is clear that real estate funds are generally coping well with the crisis and investor interest hasn't weakened. Moreover, in light of the prevailing

insecurity and increased inflationary expectations, Czech investors increasingly seek stable real estate investments. Data optimistically reflects this from the Czech Capital Market Association, where investments in real estate funds in the fourth quarter accounted for CZK 1.8 billion – an increase of 4.1%.

So unsurprisingly, 2020 was a success for the NEMO real estate fund. This is mainly due to fixed compliance with the defined strategy that has stood firm in the conditions of general market cooling.

The NEMO Fund is therefore still one of the few funds that have not experienced a single loss since its inception. Its revenues are stable also due to the office real estate segment in which the fund invests. Thanks to its performance, the NEMO Fund remained throughout the year among the top performers in the face of ever-growing competition of Czech real

estate funds. This performance without excessive volatility is appreciated not only by the portfolio of existing investors, but also by the almost 1,500 new clients over the second half of last year who placed their confidence in the NEMO Fund.

The NEMO Fund, whose founder is ČMN, aims at investing in premium commercial space in the Czech Republic, especially in Prague. The Fund invests primarily in already functioning projects that have a consistent and sustainable potential of rental income over the long term. Other important factors include the tenant structure and the length of contractual rents. In addition, it favors the quality of owned properties over their quantity. The Nemo Fund focuses on having a diversified portfolio of high-quality premium real estate occupied by creditworthy tenants with which long-term leases are concluded.

The targeted net return for investors in participation certificates is 4–5% per annum, whereas the minimum investment is just 500 crowns. The NEMO Fund is thus suited even to investors from among the general public.

The Fund confirmed that 2020 was successful even in that it expanded its portfolio to include a modern office building located at Mezi Vodami 31 in the Modřany district of Prague. This building houses the Czech headquarters of the world's largest food company Nestlé, as well as the technology company Siemens. The uniqueness of this acquisition is the new long-term lease agreement signed with the majority tenant Nestlé, which means stability for NEMO Fund shareholders, and confirms the conservative nature of the given investment. Through the acquisition of this Modřany property, the NEMO Fund increased its rentable office building space to 17,500 m² (188,368 ft²), and the value of the managed portfolio grew to CZK 1.3 billion.

The NEMO Fund portfolio currently includes a seven-story administrative building at the address

Mezi Vodami in Prague 4, a multipurpose building at Wenceslas Square 62 in the heart of Prague and an office building at Pekařská 6 with direct access to the motorway leading to Germany and Vaclav Havel Airport Prague – Ruzyně.

All these buildings are under professional fund management. Doing so enabled us in this trying year to maintain intensive communication and cooperation with tenants, thanks to which the NEMO Fund never incurred a single significant shortfall in rental income this year.

Historically there has been a market tendency in times of a weakened economy to leave prices of premium commercial property unchanged in the situation where the less attractive properties in terms of value falter. This is because investors logically concentrate on areas where they can expect the greatest stability and economic sustainability, and these denominators have been key for the NEMO real estate fund since its establishment.

In light of the stable functioning of the NEMO real estate fund in the turbulent year of 2020, and considering our model predictions for the next period, we expect continuous growth in the value of the fund and maintaining a low-risk investment for its investors.

Plans for the next year remain the same - to deliver to investors consistent value and a safe haven for their investment portfolio, to guide the fund's performance to between 1–2% over inflation, to manage buildings in the fund portfolio and increase their value, and to expand the fund to include other premium buildings with high-quality tenants.

Net assets under management

CZK 949 mil.

Valid as of 15/1/2021

Return over the last 12 months

4.6%

Valid as of 15/1/2021

Value of real estate owned by the NEMO Fund

CZK 1.3 bil.

Valid as of 15/1/2021

Rentable area

17,500 m² / (188,368 ft²)

Valid as of 15/1/2021

Occupancy of real estate

98.5%

Valid as of 15/1/2021

MANAGED PORTFOLIO OF ČMN

The business activities of the real estate group ČMN focus mainly on the purchase and long-term holding of high-quality commercial buildings in major regional cities in the Czech Republic. The company strategy is based on diversification of the portfolio and emphasis on high creditworthiness of its tenants. The key for the group is to conclude long-term lease agreements for five to ten years. The group focuses on buildings that meet not only technical requirements but also sustainability requirements.

In 2020, ČMN's managed portfolio expanded to include four properties – CITY WEST C1 and C2 and Churchill I and II. The area of rentable space now consists of more than 100,000 m². The portfolio is formed of premium buildings (Class A, B +) with an average age of six years.

An important principle of ČMN is its helpful and proactive approach to tenants and managed projects. The leased building is managed by a team of specialists who see to creating and maintaining good relationships with tenants, increasing their comfort and, ultimately, ensuring premium service. ČMN's regularly reviews its managed buildings and maintains them in good condition, from seeing to technical requirements to aesthetics.

The largest tenants of the managed portfolio are Amazon Logistic Prague s.r.o., Deloitte CZ Services, Fortuna Game, Vodafone Czech Republic and Czech Nestlé. These companies generally make up 54% of the managed area of ČMN.

Top five largest tenants



Deloitte.





Distribution according to building location

56%
Strategic location

31%
Premium location

13%
Submarket

Distribution of tenants by industry

29%
Information and communication

10%
Other

8%
Real estate and infrastructure

15%
Consulting, legal and professional services

15%
Health and social care

14%
Entertainment industry

9%
Food industry

REAL ESTATE IN NUMBERS

Total value of the portfolio

CZK 11.4 bil.

CZK 4.9 bil. as of 31/12/2019



Share of green buildings

85%

68% as of 31/12/2019



Occupancy

99%

98% as of 31/12/2019



WAULT

5.4 years

4.9 years as of 31/12/2019



Portfolio of properties managed by ČMN

BLOX

BLOX

The building BLOX links back to the basic urbanistic Dejvice-Prague concept. The eight-story building has over 21,000 m² (226,042 ft²) of rentable space.



CITY WEST
NÁMĚSTÍ BUNDOVOVY 2,
LAJEŇOVÁ 4

CITY WEST C1, C2

Administrative complex
City West is made up of two office buildings situated in the modern district of Stodůlky in Prague by a metro station.



PEKAŘSKÁ 6
PRAHA ŽIVONICE

PEKAŘSKÁ 6

This office building is situated in the west of Prague on Pekařská street having almost 6,500 m² (69,965 ft²) on four above-ground floors.



CHURCHILL SQUARE

Office building with a total area of over 30,000 m² (322,917 ft²) with a view of Prague Castle. Both buildings have green building certification for low-energy buildings.



WENCESLAS SQ. 62

The building at Václavské náměstí 62 (Wenceslas Sq.) was built in 1998 as one of the most modern buildings in Prague boasting high efficiency.



CRYSTAL

Crystal is found at one of the best locations in Prague, in the heart of Vinohrady. The building has 14 above-ground floors with a total of 14,978 m² (161,221 ft²) of rentable space.



MEZI VODAMI 31

This modern administrative building is located at the edge of the Prague 4 office location with views of the Vltava riverbank and Chuchle Grove on the opposite side.

Prague

PORTFOLIO OF REAL ESTATE MANAGED BY THE ČMN GROUP



FEG

FORTUNA

ROSSMANN

CHURCHILL

CHURCHILL SQUARE

Bold urban design near the main train station in Prague





CHURCHILL SQUARE

Italská 67 and 69, Prague

OFFICE BUILDING WITH A VIEW
OF PRAGUE CASTLE

The bold urban design completing Winston Churchill Square is made up of two office buildings over a total area of 30,000 m² (322,917 ft²). The architectural design of both buildings is a work by the studio Jakub Cigler Architects. Each of the buildings of this project has its own character and differ from each other not only in the color of the exterior surfaces but also in the materials used. While Churchill I is tuned in light tones, Churchill II is in the style of Berlin and Dutch architectures with fair-faced brickwork whose design nicely complements the buildings of the adjacent Prague University of Economics and Business.



Prague

Deloitte.

FEG
FORTUNA ENTERTAINMENT GROUP

Rentable area

29,400 m²

Employee capacity

over 3,000

Number of parking spaces

380

Architects

**Jakub Cigler
Architects**

PREMIUM LOCATION

The buildings are interconnected by a square with a water feature and outdoor seating for a restaurant, cafe and bistro. The building Churchill II is also a shopping arcade, which gives tenants and residents of the locality additional comfort.

A huge advantage of this project is primarily the location of the whole complex, which offers tenants excellent access to all means of public transport. Churchill Square is also located near the main train station just a short walk from the building, allowing for easy transportation even for commuting

employees. For employees who prefer to commute to work by car, the building also offers underground parking.

The properties meet the latest technical requirements and have been designed and built with environmental considerations, through which both buildings gained green building certification as low-energy buildings at the LEED Gold level. The project as a whole provides jobs for more than 3,000 employees, and offers its tenants superior modern space and facilities, including rest areas and even a fitness center. Added value of the project is undoubtedly found in the view from the upper floors of the buildings of the old center and Prague Castle.

The Churchill I office building, built in 2019, is occupied by the consulting firm Deloitte. More than 2,000 of their employees work in the seven-story complex. The majority tenant of the second building Churchill II, completed in 2020, is the company FORTUNA GAME.



vodafone

CITY WEST C1, C2

Original administrative building in Prague's Stodůlky district





CITY WEST C1 , C2

Náměstí Junkových 12, Laurinova 4, Prague

UNIQUE DESIGN, EFFICIENCY
AND SUSTAINABILITY

The administrative project CITY WEST C1 and C2 with rentable space of 26,000 m² (279,862 ft²) consists of two office buildings located in the modern Stodůlky district of Prague near the metro station by the same name. The architectural design of the whole project comes from the workshop of the studio AHK architects. The design of both buildings is modern and blends in loosely with the local residential buildings and family houses. A distinct architectural element repeating in varying forms in both buildings is the motif of a frame. The building facades are unpretentious, consisting of bay windows adorned in an elegant shade of gray with color accent of cladding panels.



Rentable area

25,700 m²

Employee capacity

over 2,100

Number of parking spaces

375

Architects

AHK architects

and besides modern interiors, it also offers space for relaxation, such as terraces with greenery, a Japanese garden, a park with a playground and outdoor fitness center with an area of approximately 1,000 m² (10,764 ft²).

An indisputable advantage of the building is its excellent transport access. The location is easily accessible by public transport, car or even by bike thanks to the nearby cycling trail. The property is also close to the D5 motorway, the Prague ring road and the airport. For employees commuting by car, outdoor and underground garage parking is provided.

The building C1 has housed the headquarters of Vodafone Czech Republic since 2015. Tenants of the building C2 include, e.g., CGI IT Czech Republic and Aevi CZ.

PLACE FOR WORK AND RELAXATION

Several operators of shops and services also utilize the complex, providing for employees and residents alike quality services in gastronomy, regular shopping and other daily needs.

The project is also highly functional, energy-saving and environmentally friendly. Both buildings were even some of the first office buildings in the Czech Republic to become LEED Gold certified. The property provides jobs for more than 2,100 employees,



BLOX

Evropská 11, Prague

URBAN CONCEPT OF PRAGUE'S DEJVICE

The unique office building designed by the studio DAM architekti was built in 2015 as an office building corresponding to the most modern technical requirements. The building's architecture is specific for its simple elements making it fit in with the basic urban concept of Dejvice. Despite its simplicity, the construction can't be overlooked, commanding attention by its unique modern appearance resembling a barcode. The building is divided into two wings, and has eight above-ground floors, which together constitute a rentable space of 21,000 m² (226,042 ft²).

The ground floor is occupied by a variety of operators of shops and restaurants offering their services not only to employees of offices upstairs, but also to residents of Prague's Dejvice district.

As the property was being built, emphasis was placed on both the quality and efficiency of office space, as well as on minimizing costs for the actual

operation of the building and acting responsibly towards the environment. Thanks to this, the building received the highest rating of BREEAM certification – OUTSTANDING. The property is fitted with the latest technologies that provide continual quality control of fresh air, individual temperature control or monitoring of energy consumption. Employees enjoy such comforts as terraces with greenery, the adjacent park or canteen with terrace.

BLOX is located in a favorable residential and business locality near Vaclav Havel Airport Prague. Its location adjacent the Dejvice metro station makes it quite easy to get to, with transport to the center in no time. Bus and tram stops are also close by. For employees commuting by car, there is also an underground parking garage.

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



CRYSTAL

Vinohradská 178, Prague

FOURTEEN-STORY DOMINANT FEATURE
OF VINOHRADY

This unique high-rise building with a rentable space of 15,000 m² (161,459 ft²), spread out over 14 floors, was completed in 2015. The building is intriguing at first glance especially for its architecture - because its visage is reminiscent of a small and large crystal. Also specific is the facade resembling a chessboard. This unique architecture was designed by the studio Atelier 15 led by Libor Hrdoušek and Radek Lampa.

It is a modern, class-A office building meeting all the requirements of the present times and the needs of tenants. The building is equipped with the most modern technologies, thanks to which it earned the BREEAM certification – EXCELLENT, and has available flexible office space, which not only allows for an open layout, but also smaller, closed offices.

The property is located at one of Prague's best locations, in the heart of Vinohrady. The advantage of the location is especially transport accessibility. The building is easily accessible by all types of transport – it is located near a metro station as well as by tram and bus stops. The building of course also boasts an underground garage. Near the building, there are many cafes, restaurants, theaters and shops. A great advantage is also the unique view of Prague city center seen from the higher floors of the building.

Its biggest tenants include the Health Insurance Company of the Ministry of the Interior of the Czech Republic and the General Health Insurance Company of the Czech Republic.



ZDRAVOTNÍ
POJIŠŤOVNA
MINISTERSTVA
VNITRA ČR

211



VZP





WENCESLAS SQ. 62

Prague 1 – Old Town

8 FLOORS IN THE HEART OF PRAGUE

This multi-purpose building was built on Wenceslas Square in 1998 as one of the most modern buildings with high efficiency in Prague. The building's timeless design was created by the studio Drexler Vrbata Architekti, and features a rentable space of 2,500 m² (26,910 ft²) spread out over eight floors.

The building is located in the upper half of Wenceslas Square next to the statue of St. Wenceslas. Thanks to its building skeleton, it offers modern office space that can be flexibly adapted to the needs of individual tenants – and divided into smaller closed offices or arranged as classic open space. Another advantage is the special facade ensuring a quiet environment inside, even though the building is located at one of the busiest places in the city.

The property's advantages are its location at this prestigious and sought-after address and its excellent accessibility. The building is easily accessible by public transport, located near the main railway station, and has direct connection to the motorway network and Prague ring road. The building is surrounded by many restaurants, shops and services. Relaxation can be found in the local Čelakovské orchards or Franciscan Garden.



WesternUnion **WU**

MEZI VODAMI 31

Prague 12 – Belárie

OFFICES OVERLOOKING THE VLTAVA RIVER

This modern office building on the outskirts of office locations in Prague 4 was built in 2006 within the former industrial complex of the Modřany Orion chocolate factory. The U-shaped glass building was designed by the studio Omicron K under the leadership of Martin Kotík. The total rentable space of the building 8,500 m² (91,493 ft²) in size is divided into five above-ground and two underground floors.

Administrative areas were designed as an open-plan office space for more than 350 employees. In addition to offices however, the building also has a conference and training center, development kitchen, sensory lab, employee dining room, company store and other areas for technical facilities.

The building has been the headquarters of Nestlé CR since 2006. Another building tenant is the Siemens technology concern.

16 METER-HIGH ATRIUM

The added value of this property is its huge atrium full of greenery with which offices are loosely linked, and it can be used by the staff to rest. The building is located in a nice area with views of the riverbank and Chuchle Grove on the opposite side. The location is also well accessible – near the building there is both a tram and bus stop. For employees commuting by car, underground parking is available with a capacity of 166 spaces.



SIEMENS

 Nestlé


NESTLÉ
SIEMENS


NESTLÉ
Parkering - bilparkering →
Visitors Parking →
People's Hall →
Health Delivery →
Power Supply →
Control Services →





VOLKSWAGEN FINANCIAL SERVICES



PEKAŘSKÁ 6

Prague 5 – Jinonice

4-STORY BUILDING IN A SERENE LOCATION

This building located in the west of Prague Street on Pekařská street is a smaller office building with a total rentable space of 6,500 m² spread out over four floors. It was custom-built for the tenants in 1998. Its timeless architecture is the brainchild of the design studio ARCOM.

Thanks to its location and arrangement, the building offers offices with a warm and friendly atmosphere. This is just the place for not only lovers of large open spaces, but also those who prefer the privacy of their own cozy office. The building is not brimming with the latest technology, but it reliably satisfies even the most demanding clients.

It is nestled in a neighborhood with family houses, thus offering a pleasant working environment. Its location makes the building quite easily accessible – offering direct access to the motorway to Germany and Vaclav Havel Airport Prague. And a metro station and bus stop are located near the building. A nice advantage of the building is the uncovered atrium with a relaxation zone located right in the middle of the building.

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



**VOLKSWAGEN
FINANCIAL SERVICES**

KLÍČ K MOBILITĚ



SUSTAINABLE BUSINESS

The ČMN real estate group reflects in its work the principles of sustainability and is committed to achieving a balance between economic, social and environmental development. When choosing a property, it considers not only economic criteria but also sustainability and environmental impact. Therefore, the company selects to its portfolio mainly high-quality buildings that meet modern building standards and hold the BREEAM and LEED international certificates. Currently, ČMN Group's managed portfolio consists of 85% of thus-certified buildings. These are specifically the buildings Churchill I and II, City West C1 and C2, Crystal and BLOX.

The group finds it important for each building in the portfolio to fit into its surroundings, not only in appearance but also through its interconnection with events and life in the given district. Therefore, the company supports activities that open the premises to the public and those that build partnerships in helping to develop cities, neighborhoods and communities.

ČMN also focuses on education. It facilitates for its employees self-education and training in various fields.

The company also supports several non-profit organizations in whose selection employees participate. In 2020, the company supported the international humanitarian organization ADRA and the non-profit organization Sue Ryder. ADRA is an organization that aids people in need, living in poverty, loneliness or vulnerable regarding property or life. It also focuses on helping people whose basic human rights and freedoms are not respected. The non-profit organization Sue Ryder helps seniors and their loved ones to overcome changes and challenging situations associated with aging.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31/12/2020

1. INTRODUCTION

The group Českomoravská Nemovitostní [Czech & Moravian Real Estate Group] (the "ČMN Group" or the "Group") is a group of related entities directly or indirectly controlled by the Czech company Českomoravská Nemovitostní a.s. [Czech & Moravian Real Estate, joint-stock company], having its registered seat in Prague 1, Wenceslas Sq. 806/62, 110 00, Corporate number 051 42 202 (the "Company"), as a holding company. Basic data on the Company as of 31/12/2020:

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

2. INFORMATION OF THE BOARD ON PERFORMANCE, ACTIVITY AND ECONOMIC POSITION OF THE GROUP

The information below is in accordance with Sec 436(2) of Act No. 90/2012 Coll., the Business Corporations Act as amended.

ČMN Group is a real estate holding company focusing primarily on the purchase, long-term holding and management of office buildings in Prague, Brno and Ostrava. ČMN Group focuses primarily on premium real estate at prestigious addresses that have entered with their tenants into long-term leases, and therefore enjoy stable and predictable cash flows.

At the end of 2020, the property portfolio managed by the ČMN Group included properties totaling approximately CZK 11.5 billion. More information on the current portfolio can be found at <https://cm-n.cz/projekty>.

The consolidated profit of the ČMN Group for 2020 amounted to CZK 57,469 thous.

3. EXPECTED DEVELOPMENT OF ČMN GROUP ACTIVITY

In the coming years, the ČMN Group plans to continue its focus on premium business properties. Its efforts will be directed mainly towards consolidating its position and name on the market, improving service, increasing competitiveness and streamlining processes. The ČMN Group will continue to ensure compliance with internal control mechanisms and securing prudent implementation of its investment projects, and management of the Company with due diligence.

4. INFORMATION ON ACTIVITIES IN RESEARCH AND DEVELOPMENT

In 2020, the company made no investments in research and development. No investments in research and development are planned for 2021 either.

5. INFORMATION ON THE ACQUISITION OF OWN SHARES OR STAKES

None of the ČMN Group companies acquired their own shares.

6. INFORMATION ON ACTIVITIES IN ENVIRONMENTAL PROTECTION AND EMPLOYMENT RELATIONSHIPS

Environmental protection is ensured in accordance with applicable laws and regulations on environmental protection. No significant changes occurred in 2020 in employment relationships.

7. INFORMATION ON BRANCHES ABROAD

The company has no organizational unit abroad.

8. DECLARATION OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors declares that to his best knowledge, this Annual Report presents a true and fair view of the financial situation, business activities and financial results for the past fiscal year, and of outlooks for the future development of the

financial situation, business activities and financial results of the ČMN Group.

In Prague on 8/6/2021

On behalf of Českomoravská Nemovitostní a.s.



Ing. Mgr. Josef Eim

Vice-Chairman of the Board of Directors

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Českomoravská Nemovitostní a.s.

Auditor's report of consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Českomoravská Nemovitostní a.s., with its headquarters at Václavské náměstí 806/62, Nové Město - Praha 1, Česká republika, IC (Registration Number) 051 42 202, and its subsidiaries (hereafter the Group) prepared in accordance with Czech accounting regulations, which comprise the balance sheet as at 31. 12. 2020 and the income statement for the period from 1. 1. 2020 to 31. 12. 2020, statement of changes in equity and cash flow statement for the period from 1st of January 2020 to 31st of December 2020 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities of Group as at 31. 12. 2020 and of the costs, revenues and its profit or loss for the period from 1. 1. 2020 to 31. 12. 2020, in accordance with Czech accounting regulations.

Basis for Opinion

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

Emphasis of Matter

We emphasize the fact stated in item 6 of the consolidated annual report "Events that occurred after the balance sheet days", where the impact of the current situation of COVID 19 on the Group is stated and described. The Group's activities in connection with COVID-19 are not endangered. Our statement is not modified in connection with this matter.

Other information included in the Consolidated Annual Report

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

a.s. is responsible for this other information.

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

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

- the other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements
- and the other information is prepared in compliance with the applicable laws and regulations.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



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

We communicate with the Board of Directors and Supervisory Board of Českomoravská Nemovitostní a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Brno on 08. 06. 2021

BDO Audit s.r.o.

BDO Audit s. r. o.
Certificate No. 094

Ing. Jiří Kadlec
Certificate No. 1246

ASSETS

Consolidated Balance Sheet		Current reporting period	Previous reporting period
Total assets		5,808,158	4,866,594
A.	Receivables for subscriptions	0	0
B.	Non-current assets	4,951,755	4,302,741
B.I.	Non-current intangible assets	160	332
B.I.2.	Valuable rights	160	332
B.I.2.1.	Software	160	332
B.II.	Non-current tangible assets	211,682	2,672,519
B.II.1.	Land and buildings	98,714	2,651,032
B.II.1.1.	Land	37,576	25,290
B.II.1.2.	Buildings	61,138	2,625,742
B.II.2.	Equipment	1,320	10,157
B.II.4.	Other non-current tangible assets	0	759
B.II.4.3.	Other non-current tangible assets	0	759
B.II.5.	Advances provided for non-current TA and unfinished non-current TA	111,648	10,571
B.II.5.1.	Advances provided for non-current TA	0	10,000
B.II.5.2.	Unfinished non-current assets	111,648	571
B.III.	Non-current financial assets	3,639,086	1,107,014
B.III.5.	Other long-term securities	3,389,921	1,016,029

Consolidated Balance Sheet		Current reporting period	Previous reporting period
B.III.6.	Loans and credit - other	249,165	39,795
B.III.7.	Other non-current financial assets	0	51,190
B.III.7.2.	Advances on non-current financial assets	0	51,190
B.IV.1.	Goodwill	1,105,059	522,876
B.IV.2.	Badwill	- 4,232	0
C.	Current assets	532,203	348,592
C.II.	Receivables	85,770	123,889
C.II.2.	Current receivables	85,770	123,889
C.II.2.1.	Trade receivables	64,822	33,278
C.II.2.4.	Receivables – other	20,948	90,611
C.II.2.4.3.	State - tax receivables	2,738	9,928
C.II.2.4.4.	Short-term advance payments	10,661	18,253
C.II.2.4.5.	Estimated asset accounts (accrued assets)	394	1,292
C.II.2.4.6.	Other receivables	7,155	61,138
C.III.	Current financial assets	0	0
C.IV.	Cash funds	446,433	224,703
C.IV.1.	Cash on hand	97	231
C.IV.2.	Cash in bank accounts	446,336	224,472

Consolidated Balance Sheet		Current reporting period	Previous reporting period
D.	Accrued assets	324,200	215,261
D.1.	Deferred expenses	324,200	180,586
D.2.	Complex deferred expenses	0	0
D.3.	Accrued revenues	0	34,675

LIABILITIES

Consolidated Balance Sheet		Current reporting period	Previous reporting period
Total liabilities		5,808,158	4,866,594
A.	Owner's equity	871,517	907,036
A.I.	Registered capital	2,000	2,000
A.I.1.	Registered capital	2,000	2,000
A.II.	Cash surplus and capital funds	319,644	460,899
A.II.2.	Capital funds	319,644	460,899
A.II.2.1.	Other capital funds	0	393,573
A.II.2.2.	Valuation differences from revaluation of assets and liabilities	319,644	67,326
A.III.	Funds from profit	0	0
A.IV.	Net profit/loss from previous years	492,404	262,135
A.IV.1.	Retained profit or unreimbursed loss from previous years	492,280	262,135
A.IV.3.	Other net profit/loss from previous years	124	0
A.V.	Profit/loss for the current period	57,469	182,002
A.VI.	Share of profit/loss under equity accounting	0	0
A.VII.	Consolidation reserve fund	0	0
B+C	Liabilities	4,936,641	3,953,963
B.	Provisions	2,808	356
B.2.	Income tax provision	2,808	306

Consolidated Balance Sheet		Current reporting period	Previous reporting period
B.I.4.	Other provisions	0	50
C.	Liabilities	4,933,833	3,953,607
C.I.	Non-current liabilities	4,541,989	3,713,090
C.I.1.	Bonds issued	3,985,966	1,795,135
C.I.1.2.	Other bonds	3,985,966	1,795,135
C.I.2.	Payables to credit institutions	479,988	1,566,332
C.I.3.	Non-current advance payments received	0	6,934
C.I.8.	Deferred tax liability	74,205	305,187
C.I.9.	Payables - others	1,830	39,502
C.I.9.3.	Other liabilities	1,830	39,502
C.II	Current payables	391,844	240,517
C.II.1.	Bonds issued	296,400	26,050
C.II.1.2.	Other bonds	296,400	26,050
C.II.2.	Payables to credit institutions	0	44,377
C.II.3.	Current advances received	4,108	6,049
C.II.4.	Trade payables	54,628	78,001
C.II.8.	Other payables	36,708	86,040
C.II.8.3.	Payroll payables	1,210	832
C.II.8.4.	Payables - social security and health insurance	726	476
C.II.8.5.	State - tax liabilities and grants	2,946	7,416

Consolidated Balance Sheet		Current reporting period	Previous reporting period
C.II.8.6.	Estimated accounts payable	3,066	18,894
C.II.8.7.	Other payables	28,760	58,422
D.	Accrued deferrals of liabilities	0	5,595
D.1.	Accrued expenses	0	0
D. 2.	Deferred revenues	0	5,595
E.	Minority equity	0	0

CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated Profit and Loss Statement		Current reporting period	Previous reporting period
I.	Revenues from own products and services	60,311	121,562
A.	Production consumption	72,970	87,126
A.2.	Material and energy consumption	4,728	30,011
A.3.	Services	68,242	57,115
B.	Change in inventories of own production	0	0
C.	Activation	0	0
D.	Personnel expenses	18,272	11,935
D.1.	Wages and salaries	13,793	9,511
D.2.	Social security expenses and health insurance and other expenses	4,479	2,424
D.2.1.	Social security expenses and health insurance	4,475	2,419
D.2.2.	Other expenses	4	0
E.	Adjustment of values in the operating area	30,135	78,800
E.1.	Adjustments to intangible and tangible non-current assets	30,135	78,800
E.1.1.	Adjustments to intangible and tangible non-current assets – permanent	30,135	78,800
III.	Other operating revenues	1,108,870	535,647
III.1.	Revenues from disposals of non-current assets	57	467,585
III.2.	Revenues from disposals of materials	1	0

Consolidated Profit and Loss Statement		Current reporting period	Previous reporting period
III.3.	Other operating revenues	1,108,812	68,062
F.	Other operating expenses	764,333	192,586
F.1.	Net book value of sold non-current assets	0	153,918
F.3.	Taxes and fees	347	322
F.4.	Provisions in operating area and complex deferred expenses	1,713	1,921
F.5.	Other operating expenses	762,273	36,425
	Settlement of the consolidation difference	23,072	12,049
*	Consolidated operating profit/loss	260,399	274,713
IV.	Revenues from non-current financial assets	342,580	183,420
IV.2.	Other earnings from shares	342,580	183,420
G.	Costs of sold shares	326,052	183,641
V.	Revenues from other non-current financial assets	2,137	0
V.2.	Revenues from current financial assets	2,137	0
H.	Costs related to other non-current financial assets	0	0
VI.	Interest income and similar income	60,497	65,966
VI.2.	Other interest income and similar income	60,497	65,966
I.	Adjustment of values and provision in the financial sector	0	0

Consolidated Profit and Loss Statement		Current reporting period	Previous reporting period
J.	Interest expense	179,913	166,426
J.2.	Other interest expense and similar costs	179,913	166,426
VII.	Other financial revenues	90,875	92,606
K	Other financial expenses	192,463	84,632
*	Consolidated profit/loss from financial operations	-202,339	-92,707
**	Consolidated profit/loss before taxa	58,060	182,006
L.	Income tax	591	4
L.1.	– due tax	2,995	7,627
L.2	– deferred tax	-2,404	-7,623
**	Consolidated profit/loss after taxation	57,469	182,002
M.	Transfer of profit/loss share to partners	0	0
	Consolidated profit/loss excluding equity accounting	57,469	182,002
***	Consolidated profit/loss for the reporting period	57,469	182,002
*	Net turnover for the reporting period	1,665,270	999,201

CASH FLOW STATEMENT

Cash Flow Statement as of 31/12/2020		Current reporting period
P	Cash and cash equivalents at the beginning of the reporting period	224,703
Cash flows from main activity (operating activities)		
Z	Accounting profit/loss from ordinary activity before taxation	58,060
A.1.	Adjustments by non-cash operations	-151,667
A.1.1	Depreciation of fixed assets - destruction, physical demolition, damage, gifts	30,135
A.1.2	Change in balance of adjustments and provisions	-2,502
A.1.3	Profit (loss) from sale of fixed assets	-298,716
A.1.5	Accounted for interest expense and income (exclusive of interest capitalization)	119,416
A*	Net cash flow from operating activity before taxation, changes in working capital and extraordinary items	-93,607
A.2.	Change in non-cash items of working capital	83,943
A.2.1	Change in balance of receivables from operating activities, active accrual accounts and estimated active accounts	-66,743
A.2.2	Change in current liabilities from operating activities, accrued liabilities and estimated liabilities	150,686
A**	Net cash flow from operating activities before taxation and extraordinary items	-9,664
A.3	Interest paid exclusive of interest capitalization	-179,913
A.4	Interests received	60,497
A.5	Income tax for operating activities and additional tax assessments for previous periods	-4,077
A***	Net cash flow from operating activities	-133,157

Cash flows from investing activities		
B.1	Expenses on fixed assets acquisition	-1,582,122
B.2	Income from fixed assets sales	1,108,701
B***	Net cash flow from investing activities	-473,421
Cash flows from financing activities		
C.1	Impact of changes in liabilities falling into financial activities	828,308
C.2	Impact of a change of equity on cash	0
C***	Net cash flow relating to financing activities	828,308
F	Net increase or decrease of cash	221,730
R	Balance of cash on hand and financial equivalents at the end of the reporting period	446,433

SUMMARY OF CHANGES IN OWNER'S EQUITY

Accounting period 2019	Initial balance	Increased	Decreased	Final balance
Owner's equity	694,265	837,708	-624,937	907,036
Registered capital	2,000	0	0	2,000
Premium and capital funds	429,535	393,573	-362,209	460,899
Capital funds	429,535	393,573	-362,209	460,899
Other capital funds	0	393,573	0	393,573
Revaluation differences from revaluation of assets and liabilities	429,535	0	-362,209	67,326
Profit funds	200	0	-200	0
Other reserve funds	200	0	-200	0
Net profit/loss from previous years	2	262,133	0	262,135
Retained profit or unreimbursed loss from previous reporting periods	2	262,133	0	262,135
Profit/loss for the reporting period	262,133	182,002	-262,133	182,002
Share of profit/loss under equity accounting	395	0	-395	0

SUMMARY OF CHANGES IN OWNER'S EQUITY

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

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. DESCRIPTION OF THE GROUP

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

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

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

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

None of the Group companies has a foreign branch.

SUPERVISORY AND MANAGING BODIES OF THE PARENT COMPANY AS OF 31/12/2019 WERE AS FOLLOWS:

Chairman of the Board of Directors

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

Vice-Chairman of the Board of Directors

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

Member of the Supervisory Board

Mgr. Jiří Hruban, date of birth 21 March 1978
Štefánikova 136/66, Ponava, 612 00 Brno
Date of membership: 12 September 2016
Registered: 13 September 2016

A Member of the Board of Directors resigned effective February 25, 2020:

Member of the Board of Directors

Mgr. JAN FIALA, date of birth 27 July 1982
Erbenova 382/14, Černá Pole, 602 00 Brno
Date of membership: 27 December 2019
Termination of membership: 25 February 2020

The group Českomoravská Nemovitostní is formed of the following companies:

Company name	Registered seat	Registered capital	Amount of the share
Českomoravská Nemovitostní a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	
Anilit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Belvoir s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 20,000	100 %
Blixit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Cerusit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Českomoravská Poradenská s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Českomoravská Projektová a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
Českomoravská Projektová II a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
Českomoravská Projektová III a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
Czech-Moravian Properties a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
ČMN Alpha s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN Gama s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN Husova s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN I s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN II s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN RE I a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %

Company name	Registered seat	Registered capital	Amount of the share
ČMN RE II a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
ČMN RE III a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN RE Management a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
ČMN Servis s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Dixenit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Fangit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Gyrolit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
High End Living s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Holtit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Chenit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Inezit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Jamesit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Kasolit RE s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
REZIDENCE KRÁLOVSKÁ TŘÍDA, s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 1,000	100 %
Sokolovská 967 s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 100,000	100 %
RE Slovakia I s.r.o.	Laurinská 18 811 01 Bratislava - mestská časť Staré Město	EUR 5,000	100 %

All subsidiaries have elaborated their respective Financial Statements as of 31/12/2020. The full method was used for consolidation.

2. STARTING POINTS FOR ELABORATING THE FINANCIAL STATEMENTS

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

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

The Group's Financial Statements have been prepared as of the Balance Sheet date of 31/12/2020 for the calendar year 2020.

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

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

3. GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR CHANGES AND DEVIATIONS

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

3.1. NON-CURRENT (FIXED) ASSETS

A) NON-CURRENT INTANGIBLE ASSETS

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

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

useful life of assets.

B) NON-CURRENT TANGIBLE ASSETS

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

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

between the book value and the price based on expert determination.

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

C) NON-CURRENT FINANCIAL ASSETS

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

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

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

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

Shares in companies whose cash flows and operating processes the Company may significantly influence in order to obtain benefits from their activities are

classified as Shares in accounting entities under significant influence.

As of the date of the Financial Statements:

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

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

Non-current financial assets are formed of:

- other long-term securities,
- provided loans.

3. 2. CURRENT ASSETS

D) CURRENT FINANCIAL ASSETS

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

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

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

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

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

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

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

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

F) RECEIVABLES

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

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

3. 3. OWNER'S EQUITY

The registered capital of the Company is reported in the amount registered in the Commercial Register maintained at the municipal court. Any increase or

decrease in registered capital based on the decision of the General Meeting, which was not registered by the date of the Financial Statements, is reported as changes to the registered capital. Contributions exceeding the registered capital are reported as share premium.

3. 4. PROVISIONS

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

3. 5. LIABILITIES

Liabilities are charged at nominal value.

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

3. 6. RELATED-PARTY TRANSACTIONS

Related parties of the Company are understood as:

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

parent company, and parties close to such parties, including undertakings where these members and parties have significant or decisive influence.

3. 7. FOREIGN EXCHANGE OPERATIONS

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

3. 8. USE OF ESTIMATES

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

3. 9. CHARGING OF REVENUES AND EXPENSES

Revenues and expenses are charged by accruals and

deferrals, i.e. to the period to which they materially and chronologically pertain.

3. 10. DUE INCOME TAX

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

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

3. 11. SUBSEQUENT EVENTS

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

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

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

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

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

4. ADDITIONAL DATA ON THE CONSOLIDATED BALANCE SHEET

A) CONSOLIDATION

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

	2020	2019
Assets	5,808,158	4,866,594
Owner's equity	871,517	907,036
Liabilities	4,936,641	3,953,963
Accrued deferrals of liabilities	0	5,595

The most meaningful item of assets are other long-term securities in the amount of CZK 3,389,921 thous. (2019: CZK 1,016,029 thous.). This item mainly includes CORE Fund participation certificates owned by the ČMN Group. As mentioned above, CORE Fund, Reg. No. FL-0002.624.683-5, legal form: unit trust, governed by the laws of the Principality of Liechtenstein, on behalf of which the fund administrator IFM INDEPENDENT FUND MANAGEMENT AKTIENGESELLSCHAFT (the "CORE Fund") is acting, is the fund owning the main projects of the Group. Meanwhile, this item includes participation certificates of the NEMO Fund Reg. No. FL-0002.608.770-1, legal form: unit trust, governed by the laws of the Principality of Liechtenstein, on behalf

of which the fund administrator IFM INDEPENDENT FUND MANAGEMENT AKTIENGESELLSCHAFT (the "NEMO Fund" or "NEMO") is acting, which the Group owned by the Balance Sheet date.

The second most important item is cash in bank accounts. As of the Balance Sheet date, the ČMN Group held CZK 446,336 thous. (2019: CZK 224,472 thous.) in accounts with banking institutions.

The most significant items of liabilities are long-term bonds issued in the amount of 3 985 966 thous. (2019: CZK 1,795,135 thous. CZK), and the Group's equity, which amounted to 871,517 thousand (2019: CZK 907,036 thous.).

The ČMN Group conducts business relations with a wide range of tenants, banks, bondholders, suppliers and other business partners. For this reason, in pursuit of its objective of transparency, it decided to publish the Consolidated Financial Statements in their entirety, including the division of items into individual classes, a practice well exceeding its statutory obligation.

B) NON-CURRENT INTANGIBLE ASSETS

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

Overview of non-current intangible assets in 2019:

thous. CZK	1/1/2019	Entries	Deletions	Transfers	31/12/2019
Gross value					
Software	200	132	0	0	332
Total	200	132	0	0	332
Accumulated depreciation					
Software	0	0	0	0	0
Total	0	0	0	0	0
Adjustments					
Software	0	0	0	0	0
Total	0	0	0	0	0
Net value	200	132	0	0	332

Overview of intangible current assets in 2020:

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

C) NON-CURRENT TANGIBLE ASSETS

Non-current tangible assets in the amount of CZK 211,682 thous. (2019: CZK 2,672,519 thous.) consist of real estate projects, which the Group owns directly. According to accounting standards, assets owned through the fund structure are not reported in this item. This item therefore does not show the main projects of the Group, which on the contrary are reported under Other long-term securities. Buildings, land and unfinished non-current tangible assets (project under construction) include smaller projects for which sale is planned for the short term. Transactions of a smaller nature are not key for the ČMN Group, but opportunistic buying and sale contributes to a healthy profit and expanding the scope of business partners and knowledge about the real estate market.

Buying and holding of real estate projects are generally funded, inter alia, through bank loans. When using them, banks maintain a lien on the property and typically other forms of collateral (on receivables from rents, insurance, bank accounts, etc.).

Overview of non-current tangible assets in 2019:

thous. CZK	1/1/2019	Entries	Deletions	Transfers	31/12/2019
Gross value					
Land	108,629	18,251	-71,684	5,961	61,157
Buildings	1,301,476	2,238,936	- 665,870	-5,961	2,868,581
Equipment	16,198	28,841	-49	0	44,990
Other non-current tangible assets	0	1,402	0	0	1,402
Advance payments on non-current tangible assets	0	11,750	-1,750	0	10,000
Non-current tangible assets in progress	337	1,516	-1,282	0	571
Revaluation of acquired assets	46,068	0	0	0	46,068
Total	1,472,708	2,300,696	-740,635	0	3,032,769
Accumulated depreciation					
Buildings	-109,168	-157,280	23,609	0	-242,839
Equipment	-11,287	-23,569	23	0	-34,833
Other non-current tangible assets	0	-643	0	0	-643
Revaluation of acquired assets	-46,068	0	0	0	-46,608
Total	-166,523	-181,492	23,632	0	-324,383
Adjustments					
Land	0	-35,867	0	0	-35,867
Buildings	0	0	0	0	0
Equipment	0	0	0	0	0
Other non-current tangible assets	0	0	0	0	0
Advance payments on non-current tangible assets	0	0	0	0	0
Non-current tangible assets in progress	0	0	0	0	0
Revaluation of acquired assets	0	0	0	0	0
Total	0	-35,867	0	0	-35,867
Net value	1,306,185	2,083,337	-717,003	0	2,672,519

Overview of non-current tangible assets in 2020:

thous. CZK	1/1/2020	Entries	Deletions	Transfers	31/12/2020
Gross value					
Land	61,157	0	-54,961	31,380	37,576
Buildings	2,868,581	16,241	-2,814,318	-5,656	64,848
Equipment	44,990	132	-40,360	-1,918	2,844
Other non-current tangible assets	1,402	0	-1,402	0	0
Advance payments on non-current tangible assets	10,000	1,750	-11,750	0	0
Non-current tangible assets in progress	571	134,883	0	-23,806	111,648
Revaluation of acquired assets	46,068	0	-46,068	0	0
Total	3,032,769	153,006	-2,968,859	0	216,916
Accumulated depreciation					
Buildings	-242,839	-29,037	268,166	0	-3,710
Equipment	-34,833	-2,594	35,903	0	-1,524
Other non-current tangible assets	-643	-58	701	0	0
Revaluation of acquired assets	-46,068	0	46,068	0	0
Total	-324,383	-31,689	350,838	0	-5,234
Adjustments					
Land	-35,867	0	35,867	0	0
Buildings	0	0	0	0	0
Equipment	0	0	0	0	0
Other non-current tangible assets	0	0	0	0	0
Advance payments on non-current tangible assets	0	0	0	0	0
Non-current tangible assets in progress	0	0	0	0	0
Revaluation of acquired assets	0	0	0	0	0
Total	-35,867	0	35,867	0	0
Net value	2,672,519	121,317	-2,582,154	0	211,682

D) NON-CURRENT FINANCIAL ASSETS

Non-current financial assets are the main source of the Group's assets and consist primarily of Other long-term securities in the amount of CZK 3,389,921 thousand. (2019: CZK 1,016,029 thous.). As of the date of the Financial Statements, the Group holds all participation certificates of CORE Fund, which is the ultimate owner of the Group's main projects. The Group meanwhile still holds part of the participation certificates of the NEMO Fund, which as of the reporting date was the 100% owner of real estate companies that own properties at the address Pekařská 6 (VWFS headquarters), Wenceslas Sq. (Wenceslas Square) 62 (multi-purpose building), and Mezi Vodami 31 (Nestlé CR headquarters) in Prague.

In 2019, the Group provided an advance on non-current financial assets of CZK 51,190 thous., which was only generally shown in the previous Annual Report. This advance was transformed in 2020 for the purchase of a share in the real estate company that owns the project City West C1 & C2. As of 31/12/2020, the ČMN Group has registered no advances of a similar type.

Loans and credit - others in the amount of CZK 249,165 thous. (2019: CZK 39,795 thous.) show a loan of the company ČMN RE Core a.s., which is a related party, although it is not included in the consolidation as a whole. The maturity of the loan is over five years and is provided under standard market conditions. ČMN RE Core a.s., Corporate number: 080 95 574, having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, is a holding company owning the main projects of ČMN. Its parent company is CORE Fund that has been mentioned several times.

Overview of non-current financial assets:

	2020	2019
Shares (equity interest) - controlled or controlling entity	0	0
Loans and credit – controlled or controlling entity	0	0
Shares - significant influence	0	0
Loans and credit – significant influence	0	0
Other non-current securities	3,389,921	1,016,029
Loans and credit – others	249,165	39,795
Other non-current financial assets	0	0
Advances given for non-current financial assets	0	51,190
Total	3,639,086	1,107,014

E) GOODWILL

Goodwill (the consolidation difference) is, according to Czech accounting standards, the difference between the acquisition cost of shares of a consolidated accounting entity and their valuation according to the consolidating entity's equity in the amount of owner's equity expressed by the fair value, which results as the difference in the fair values of assets and fair values of foreign capital at the acquisition date or the date of further increasing of participation (further acquisition of securities or shares). The acquisition date is considered the date from which the controlling entity starts to exercise proper influence over the consolidated accounting

entity. Goodwill is amortized over a period of 240 months.

In 2020, the ČMN Group reported goodwill in a net value of CZK 1,105,059 thous. The most important item of goodwill of the Group for 2020 consists of the purchase of the company that owns strategically important land with an area of over 40 hectares (98.8 acres) in the Ore Mountains (Krušné hory). On this land, according to two expert judgments, there is a meaningful supply of quality raw water in excess of a billion liters (264,172,052 gallons) with annual inflow volume of a million liters (264,172 gallons), and according to three expert judgments - professional, laboratory and industrial tests - a significant supply of European measure of restricted abrasive minerals at a current market price significantly above CZK 1.5 billion.

Another part of goodwill is the company ČMN RE II a.s., which is the holding company of the projects Sokolovská 967 s.r.o. and ČMN Husova s.r.o. Goodwill relating to the individual companies Sokolovská 967 s.r.o. and ČMN Husova s.r.o. was, given its size and administrative simplification, written off against the owner's equity, resulting in a reduction in the Group's owner's equity.

F) INVENTORY

The object of the activity or business is not the sale of goods or products. The Group owned no inventories for the calendar year 2020.

G) RECEIVABLES

The ČMN Group reported no non-current receivables as of the Balance Sheet date.

Trade receivables totaling CZK 64,822 thous. (2019: CZK 33,278 thous.) include receivables from rent and receivables for other services rendered, which are part of the normal operation of the Group. Current advances in the amount of CZK 10,661 thous. (2019: CZK 18,253 thous.) also relate to normal operation of the Group.

Other receivables amounting to 7,155 thous. (2019: CZK 61,138) are composed of various other receivables of all the Group companies. This item includes receivables from term operations that the Group uses to reduce currency and interest rate risk. The instruments applied include currency forwards, interest rate swaps and other standard derivative products.

Overview of receivables as of the date of Financial Statements:

	2020	2019
Non-current receivables	0	0
Current receivables	85,770	123,889
Total	85,770	123,889

H) CURRENT FINANCIAL ASSETS

As of the date of the Financial Statements, current financial assets were comprised of funds in cash on hand, securities and mainly funds in bank accounts. These resources were available to the Group for operation-related activities and for future acquisitions.

I) ESTIMATED ASSET ACCOUNTS

Estimated asset accounts consist mainly of deferred expenses of CZK 324,200 thous. (2019: CZK 180,586 thous.) including accruals of costs associated with bond intermediaries and are accrued according to chronological and material accuracy.

J) OWNER'S EQUITY

Registered capital of the Group amounts to CZK 2,000 thous. (2019: CZK 2,000 thous.) and was fully repaid.

Based on the decision of the General Meeting of the Parent Company held on 30 June 2020, transfer was approved of the 2019 profit amounting to CZK 180,842 thous. to the account of retained earnings from previous years. It is assumed that the Parent Company's profit for 2020 of CZK 57,469 thous. will be transferred to the account of retained earnings from previous years.

The Parent Company has not paid out a dividend in the entire history of its operation. All profits are reinvested, thus increasing the Group's owner's equity, which reached CZK 871,517 thous. in 2020 (2019: 907,036 thous.). In 2020 there was a slight decrease in owner's equity by 3.9%.

K) PROVISIONS

The total amount of provisions as of the date of the Financial Statements amounted to CZK 2,808 thous. (2019: CZK 356 thous.). Provisions reported as of the date of the Financial Statements related only to provisions for income tax. The income tax provision was created because the date of elaborating the Financial Statements preceded the date of filing the 2020 corporate income tax return.

L) NON-CURRENT LIABILITIES

Non-current liabilities consist primarily of bonds issued in the amount of CZK 3,985,966 thousand. (2019: CZK 1,795,135 thous.), and Liabilities to credit institutions amounting to CZK 479,988 thous. (2019: CZK 1,566,332 thous.). The growth rate of the bonds issued in 2020 reached its peak. In the coming years, a significant reduction is expected in the growth rate of bonds issued. Group debt is directly associated with the acquisitions on which the ČMN Group focused in 2020 - City West C1 & C2 and Churchill Square. In the following years, further significantly slower growth is planned, focusing mainly on increasing the profitability of the Group and raising the value of the portfolio of major projects.

The Group cooperates with most banks on the Czech market. Among the most important banking partners include the Czechoslovak Commercial Bank, UniCredit Bank, Austria's Raiffeisen Bank, the German bank Helaba and others.

M) DEFERRED TAX LIABILITY

The ČMN Group reported a deferred tax liability of CZK 74,205 thous. (2019: CZK 305,187 thous.). Deferred tax liability generally arises when there is a

difference between the accounting and tax net book value of assets / liabilities. For real estate projects, deferred tax liability is standard due to the decreasing tax value of the real estate over time. The book value however is often increased to the market value upon conversion of a company, resulting in an increase in the book value, which at that moment captures its fair value.

N) CURRENT LIABILITIES

Current liabilities are formed especially by short-term issued bonds in the amount of CZK 296,400 thous. (2019: CZK 26,050 thous.) and trade liabilities in the amount of CZK 54,628 thous. (2019: CZK 78,001 thous.), which is based on standard trade associated with operating real estate projects and the Group.

The item Estimated liability accounts includes future liabilities / expenses of the Group, which materially and chronologically relate to 2020, but the Group has yet to receive the invoice.

Other liabilities of CZK 28,760 thous. (2019: CZK 422 thous.) include, inter alia, liabilities from fixed term operations that the Group uses to reduce currency and interest rate risk. The instruments applied include currency forwards, interest rate swaps and other standard derivative products. At the same time, it concerns a category in which other liabilities of all Group companies are included, such as payments for bonds for which the issuer has not obtained contractual documentation as of the date of the Financial Statements.

5. ADDITIONAL DATA ON THE CONSOLIDATED PROFIT AND LOSS STATEMENT

A) CONSOLIDATION

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

	2020	2019
Net turnover for the reporting period	1,665,270	999,201
Costs incl. income tax	1,607,801	817,199
Consolidated profit/loss for the reporting period	57,469	182,002

B) REVENUES

The most significant revenue items are Other operating revenues of CZK 1,108,812 thous. (2019: CZK 68,062 thous.), which, under the rules of consolidation, reflect the sale of real estate companies held as of the previous Balance Sheet date, Revenues from non-current financial assets in the amount of CZK 342,580 thous. (2019: CZK 183,420 thous.), and Sales of products and services CZK 60,311 (2019: CZK 562 thous.), which together comprise mainly income from rents.

Other operating revenues includes, inter alia, other revenues from the sale of the real estate company

Modřanská Property a.s. to the real estate fund NEMO. One of the main activities of the ČMN Group is to increase the value of real estate and real estate companies and their consequent sale. Over the period of holding the company, the lease agreement with the main tenant was extended and cash flows were secured for the company Modřanská Property for over five years. The selling price was verified by an independent expert who elaborated a report in accordance with the globally recognized methodology MRICS. Other operating revenues associated with the sale of real estate companies are one-off in nature. Though ČMN Group is active in the real estate market, it is not possible to accurately determine in advance whether income from the sale of real estate companies will be achieved on a regular basis in each reporting period. The main and long-term targeted component is primarily regularly collected rents.

Revenues from non-current financial assets in the amount of 342,580 thous. (2019: CZK 183,420 thous. CZK) consists of the sale of shares in real estate companies, which the Group acquired and sold in the same period. These revenues are linked to Costs of shares sold in the amount of CZK 326,052 thous. (2019: CZK 183,641 thous.). The net impact of this item in the profit reaches CZK 16,528 thousand. (2019: CZK -221 thous.).

The third important revenue item is Revenues from

own products and services of CZK 60,311 thousand. (2019: CZK 121,562 thous.). The main driver is rental income that the Group has received from the rental of its properties. As mentioned above, rental income

Overview of the Company's revenues:

	2020	2019
Revenue from own products and services	60,311	121,562
Revenues from sale of goods	0	0
Other operating revenues	1,108,870	535,647
Revenues from non-current financial assets	342,580	183,420
Revenue from other non-current financial assets	2,137	0
Interest income	60,497	65,966
Other financial revenues	90,875	92,606
Total	1,665,270	999,201

of projects held by the CORE Fund are not included in the consolidated revenues of the Group..

C) PRODUCTION CONSUMPTION

The total costs of production consumption amounted to CZK 72,970 thous. (2019: CZK 87,126 thous.).

Costs of materials and energy consumption amounting to CZK 4,728 thous. (2019: CZK 30,011 thous.) contained in past years also the cost of consumption of materials and energy of real estate projects, which were ultimately consumed by tenants, and real estate companies rebilled them. Since 2020,

this category is accounted for in the Balance Sheet. The main item in this category in 2020 was formed of marketing needs and office equipment, including IT hardware, which is not included in non-current tangible assets due to its low unit price. This situation has arisen mainly as a result of development of the Group and an increase in the number of employees.

Costs for services in the amount of CZK 68,242 thous. (2019: CZK 57,115 thous.) primarily include costs for legal, accounting, tax, economic, technical and IT consulting associated with real estate projects, acquisitions and operation of the entire Group. Rent paid by the Group is also in this category.

D) PERSONNEL EXPENSES

Personnel expenses in 2020 amounted to CZK 18,272 thous. (2019: CZK 11,935 thous.). The meaningful increase in personnel costs by 53% was associated with the growth of the Group, whereas the staffing boost affected almost all departments. At the same time, in 2020, the Group made a strategic decision to build most of the key functions within the Group without long-term use of consulting firms. This concerns in particular the Department of Finance and Asset and Property Management. The main reason is to maintain critical know-how in the internal environment, building relationships with tenants on a personal level and reducing costs.

The Group had 39 employees as of the date of the Financial Statements. The average number of employees for the reporting period was 21.

The amount of remuneration of supervisory or administrative bodies has been set according to the market standard. Meanwhile, no extraordinary remuneration has been paid to these bodies in 2020.

E) OTHER OPERATING EXPENSES

Other operating expenses in the amount of CZK 764,333 thous. (2019: CZK 192,586 thous.) consist mainly of Other operating costs, which reached 762,273 thous. (2019: CZK 36,425 thous.) and are associated with Other operating revenues and the sale of shares in real estate companies.

F) FINANCIAL PROFIT/LOSS

The financial result (profit/loss) is divided into several parts. The income from non-current financial assets described above relates to the Costs of shares sold. Both of these items are associated with the transfer of real estate companies ČMN City West s.r.o. owning the project City West 1 & C2 into the structure of the CORE Fund. As of the date of the Financial Statements, the ČMN Group was the sole owner of participation certificates of the CORE Fund.

Other interest income and similar income of the Group consist of two basic sources. The first source is bank interest that the Group has collected for cash held in bank accounts. Due to the length of real estate transactions, the Group is not able to invest funds immediately, and during the year, it held in bank accounts material cash that yielded interest income. The average 2T repo rate of the Czech National Bank reached 0.78% in 2020. All interest income from credit and loans to parties outside the ČMN Group is also included in this category.

Other interest expense and similar expenses in the amount of CZK 179,913 thous. (2019: CZK 166,426 thous.) represent the Group's most important cost item and include the cost of financing - bank interest

and coupons from bonds. During 2020, the ČMN Group issued bonds with a maturity of 3, 4 and 5 years.

Other financial income and Other financial expenses are made up mostly of foreign exchange gains and losses and revaluation of derivative transactions to the market value.

6. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

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

Group management continues to closely monitor the situation regarding the COVID-19 pandemic and is seeking out ways of minimizing the impact of this pandemic on the activity of the Group. Group management has considered the potential impacts of COVID-19 on their activities and business dealings and concluded that no significant influence on the ongoing concern assumption of the Company. In light of this, the Financial Statements were elaborated as of 31/12/2020 under the assumption that the Group would be able to continue its activities without serious complications caused by the aforementioned coronavirus.

7. GOING CONCERN ASSUMPTION

The Group posted an after-tax profit in 2020 of CZK 57,469 thous. Owner's equity of the Group as of the date of the Financial Statements also reached an amount of CZK 871,517 thous.).

Given the above, as well as the strategic plans of Group, the Financial Statements as of 1/12/2020 were prepared under the going concern assumption of the Group.

Compiled on:
8/6/2021

Name and signature of the statutory body of
the Company:



Ing. Mgr. Josef Eim
Vice-Chairman of the Board of Directors

INDIVIDUAL FINANCIAL STATEMENTS AS OF 31/12/2020

INDEPENDENT AUDITOR'S REPORT

to the Owner of Českomoravská Nemovitostní a.s.

Opinion

We have audited the accompanying financial statements of Českomoravská Nemovitostní a.s., with its headquarters at Václavské náměstí 806/62, 110 00 Praha 1, Czech Republic, IC (Registration Number) 051 42 202, (hereafter the Company) prepared in accordance with Czech accounting regulations, which comprise the balance sheet as at 31. 12. 2020, the income statement, statement of changes in equity and cash flow statement for the period from 1. 1. 2020 to 31. 12. 2020 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the assets and liabilities of Českomoravská Nemovitostní a.s. as at 31. 12. 2020 and of the costs, revenues and its profit or loss for the period from 1. 1. 2020 to 31. 12. 2020, in accordance with Czech accounting regulations.

Basis for Opinion

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

Emphasis of reality

We draw attention to the facts stated in the notes to the financial statements in Note 6, where the impact of the situation that occurred in connection with the global pandemic concerning COVID-19 on the company is stated.

Other information included in the Annual Report

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

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

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

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

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information is prepared in compliance with the applicable laws and regulations.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managing Director.
- Conclude on the appropriateness of the Managing Director' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Managing Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Brno, 8. 6. 2021

Audit firm:

Partner:

BDO Audit s.r.o.



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

Ing. Jiří Kadlec
Certificate No. 1246

ASSETS

Balance Sheet		Current reporting period			Previous reporting period
		Gross	Correction	Net	Net
Total assets		739,077	-1,811	737,266	779,656
A.	Receivables for subscriptions	0	0	0	0
B.	Non-current assets	671,943	-1,811	670,132	723,928
B.I.	Non-current intangible assets	332	-172	160	271
B.I.2.	Valuable rights	332	-172	160	271
B.I.2.1.	Software	332	-172	160	271
B.II.	Non-current tangible assets	15,991	-1,639	14,352	3,666
B.II.1.	Land and buildings	13,349	-175	13,174	1,899
B.II.1.2.	Buildings	13,349	-175	13,174	1,899
B.II.2.	Equipment	2,642	-1,464	1,178	1,767
B.III.	Non-current financial assets	655,620	0	655,620	719,991
B.III.1.	Shares – controlled or controlling entity	647,325	0	647,325	438,680
B.III.2.	Lending and loans - controlled or controlling entity	0	0	0	192,486
B.III.6.	Loans and credit - other	8,295	0	8,295	37,635
B.III.7.	Other non-current financial assets	0	0	0	51,190
B.III.7.2.	Advance payments on non-current financial assets	0	0	0	51,190
C.	Current assets	49,322	0	49,322	48,233
C.I.	Inventory	0	0	0	0

Balance Sheet		Current reporting period			Previous reporting period
		Gross	Correction	Net	Net
C.II.	Receivables	21,376	0	21,376	46,221
C.II.2.	Current receivables	21,376	0	21,376	46,221
C.II.2.1.	Trade receivables	7,927	0	7,927	6,702
C.II.2.4.	Receivables – other	13,449	0	13,449	39,519
C.II.2.4.3.	State - tax receivables	292	0	292	4,596
C.II.2.4.4.	Short-term advance payments	9,701	0	9,701	30
C.II.2.4.6.	Other receivables	3,456	0	3,456	34,893
C.III.	Current financial assets	0	0	0	0
C.IV.	Cash funds	27,946	0	27,946	2,012
C.IV.1.	Cash on hand	97	0	97	196
C.IV.2.	Cash in bank accounts	27,849	0	27,849	1,816
D.	Accrued assets	17,812	0	17,812	7,495
D.1.	Deferred expenses	17,812	0	17,812	7,495

LIABILITIES

Balance Sheet		Current reporting period	Previous reporting period
Total liabilities		737,266	779,656
A.	Owner's equity	397,150	740,210
A.I.	Registered capital	2,000	2,000
A.I.1.	Registered capital	2,000	2,000
A.II.	Premium and capital funds	0	269,812
A.II.2.	Capital funds	0	269,812
A.II.2.1.	Other capital funds	0	269,812
A.IV.	Net profit/loss from previous years	468,398	287,556
A.IV.1.	Retained profit or unreimbursed loss from previous reporting periods	468,398	287,556
A.V.	Profit/loss for the reporting period	-73,248	180,842
B + C	Liabilities	340,116	39,446
B.	Provisions	0	0
C.	Liabilities	340,116	39,446
C.I.	Non-current liabilities	323,088	30,191
C.I.1.	Bonds issued	22,450	28,600
C.I.1.2.	Other bonds	22,450	28,600
C.I.2.	Payables to credit institutions	811	1,591
C.I.6.	Liabilities - controlled or controlling entity	299,827	0
C.II.	Current payables	17,028	9,255

Balance Sheet		Current reporting period	Previous reporting period
C.II.4.	Trade payables	9,935	4,317
C.II.8.	Other payables	7,093	4,938
C.II.8.1.	Liabilities to equity shareholders	0	3,232
C.II.8.3.	Payroll payables	1,077	782
C.II.8.4.	Payables - social security and health insurance	654	476
C.II.8.6.	Estimated accounts payable	5,120	7
C.II.8.7.	Other payables	242	441
D.	Accrued deferrals of liabilities	0	0

PROFIT AND LOSS STATEMENT

		Current reporting period	Previous reporting period
I.	Revenues from own products and services	25,246	40,965
A.	Production consumption	41,806	30,319
A.2.	Material and energy consumption	3,641	3,164
A.3.	Services	38,165	27,155
B.	Change in inventories of own production	0	0
C.	Activation	0	0
D.	Personnel expenses	17,138	9,555
D.1.	Wages and salaries	12,884	7,139
D.2.	Social security expenses and health insurance and other expenses	4,254	2,416
D.2.1.	Social security expenses and health insurance	4,251	2,411
D.2.2.	Other expenses	3	5
E.	Adjustment of values in the operating area	888	657
E.1.	Adjustments to intangible and tangible non-current assets	888	657
E.1.1.	Adjustments to intangible and tangible non-current assets – permanent	888	657
III.	Other operating revenues	128	15,904
III.1.	Revenues from disposals of non-current assets	7	0
III.3.	Other operating revenues	121	15,904
F.	Other operating expenses	1,310	16,482
F.3.	Taxes and fees	137	15

		Current reporting period	Previous reporting period
F.5.	Other operating expenses	1,173	16,467
*	Operating profit/loss	-35,768	-144
IV.	Revenues from non-current financial assets	0	361,845
IV.1.	Revenue from shares - controlled or controlling entity	0	361,845
G.	Costs of sold shares	0	186,469
V.	Revenues from other non-current financial assets	0	0
H.	Costs related to other non-current financial assets	0	0
VI.	Interest income and similar income	9,306	30,978
VI.1.	Interest revenue and similar revenue – controlled or controlling entity	7,999	28,388
VI.2.	Other interest income and similar income	1,307	2,590
I.	Adjustment of values and provision in the financial sector	0	0
J.	Expense interest and similar expenses	13,393	30,262
J.1.	Expense interest and similar expenses - controlled or controlling entity	12,057	29,215
J.2.	Other interest expense and similar costs	1,336	1,047
VII.	Other financial revenues	8,805	11,946
K.	Other financial expenses	42,198	7,052
*	Financial profit/loss	-37,480	180,986
**	Profit/loss for before taxation	-73,248	180,842
L.	Income tax	0	0

		Current reporting period	Previous reporting period
L.1.	Income tax – due	0	0
L.2.	Income tax – deferred	0	0
**	Profit/loss after taxation	-73,248	180,842
M.	Transfer of profit/loss share to partners	0	0
***	Profit/loss for the reporting period	-73,248	180,842
*	Net turnover for the reporting period	43,485	461,638

CASH FLOW STATEMENT

Cash Flow Statement as of 31/12/2020		Current reporting period	Previous reporting period
P	Cash and cash equivalents at the beginning of the reporting period	2,012	21,694
Cash flows from main activity (operating activities)			
Z	Accounting profit/loss from ordinary activity before taxation	-73,248	180,842
A.1.	Non-cash transactions adjustments	4,967	-68
A.1.1	Depreciation of fixed assets - destruction, physical demolition, damage, gifts	888	657
A.1.3	Profit (loss) from sale of fixed assets	-7	0
A.1.5	Accounted for interest expense and income (exclusive of interest capitalization)	4,086	-725
A*	Net cash flow from operating activity before taxation, changes in working capital and exceptional items	-68,281	180,774
A.2.	Change in non-cash items of working capital	17,773	92,831
A.2.1	Change in receivables from operating activities, active accrual accounts and estimated receivables	9,951	100,972
A.2.2	Change in current liabilities from operating activities, accrued liabilities and estimated liabilities	7,822	-8,141
A**	Net cash flow from operating activity before taxation and extraordinary items	-50,508	273,605
A.3	Interest paid exclusive of interest capitalization	-13,393	-30,262
A.4	Interests received	9,306	30,987
A.5	Income tax for operating activities and additional tax assessments for previous periods	4,526	-4,526
A***	Net cash flow from operating activities	-50,069	269,804
Cash flows from investing activities			
B.1	Expenses on fixed assets acquisition	-220,105	-276,237

Cash Flow Statement as of 31/12/2020		Current reporting period	Previous reporting period
B.2	Income from fixed assets sales	7	0
B.3	Loans and credits to related parties	273,016	209,319
B***	Net cash flow from investing activities	52,918	-66,918
Cash flows from financing activities			
C.1	Impact of changes in liabilities falling into financial activities	292,898	-492,381
C.2	Impact of a change of equity on cash	-269,813	269,813
C.2.2	Pay-out of equity shares to shareholders	-269,813	269,813
C***	Net cash flow from financing activities	23,085	-222,568
F	Net increase/decrease in cash on hand	25,934	-19,682
R	Balance of cash on hand and financial equivalents at the end of the reporting period	27,946	2,012

SUMMARY OF CHANGES IN OWNER'S EQUITY

Accounting period 2019	Initial balance	Increased	Decreased	Final balance
Owner's equity	289,556	696,217	-245,562	740,211
Registered capital	2,000	0	0	2,000
Premium and capital funds	0	269,813	0	269,813
Capital funds	0	269,813	0	269,813
Other capital funds	0	269,813	0	269,813
Net profit/loss from previous years	41,994	245,562	0	287,556
Retained profit or unreimbursed loss from previous reporting periods	41,994	245,562	0	287,556
Profit/loss for the reporting period	245,562	180,842	-245,562	180,842

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

ANNEX TO THE INDIVIDUAL FINANCIAL STATEMENTS

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1. DESCRIPTION OF THE COMPANY

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

The Company is the highest consolidating unit.

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

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

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

The Company has no organizational unit abroad.

CONTROL AND MANAGING BODIES OF THE PARENT COMPANY WERE AS OF 31/12/2020 THE FOLLOWING:

Chairman of the Board of Directors

Ing. et Ing. RADEK STACHA,

Date of birth: 28 November 1987

Mezírka 741/7, Veveří, 602 00 Brno

Date of appointment: 25 February 2020

Registered: 25 February 2020

Vice-Chairman of the Board of Directors

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

Tučkova 418/21, Veveří, 602 00 Brno

Date of membership: 25 February 2020

Registered: 25 February 2020

Member of the Supervisory Board

Mgr. Jiří Hruban, date of birth 21 March 1978

Štefánikova 136/66, Ponava, 612 00 Brno

Date of membership: 12 September 2016

Registered: 13 September 2016

A Member of the Board of Directors resigned effective February 25, 2020:

Member of the Board of Directors

Mgr. JAN FIALA, date of birth 27 July 1982

Erbenova 382/14, Černá Pole, 602 00 Brno

Date of membership: 27 December 2019

Termination of membership: 25 February 2020

2. STARTING POINTS FOR ELABORATING THE FINANCIAL STATEMENTS

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

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

The Financial Statements of the Company is compiled as of the Balance Sheet Day 31/12/2020 for the calendar year 2020.

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

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

3. GENERAL ACCOUNTING PRINCIPLES, ACCOUNTING METHODS AND THEIR CHANGES AND DEVIATIONS

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

A) NON-CURRENT INTANGIBLE ASSETS

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

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

Depreciations of non-current intangible assets are calculated based on the acquisition price and the expected useful life of the respective assets.

The depreciation plan during use of non-current intangible assets is updated according to expected useful life of assets.

B) NON-CURRENT TANGIBLE ASSETS

Non-current tangible assets include land, buildings and tangible assets having an estimated useful life greater than one year and valuation greater than CZK 40 thous. in an individual case. Purchased non-current tangible assets are valued at acquisition cost, which includes the acquisition price, transportation costs, customs duty and other acquisition-related costs. Interest and other financial expenses related to the acquisition are not included in their valuation, less accumulated depreciation and any recognized impairment loss.

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

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

Depreciations are calculated based on the acquisition price and the expected useful life of the respective assets. The depreciation plan during use of non-current tangible assets is updated according to the expected useful life of assets. If there is a decrease in the book value of non-current tangible assets, the Group will create an adjustment as the difference between the book value and the price based on expert determination. Gains or losses on the sale or retirement of an asset are determined as the difference between the sales revenues and the book value of the asset at the time of sale and are charged to the Profit and Loss Statement.

C) NON-CURRENT FINANCIAL ASSETS

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

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

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

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

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

As of the date of the Financial Statements:

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

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

D) CURRENT FINANCIAL ASSETS

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

Current financial assets are valued at cost upon

acquisition. The acquisition cost of securities includes direct costs related to the acquisition, e.g. fees and commissions paid to brokers, advisors and stock exchanges.

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

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

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

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

The fair value of current financial assets represents the market value as published by a domestic or foreign stock exchange, or valuation by qualified estimate or by expert judgment if no market value is available. Funds are formed of valuables, cash on hand and cash in bank accounts.

E) RECEIVABLES

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

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

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

G) OWNER'S EQUITY

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

H) LIABILITIES

Liabilities are charged at nominal value. Estimated liability accounts are valued based on expert

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

I) RELATED-PARTY TRANSACTIONS

Related parties of the Company are understood as:

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

J) PROVISIONS

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

K) LEASING

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

acquisition payments within costs by transfer of ownership.

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

L) FOREIGN EXCHANGE OPERATIONS

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

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

M) USE OF ESTIMATES

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

N) CHARGING OF REVENUES AND EXPENSES

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

O) DUE INCOME TAX

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

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

P) DEFERRED INCOME TAX

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

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

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

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

P) SUBSEQUENT EVENTS

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

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

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

4. ADDITIONAL DATA ON BALANCE SHEET ITEMS

A) NON-CURRENT INTANGIBLE ASSETS

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

Overview of non-current intangible assets in 2019:

thous. CZK	1/1/2019	Entries	Deletions	Transfers	31/12/2019
Gross value					
Software	200	132	0	0	332
Total	200	132	0	0	332
Accumulated depreciation					
Software	0	-61	0	0	-61
Total	0	-61	0	0	-61
Adjustments					
Software	0	0	0	0	0
Total	0	0	0	0	0
Net value	200	71	0	0	271

Overview of non-current intangible assets in 2020

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

B) NON-CURRENT TANGIBLE ASSETS

Overview of non-current tangible assets in 2019:

thous. CZK	1/1/2019	Entries	Deletions	Transfers	31/12/2019
Gross value					
Buildings	0	1 918	0	0	1,918
Equipment	2,417	192	0	0	2,609
Total	2,417	2,110	0	0	4,527
Accumulated depreciation					
Buildings	0	-19	0	0	-19
Equipment	-265	-577	0	0	-842
Total	-265	-596	0	0	-861
Adjustments					
Buildings	0	0	0	0	0
Equipment	0	0	0	0	0
Total	0	0	0	0	0
Net value	2,152	1,514	0	0	3,666

Overview of non-current tangible assets in 2020:

thous. CZK	1/1/2020	Entries	Deletions	Transfers	31/12/2020
Gross value					
Buildings	1,918	16,241	-4,810	0	13,349
Equipment	2,609	33	0	0	2,642
Total	4,527	16,274	-4,810	0	15,991
Accumulated depreciation					
Buildings	-19	-175	19	0	-175
Equipment	-842	-622	0	0	-1,464
Total	-861	-797	19	0	-1,639
Adjustments					
Buildings	0	0	0	0	0
Equipment	0	0	0	0	0
Total	0	0	0	0	0
Net value	3,666	15,477	-4,791	0	14,352

C) NON-CURRENT FINANCIAL ASSETS

The company reports non-current financial assets in the amount CZK 655,620 thous. (2019: 719,992 thous.), which is formed mainly of shares in subsidiaries.

Overview of non-current financial tangible assets in 2019:

thous. CZK	1/1/2019	Entries	Deletions	Transfers	31/12/2019
Gross value					
Shares – controlled or controlling entity	164,688	460,461	-186,469	0	438,680
Lending and loans - controlled or controlling entity	470,494	452,488	-730,496	0	192,486
Loans and credit - other	20,136	124,749	-107,250	0	37,636
Advances on non-current financial assets	0	51,190	0	0	51,190
Total	655,318	1,088,888	-1,024,215	0	719,992
Adjustments					
Shares – controlled or controlling entity:	0	0	0	0	0
Lending and loans - controlled or controlling entity	0	0	0	0	0
Loans and credit - other	0	0	0	0	0
Advances on non-current financial assets	0	0	0	0	0
Total	0	0	0	0	0
Net value	655,318	1,088,888	-1,024,215	0	719,992

Overview of non-current financial tangible assets in 2020:

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

The group Českomoravská Nemovitostní is formed of the following companies:

Company name:	Registered seat	Basic capital	Amount of the share
Českomoravská Poradenská s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
Českomoravská Projektová a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
Českomoravská Projektová II a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
Českomoravská Projektová III a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
Czech-Moravian Properties a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
ČMN Alpha s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN I s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN II s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN RE I a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
ČMN RE II a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
ČMN RE III a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
ČMN RE Management a.s.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 2,000,000	100 %
ČMN Servis s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %
High End Living s.r.o.	Wenceslas Sq. 806/62, Prague 1, 110 00	CZK 200,000	100 %

D) RECEIVABLES

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

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

E) CURRENT FINANCIAL ASSETS

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

F) ACCRUED EXPENSES

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

G) OWNER'S EQUITY

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

Based on the decision of the General Meeting of the Company, held on 30 June 2020, transfer was approved of the 2019 profit amounting to CZK 180 842 thous. to the account of retained earnings from previous years.

It is assumed that the loss for 2020 of CZK 73 248 thous. will be transferred to the account of retained losses from previous years.

H) PROVISIONS

The company did not account for provisions in 2020.

I) LIABILITIES

The Company's non-current liabilities consist mainly of a loan from a related party amounting to CZK 299 827 thous. whose repayment exceeds five years.

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

As of the date of the Financial Statements, the Company records bonds with a nominal value of CZK 22 450 thous. in current liabilities.

J) LEASING

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

K) ADJUSTMENTS

The Company reports no adjustments.

L) SUBSIDIES/INVESTMENT INCENTIVES

The accounting entity received neither subsidies nor investment incentives during 2020.

5. ADDITIONAL DATA ON THE ITEMS OF THE PROFIT AND LOSS STATEMENT

A) REVENUES

The Company's revenues consist mainly of revenues from the sale of products and services, revenues from the sale of securities and from shares and interest.

Overview of the Company's revenues:

	2020	2019
Revenue from own products and services	25,246	40,965
Other operating revenues	128	15,903
Revenue from sale of securities and shares	0	361,845
Interest income	9,306	30,978
Other financial revenues	8,805	11,946
Total	43,485	461,637

B) PRODUCTION CONSUMPTION

The total costs of production consumption amounted to CZK 41,806 thous. Costs of materials and energy consumption amounting to CZK 3,641 thous. involve mainly costs for marketing needs and office equipment, including IT hardware, which is not included in non-current tangible assets due to its low unit price

The costs for services in the amount of CZK 38,165 thous. mainly include the costs of legal, accounting, tax, economic, technical and IT consultancy.

C) PERSONNEL EXPENSES

Personnel expenses in 2020 amounted to CZK 17,138 thous. The Company had 38 employees as of the date of the Financial Statements. The average number of employees over the reporting period was 20.

The amount of remuneration of supervisory or administrative bodies has been set according to the market standard. Meanwhile, no extraordinary remuneration has been paid to these bodies in 2020.

D) INFORMATION ON RELATED PARTY TRANSACTIONS

As of the date of these Financial Statements, the Company has registered a non-current loan from a related party amounting to CZK 299,827 thous., whose maturity exceeds five years.

At the same time, the Company provides services to controlled persons related to financial and commercial areas, accounting, asset and property management, etc. For these services, the Company charges consideration according to the market standard.

All transactions with related parties were agreed upon on a market-based basis under normal commercial conditions.

E) RESEARCH AND DEVELOPMENT

The company incurred no expenses for research and development.

6. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

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

Company management continues to closely monitor the situation regarding the COVID-19 pandemic, and is seeking out ways of minimizing the impact of this pandemic on the activity of the Company. Company management has considered the potential impacts of COVID-19 on its activities and business and concluded that they do not have any significant influence on the going concern assumption. In view of this, the Financial Statements as of 31/12/2020 were prepared under the assumption that the Company will be able to continue its activities without serious complications caused by the aforementioned coronavirus.

7. GOING CONCERN ASSUMPTION OF THE COMPANY

The Company posted an after-tax loss in 2020 of CZK -73,248 thous. CZK. The Company Owner's equity as of the date of the Financial Statements reached an amount of CZK 397,150 thous. In light of this and the Company's strategic plans, the Financial Statements were elaborated as of 31/12/2020 under the going concern assumption of the Company.

Compiled on:

8/6/2021

Name and signature of the statutory body of the
Company:



Ing. Mgr. Josef Eim

Vice-Chairman of the Board of Directors

REPORT ON RELATIONSHIPS

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

SECTION I. STRUCTURE OF RELATIONSHIPS BETWEEN THE CONTROLLED ENTITY AND CONTROLLING ENTITY OF AN ENTITY CONTROLLED BY THE COMPANY

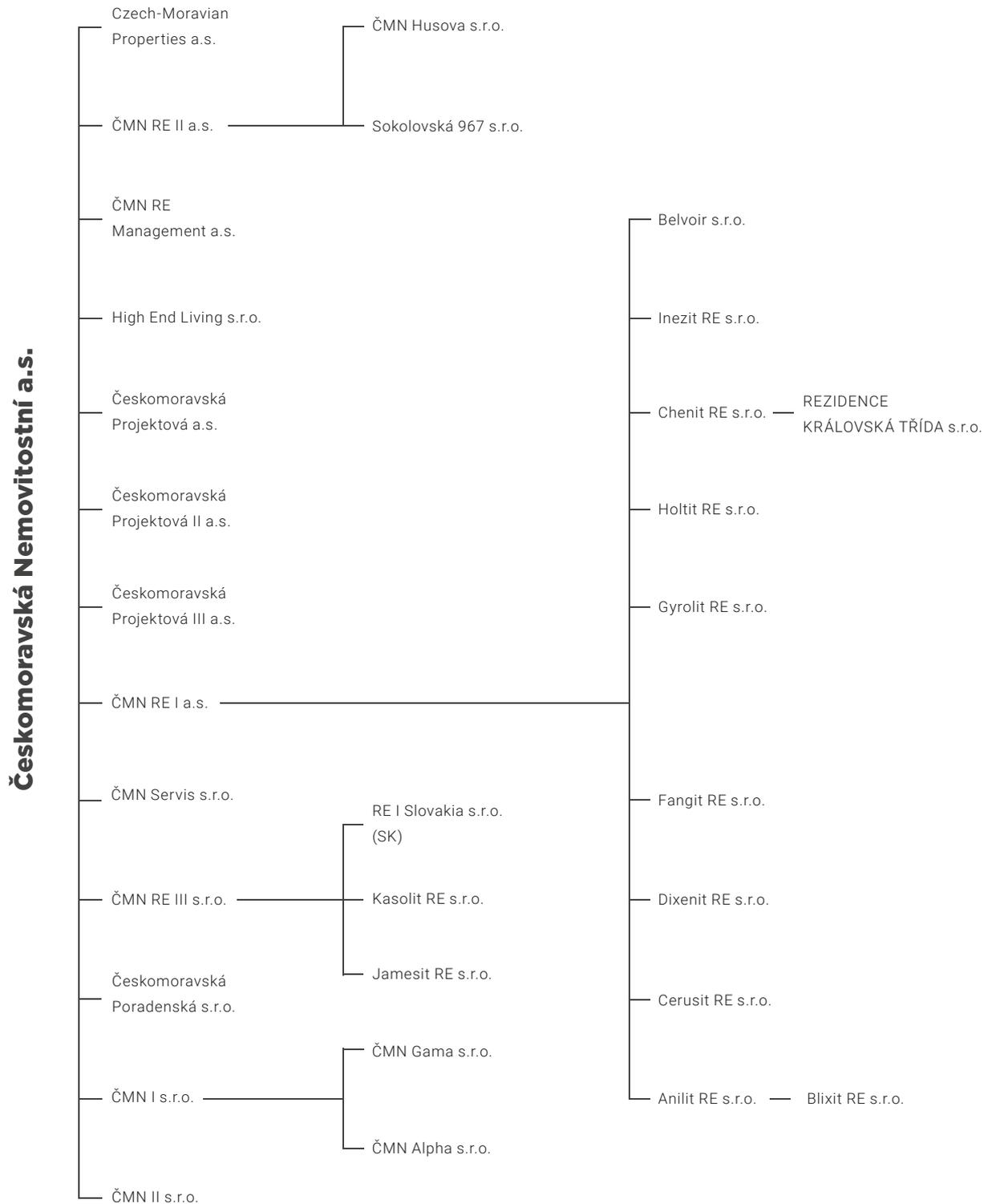
ENTITIES CONTROLLED BY THE COMPANY

The statutory body of the Company was aware as of 31/12/2020 of the following companies controlled by the Company:

- Českomoravská Projektová a.s., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 073 75 115, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no. B 24251;
- Českomoravská Projektová II a.s., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 081 69 926, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no. B 24412;
- Českomoravská Projektová III a.s., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 09048189, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: B 25198;
- Českomoravská Poradenská s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 055 59 812, registered in the Commercial Register administered by the Regional Court in Brno, Reg. no.: C 96190;
- ČMN RE I a.s., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 065 94 191, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: B 24177;
- ČMN RE II a.s., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 065 94 484, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: B 24176;
- ČMN RE III s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 09639110, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 339462;

- ČMN I s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 049 38 453, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 309183;
- ČMN II s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 053 72 321, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 310795;
- ČMN Alpha s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 062 22 960, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 311004;
- ČMN Gama s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 063 33 311, registered in the Commercial Register administered by the Regional Court in Brno, Reg. no.: C 101486;
- High End Living s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 03885216, registered in the Commercial Register administered by the Regional Court in Brno, Reg. no.: C 87242;
- ČMN RE Management a.s., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 079 49 898, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: B 24244;
- ČMN Servis s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 085 99 181, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 321738;
- Sokolovská 967 s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 060 36 163, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 311987;
- ČMN Husova s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 064 37 885, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 311990;
- Anilit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 080 53 332, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312191;
- Blixit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 080 53 359, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312194;
- Cerusit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 080 53 375, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312196;
- Dixenit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00

31/12/2020 ORGANIZATIONAL STRUCTURE OF THE GROUP



- Prague 1, Corporate number: 080 53 421, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312197;
- Fangit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 080 53 499, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312201;
 - Gyrolit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 080 53 511, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312202;
 - Holtit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 080 53 537, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312203;
 - Chenit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 080 53 533, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312204;
 - Inezit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 080 53 561, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 312205;
 - Czech-Moravian Properties a.s., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 06358764, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: B 25711;
 - REZIDENCE KRÁLOVSKÁ TRŽIDA, s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 06767591, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 288518;
 - Jamesit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 09676678, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 340259;
 - Kasolit RE s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 09676732, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 340260;
 - Belvoir s.r.o., having its registered seat at Wenceslas Sq. 806/62, Nové Město, 110 00 Prague 1, Corporate number: 09016228, registered in the Commercial Register administered by the Municipal Court in Prague, Reg. no.: C 329197;
 - RE Slovakia I s.r.o., established and existing under Slovak law, having its registered seat at Laurinská 18, Staré Mesto, 811 01 Slovak Republic, Corporate number: 53405226, registered in the Slovak Commercial Register administered by the of District Court Bratislava I, File no. 148427/B;
- („Controlled Entities“).

The statutory body of the Company declares that it

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

Entity	Name of agreement	Date concluded	Performance provided from the company	Performance removed on the part of Companies	Damage
ČMN RE I a.s.	Loan agreement	1/1/2019	Interest	Loan	none
Sokolovská 967 s.r.o.	Provision of Services Agreement	20/11/2019	Services	Remuneration	none
Sokolovská 967 s.r.o.	Amendment no. 1 to the Agreement on provision of services	28/2/2020	Services	Remuneration	none
Real Estate 4P a.s.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN Alpha s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN Gama s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN I s.r.o.	Provision of Services Agreement	10/12/2019	Services	Remuneration	none
ČMN II s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN RE I a.s.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
ČMN RE II a.s.	Provision of Services Agreement	10/12/2019	Services	Remuneration	none
ČMN Husova s.r.o.	Provision of Services Agreement	10/12/2019	Services	Remuneration	none
Českomoravská Poradenská s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Českomoravská Poradenská s.r.o.	Provision of Services Agreement	1/3/2020	Services	Remuneration	none
ČMN Servis s.r.o.	Provision of Services Agreement	29/1/2020	Services	Remuneration	none
REZIDENCE KRÁLOVSKÁ TRŮBA, s.r.o.	Provision of Services Agreement	29/1/2020	Services	Remuneration	none
Czech-Moravian Properties a.s.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Czech-Moravian Properties a.s.	Amendment no. 1 to the Agreement on provision of services	1/6/2020	Services	Remuneration	none
Českomoravská Projektová a.s.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none

Entity	Name of agreement	Date concluded	Performance provided from the company	Performance removed on the part of Companies	Damage
Českomoravská Projektová II a.s.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Českomoravská Projektová II a.s.	Amendment no. 1 to the Agreement on provision of services	10/12/2019	Services	Remuneration	none
Českomoravská Projektová II a.s.	Amendment no. 2 to the Agreement on provision of services	29/4/2019	Services	Remuneration	none
Českomoravská Projektová III a.s.	Provision of Services Agreement	20/4/2019	Services	Remuneration	none
Českomoravská Projektová III a.s.	Amendment no. 1 to the Agreement on provision of services	26/10/2019	Services	Remuneration	none
ČMN RE Management a.s.	Provision of Services Agreement	10/6/2019	Services	Remuneration	none
ČMN RE Management a.s.	Amendment no. 1 to the Agreement on provision of services	10/6/2019	Services	Remuneration	none
ČMN RE Management a.s.	Amendment no. 2 to the Agreement on provision of services	21/12/2020	Services	Remuneration	none
ČMN RE Management a.s.	Amendment no. 3 to the Agreement on Provision of Services	21/12/2020	Services	Remuneration	none
Anilit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Blixit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Cerunit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Dixenit RE s.r.o.	Provision of Support Agreement	26/8/2019	Incentive	Services	none
Erinit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Fangit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Gyrolit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Holtit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Chenit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Inezit RE s.r.o.	Provision of Services Agreement	26/8/2019	Services	Remuneration	none
Českomoravská Poradenská s.r.o.	Provision of Support Agreement	1/11/2019	Incentive	Remuneration	none

has acted with due diligence in ascertaining the circle of other related parties for the purpose of elaborating this Report.

SECTION II. ROLE OF THE COMPANY

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

SECTION III. METHOD AND MEANS OF CONTROL

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

SECTION IV. DECISIVE PERIOD

This Report has been elaborated for the period of 1/1/2020 to 31/12/2020.

SECTION V. OVERVIEW OF ACTS TAKEN AT THE INITIATIVE OR IN THE INTEREST OF CONTROLLING ENTITIES OR ENTITIES CONTROLLED BY THEM, IN SO FAR AS SUCH CONDUCT CONCERNED ASSETS OF A VALUE EXCEEDING 10% OF THE COMPANY'S OWNER'S EQUITY

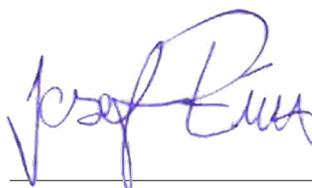
The Company knows of no acts taken at the initiative or in the interest of controlling persons or entities controlled by them.

SECTION VII. CONCLUSION

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

In Brno, 31/3/2021

Českomoravská Nemovitostní a.s.



Ing. Mgr. Josef Eim
Vice-Chairman of the Board of Directors

CONTACTS

COMPANY REGISTERED SEAT

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140 00 Prague 4

