



# ANNUAL REPORT 2023







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# FOREWORD

Dear Business Partners,

I am very pleased that with the year behind us, I can share with you good news about what is happening in our company. But before we look back at the past year, I would like to express my deepest gratitude. Without your support, we would definitely not be where we are now. We do not take for granted the trust you place in us. In fact, we see it is a serious obligation and motivation for us to move forward and be even better. Our work and its results are visible, tangible and beneficial every day.

I dare say that Českomoravská Nemovitostní is constantly developing and maturing. We are progressing in terms of experience and decisions, but also in terms of personnel. One of the symbols of our growing seniority is the appointment of a new CFO, Alice Augustová. With nearly 30 years of experience in finance and real estate, she is an expert who will play a key role in ensuring the financial management of the entire group. I am very pleased we share similar perspective on risk management. I can promise you that in 2024 we plan to enrich our team with even deeper understanding and experience.

If you take a look at our portfolio, you will find that we did not add any “new” property to it in 2023. Our requirements are of a very high standard, and even though we had several acquisitions selected and in progress, none of them met our above-standard expectations for execution. Compromising our values in these respects is absolutely unacceptable for us even for your sake, our investors and partners.

There were two planned changes to our real estate portfolio in 2023. At the end of the year, we became the majority owner of the Churchill Square premises, where we increased our existing 50% stake to 75% in a transaction worth one billion Czech crowns. In 2024, we plan to buy the remaining part and become the 100% owners of these exceptional premises.

The second change was the strategic divestment of the Zirkon building in Karlín, which we bought in a package of buildings at the end of 2021 together with Apeiron and Corso.

Unlike the latter two, which are fully occupied buildings in good condition, the Zirkon building was intended for a complete renovation. The buyers were Upvest, owned by Komerční banka, and the American real estate company Lincoln Property Company. Thanks to this, we are in a comfortable financial position in terms of the likely purchase of more assets.

And what are our goals for the near future? In recent years, we have become one of the five largest office space lessors in Prague. Therefore, logically, we found ourselves faced with the question of how we want to continue: to be the biggest or the best? We have chosen the latter, better option. Therefore, the biggest goal for me for 2024 will be to conservatively continue our strategy, buy premium real estate and not weaken our criteria.

Critical self-assessment and feedback are part of our robust strategy. It is not enough to enjoy good results and have the impression that we are doing everything perfectly. It is absolutely necessary to be able to look back and analyse every step we took to see if something could have been done better. I believe that there is always room for improvement. And that, in my opinion, is also something that sets us apart from the competition.

The success of ČMN is not based on individuals, but on the entire perfectly functioning team. Therefore, I would like to thank our employees once again, as well as you, our business partners and co-investors. You help us be the best.

I am already looking forward to the challenges and tasks that 2024 will bring us.



**Ing. et Ing. Radek Stacha**  
CHAIRMAN OF THE BOARD OF DIRECTORS











# ABOUT US

Českomoravská Nemovitostní (ČMN) is an investment group founded in 2016. It focuses on the purchase and management of commercial real estate and manages a portfolio of more than 530 mil. EUR.

Our success is based on the solid foundations of long-term business relationships and mutual trust. Due to this, we are able to locate and bring about exclusive investment opportunities that are often beyond the reach of most local companies. One of our key approaches is that we always try to put the current market situation in the context of long-term global trends. Therefore, we are able not only to respond to current challenges, but also to actively anticipate the future direction of the market.

As part of our investment strategy, we are aiming to acquire first-class office buildings. Each property selected for our portfolio is vetted with the utmost diligence. And what are our key criteria? For example, a unique location, sustainability, strong tenants, and long-term lease agreements.

A significant part of our efforts is directed towards the long-term care of relationships with our tenants, which we see as the cornerstone of our long-term success and stable growth. This philosophy allows us to strengthen the value of our portfolio. It also delivers tangible results for both our investors and the communities in which we operate.

We want to continue our approach with our typical perseverance in order to further strengthen our values, expand our real estate portfolio and provide our clients with the best service they definitely deserve.

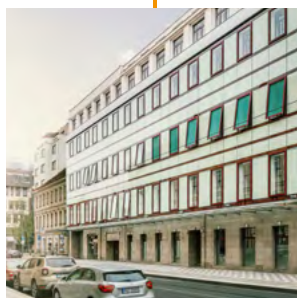


“ We look over every metre  
of our properties. ”



# HIGHLIGHTS OF 2023

**Acquisition of an additional 25% share  
in Churchill Square project**



**Profitable sale  
of the Zirkon Building**



**New Chief Financial Officer  
Alice Augustová**



Historically highest  
property occupancy rate at 97.5 %



Renegotiation of  
12 lease agreements



Commencement of reconstruction of  
Václavské náměstí 62





” Our successes are based  
on solid foundations,  
long-term relationships  
and mutual trust. “

## OUR MAIN PARTNERS



# BOARD OF DIRECTORS



## **Ing. et Ing. Radek Stacha**

**CHAIRMAN OF THE BOARD OF DIRECTORS**

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Radek Stacha is responsible for strategic planning, business development and risk management. During his career, he has worked as a portfolio manager for major funds and has held a number of executive positions in the field of real estate investment. In his analyses of the real estate market and capital markets, Radek benefits from the unique synergy of his economic and technical education. He graduated in Finance from the Masaryk University in Brno and Process Engineering from the Brno University of Technology.



## **Ing. Mgr. Josef Eim**

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

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Josef Eim is responsible for the development of the real estate business, the strategy of the ČMN Group on the financial markets and the search for investment opportunities. Previously, he worked in several foreign and Czech investment funds. He holds a Master's degree in Law and Legal Science from the Faculty of Law and a Master's degree in Finance from the Faculty of Economics and Administration of Masaryk University in Brno. He also studied abroad at the London School of Economics and Political Science.



## **Richard Britten-Long**

**CHAIRMAN OF THE SUPERVISORY BOARD**

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Richard Britten-Long has spent most of his 50-year career in investment banking, specialising in real estate finance and fund management. He was founder and CEO of Wickford Property Management, a joint venture between his company Laird Finance Group and J O Hambro Capital Management, with a portfolio of commercial real estate worth more than £1 billion, which was leased exclusively to state institutions in the UK and continental Europe.



# PEOPLE IN THE COMPANY

The people who work in our company are the cornerstones of our business. We perceive mutual and long-term loyalty as a key factor for stable and successful cooperation.

We have assembled a team that combines seasoned professionals with a wealth of experience in finance, investment, property management and construction development with ambitious young talented individuals who are open to opportunities for learning and professional growth.

Within our team, several values are core to our operations. We consider expertise and experience to be essential elements that shape our qualifications and ability to achieve excellence. We also prize the courage with which we take responsibility for our actions and decisions.

In addition, our organisation places great emphasis on open and honest communication, which strengthens our relationships and promotes effective collaboration within the team.

We believe that creating a culture of expertise, mutual respect and support is key to our company and its long-term success.



## STRENGTHENING THE TEAM



### ” MY EXPERIENCE AND EXPERTISE CAN BRING A NEW PERSPECTIVE. “

Alice Augustová has become our new Chief Financial Officer. She will play a key role in ensuring the financial health of the entire group and supporting its future growth. With almost thirty years of experience in finance and real estate, Alice is a true professional. Together we discussed her professional history, evaluated the past year and focused on future developments.

#### HOW DID YOU BECOME THE CHIEF FINANCIAL OFFICER IN OUR COMPANY?

My professional journey to the position of CFO began 17 years ago at the international real estate company Atrium, where I worked as a CFO responsible for the Czech and Slovak Republics. During that time, I gained extensive experience in financial management and strategic planning. When the opportunity to join Českomoravská Nemovitostní appeared, I saw it as a great opportunity for personal and professional growth.

#### CAN YOU BE A LITTLE MORE SPECIFIC? WHAT FINALLY MADE YOU JOIN OUR GROUP?

I was probably most attracted to your corporate culture and innovative approach to the real estate market. I feel that my experience and expertise can bring a new perspective and help the group achieve its goals.

#### AND WHAT ARE YOUR FIRST IMPRESSIONS OF THE COMPANY SO FAR?

Very positive. Českomoravská Nemovitostní is a dynamic company with a clear vision and strategy.

## **How does Radek Stacha, Chairman of the Board of Directors of ČMN, see Alice?**

*“Alice Augustová is a person with excellent management skills and a talent for building an inspiring and effective team. Her in-depth knowledge of finance and ability to make strategic decisions make her an invaluable part of our company. Therefore, I am looking forward to our mutual cooperation very much.”*

It has a team brimming with enthusiastic and skilled professionals, who are the key to success in any business. I look forward to working together to attain the high goals we have set for ourselves.

### **LET'S TAKE A QUICK LOOK BACK. HOW WOULD YOU EVALUATE THE COMPANY'S FINANCIAL PERFORMANCE OVER THE PAST YEAR?**

I would say that the financial performance in 2023 was strong, which reflects the company's solid foundations and its effective management. One of my goals will be to maintain this trend and at the same time find new ways to grow further.

### **COULD YOU EXPLAIN YOUR OBJECTIVES FOR THE FINANCE DEPARTMENT IN A LITTLE MORE DETAIL?**

One of my main goals is to ensure that we integrate the finance department even more into the company's strategic decisions. I also want to emphasise the digitisation and automation of financial processes. I believe that this strategy will streamline and fine-tune the work we do. Strengthening relationships with investors and financial partners is also a priority to ensure a stable future for Českomoravská Nemovitostní.

### **AND WHAT DO YOU SEE AS THE BIGGEST OPPORTUNITIES AND CHALLENGES IN THE FIELD OF FINANCE FOR OUR COMPANY THIS YEAR?**

I see huge potential in the use of new technologies for more efficient financial management and data analysis. In terms of challenges, it will be extremely important to adapt to global economic conditions, which are constantly changing, while ensuring financial stability during periods of possible market fluctuations. Our priority should always be to maintain the strong financial health of the company and to find new ways to grow.

# FINANCIAL RESULTS OF ČMN

From the very beginning of our company, we have decided to primarily target premium commercial real estate in large cities and tenants with high payment discipline. This strategy offers an attractive return-risk profile. And even in uncertain times, these assets provide us with much-needed stability. This is one of the reasons why this approach has become a fundamental pillar of our operation and course.

The consolidated economic result of the ČMN Group for 2023 amounted to CZK 58 million. The ČMN Group owns unit certificates of the foreign fund CORE. The properties in this fund generate rent of CZK 474 million.

## WITH INTERNATIONAL OVERLAP

Since 2019, the basic structure of our company has remained unchanged. We use the CORE foreign fund to gain access to lucrative opportunities in Western Europe, as well as legal and regulatory stability. These key aspects also contribute to the fact that we can generate profit in the long term. In Prague, it is customary to pay rent in euros for premium office properties. That is why we value and finance these projects in the same currency.

In the long term, we believe that the European Central Bank's interest rates will be lower than those of the CNB. The year 2023 only confirmed the correctness of our judgement (CNB base rate: 7.0 %, ECB: up to 4.5 %). We regularly diversify our demand for financing among the largest banks on the local market, such as ČSOB, UniCredit Bank, the Czech arm of Raiffeisenbank, as well as foreign banks, such as Austria's Raiffeisenbank and the German banking giant Helaba.

## WE CHOOSE LONG-TERM PROFIT OVER CONTINUOUS EXPANSION

Our core strategy is long-term profitability, not just a focus on continuous growth. Thanks to this, we did not have to be active in the field of acquisitions in 2023. However, that doesn't mean we are sitting on our hands. We review a significant number of acquisition opportunities every year. But only a handful of them meet our strict criteria in terms of quality, quantity and pricing. The period from 2018 to 2021 was rich in acquisitions which made a lot of sense from the perspective of profit, margin and sustainability. But as the business environment changes, we need to adjust our business tactics without affecting our overall strategy.

## EQUITY

Our most important long-term indicator is equity, which currently amounts to CZK 978 million.

It best reflects the state of our finances, our long-term profitability and, from an accounting point of view, it also acts as a safety insurance for our creditors.





” Českomoravská Nemovitostní  
is a dynamic company  
with a clear vision and strategy. “



# LOOKING BACK ON 2023 AND LOOKING AHEAD TO 2024



In 2022, the Czech economy faced high inflation of 15.1%. A year later, in 2023, the average inflation rate fell to 10.7%, which had a significant impact on rent growth throughout the year. This trend will continue in 2024. Despite the fact that inflation in the Eurozone reached only 5.4% in 2023, Czech inflation remains significantly higher. In view of the Czech National Bank's restrictive monetary policy, inflation is expected to decline to between 3.2% and 2.5% in 2024.

Falling inflation should lead to an adjustment in interest rates, which have probably already peaked. The expected interest rate reduction in 2024 should support investment in the market and contribute to the growth of real estate values.

In 2023, the Czech Republic was approaching a recession. GDP fell by 0.4% annually. On the contrary, we expect the Czech economy to recover in 2024 with an expected GDP growth of 1.2%, which we see as a positive indicator for the rental market.

Market rents are likely to continue to increase, mainly

due to the limited number of new construction projects hampered by high construction costs, complicated financing, land shortages and expensive labour. Only 84,000m<sup>2</sup> of new office space is expected in 2024 and the prospects are no better for 2025. This figure is significantly lower than the ten-year average of 125,000m<sup>2</sup>.

Environmental sustainability certificates for buildings will play a significant role. They are becoming more and more important for tenants. This pressure is also increased by the EU itself with its comprehensive non-financial Corporate Sustainability Reporting Directive (CSRD), which obliges companies to regularly disclose non-financial information about their activities. We are already seeing a growing difference in values between office buildings that take into account ESG standards and those that do not yet address them or are unable to address them.

Investors in the market show caution in their search for quality products. The restraint of Western capital offers opportunities to local players with a good knowledge of the local market.

## HOW IS THE SITUATION IN ČMN?

We enter into long-term lease agreements with our clients, which always include an indexation clause, which means that rents increase with inflation. Our assets have thus been able to almost fully reflect inflation in returns. Real estate usually performs best during periods of medium to high inflation, which has now been confirmed. And it reassured us that real estate is the right choice even for uncertain times.

At the same time, long-term lease agreements give us the certainty that a short-term economic slowdown will not have a direct impact on us.

Market rent growth is always positive for current building owners like us. It will help us renegotiate lease agreements and have a positive impact on the valuation of buildings.

Our bank contracts have long-term fixed interest rates, so we have not been directly affected by their growth. According to the current outlook, it can be expected that by the time we start renegotiating loan agreements, rates will be significantly lower. So we will bridge this period.

And where do we stand in terms of sustainability? Our portfolio is largely made up of buildings with good green certifications. In addition, we are actively involved in the field of ESG, so we believe that we have a great starting position here.





# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY



When operating and managing buildings, we always take into account the environmental impact of our business. When selecting buildings for our portfolio, we focus on high-quality buildings that meet modern construction standards and have international BREEAM or LEED certifications, or have a chance to obtain them with appropriate proceedings. More than 66% of all our managed projects currently have these certificates. Overall, according to the EU taxonomy, 93% of our portfolio consists of energy-efficient buildings.

## HOW DO WE ACHIEVE SUSTAINABILITY IN OUR BUILDINGS?

Together with our tenants, we strive for a long-term reduction in energy and water consumption. This is not the only reason why our tenants have the opportunity to enter into a so-called green lease agreement. This type of lease agreement directly binds landlords and tenants to optimise the environmental impact

of their business. On the office market in Prague, only a few buildings can offer such a lease agreement. It is therefore our significant competitive advantage, which is especially appreciated by banks and multinational corporations.

In 2023, we carried out energy audits on our buildings. We carefully examine their results and take them into account when creating a long-term investment plan for the years to come. We are very actively interested in the installation of renewable energy sources and thus increase the value of our portfolio.

We measure and monitor the carbon footprint of our buildings in accordance with the Scope 1 and Scope 2 GHG protocols.

In 2024, we aim to complete the Scope 3 of carbon footprint calculation and continue collecting data to calculate the decarbonisation curve.

We support biodiversity through careful management of building surroundings and greenery, which is an integral part of an attractive working environment and contributes to the better well-being of all employees. For example, in the Churchill Square premises, we have installed insect hotels and apiaries. In 2023, we even tapped our first "urban" honey.

**HOW DO WE CONTRIBUTE TO SOCIAL RESPONSIBILITY?**

For a long time, we have been supporting several non-profit organisations and individuals, in the selection of which the employees themselves participate.



Since the very beginning, we have been taking care of the well-being of our employees. We support the possibility of part-time work and are interested in their current life situation. One of the main benefits is the support of education and personal development, which we consider extremely important. We also foster a pleasant working environment.

Our offices have high-quality facilities for individual and collective relaxation, they are beautified with flowers and art. The offices themselves are located in very good locations with plenty of services in the area and a wide range of after-work activities.

We are in close contact with our tenants. Together, we strive to find new solutions that would contribute to making buildings run more efficiently in accordance with sustainability rules.

Last but not least, we must mention our active interest in the wide surroundings of all projects. It is crucial for us that each building in our portfolio fits into its surroundings not only in terms of its appearance, but also in its interconnection with events and life in the city district. That's why we support activities that open our spaces to the public and establish partnerships that help develop the city, city districts and communities.

**WHAT IS OUR ATTITUDE TOWARDS THE CODIFICATION OF THESE VALUES?**

We fully respect the international standards of the OECD (Organisation for Economic Co-operation and Development), the ILO (International Labour Organisation) and the United Nations.

We also support sustainability in the entire supply chain, among other things, with guidelines that include the issue of sustainability at the given supplier in the area of selection criteria.

We have an ESG policy in place that also takes due diligence into account. We have compiled a matrix that identifies actual and potentially adverse impacts, evaluates them, and then proposes measures to prevent or mitigate adverse impacts. We have also introduced a whistleblowing procedure.



# THE COMMERCIAL REAL ESTATE MARKET IN 2023

In 2023, the commercial real estate market in the Czech Republic was characterised by several key trends. The market mood was marked by economic uncertainty, caution of investors and the search for a new price balance between sellers and buyers.

This year also saw a revaluation of office buildings, and after an increase in yields for commercial buildings in the most desired locations (the so-called "prime yield") in 2022, there was also significant growth this year. Sellers' and buyers' expectations of prices varied widely, which is why many transactions were cancelled, postponed or suspended, which in turn led to less investment activity.

The total volume of investments in 2023 amounted to EUR 1.35 billion, which is about 16% less compared to the previous year. This time investors were most interested in retail space, which accounted for 45% of investment activity, followed by office space with 26% and logistics with 11%.

Once again, the Czech Republic has a strong base of Czech institutional funds, which accounted for 79% of investment volume in 2023. The increase in prime yields for commercial real estate across all sectors continued in 2023. Yield rates for office space rose to 5.25-5.50%, which is an increase of 50-75 basis points year on year. For industrial real estate, we saw an increase in the yield rate to 5.25%, which mitigated the previously unusual difference between the profitability of logistics and production halls and office space. Yield rates for shopping centres remained stable at 6.5%.

For the coming year 2024, we expect an increase in overall transaction activity due to the expected stabilisation of inflation, interest rates and generally greater confidence in the economy. However, we do not expect any rapid reduction in interest rates in the first half of the year, which means increasingly higher financing costs, and the question remains as to how this will affect property yield rates.



## SITUATION IN THE OFFICE SECTOR

The office market, as well as the entire commercial real estate market, was marked by lower investment activity, with investors and owners of office buildings looking for a new price balance. In Prague's key office market, which totals 3.91 million square metres of office space, only 98,400 m<sup>2</sup> of office space was completed in 2023, which is below the five-year average, and no new construction project was started.

Although this is an increase of 30% in the volume of new space delivered to the market, it is still significantly below the long-term average of around 125,000 m<sup>2</sup>. Currently, 84,000 m<sup>2</sup> of office space is under construction, which is expected to be delivered to the market in 2024. Given the long-term shortage of new office space, as well as the fact that no new construction has started for more than a year, the Prague office market is expected to suffer from a lack of supply in 2025.

With the limited availability of new premises, an increase in rents can also be expected. We are already seeing that rents in new office buildings are significantly higher than in older ones, and with the increasing emphasis on ESG, this gap is expected to continue to widen. Rents in the most prestigious locations and in the most lucrative premises (so-called "prime rent") reached the level of €27.50 per m<sup>2</sup> per month at the end of the year.

In Prague, leasing activity declined in 2023. The total volume of newly leased space, referred to as "net take-up", reached 240,000 m<sup>2</sup> this year, which represents a year-on-year decrease of 20%. The office vacancy rate in 2023 was 7.2%, which represents a year-on-year decrease of 50 basis points. It is expected that despite the reduction of space by some tenants, the market will be able to absorb these spaces. Limited construction of new space should keep the vacancy rate around 8%.





# ECONOMIC ASPECTS AND THEIR IMPACT ON BUSINESS

The year 2023 was marked by a continuing turbulent economic climate and was strongly influenced by the reverberations of global crises, specific factors operating in the Czech Republic and the ongoing military conflict in Ukraine. This situation keeps investors in a wary position vis-à-vis the markets of Central and Eastern Europe.

Energy prices soared after the start of the conflict in Ukraine in February 2022. Towards the end of 2023, energy prices started to reach levels similar to those before the war, which is a positive development. This return to pre-war energy price levels is partly due to European governments' efforts to diversify energy sources and introduce price caps. Despite the stabilisation of energy prices, the energy market remains uncertain and further price changes may occur in the future.

Although inflation is expected to remain high at the start of 2024, the CNB and CZSO forecasts suggest its significant decline throughout the year. Inflation expectations for 2024 point towards a more stable environment, with a possible reach of 2.6% by the end of the year according to the CNB's forecasts. This stabilisation could support a resumption of investment activity as the year progresses.

At the end of 2022, the ECB's main refinancing operations rate (MRO) stood at 2.5%, but increased to 4.5% in the course of 2023 to fight inflation. This move contributed to reducing inflation in the European Union, which fell from 9.6% at the end of 2022 to 3.4% in December 2023. The entire eurozone achieved an even more significant drop in inflation, when it amounted to only 2.9% in December 2023.





The increase in ECB interest rates thus brought the desired effect, but at the same time it may slow down economic growth in the eurozone in the future. In the Czech Republic, where interest rates were even higher, this effect may be even more significant.

Certain unfavourable news for the Czech economy is the fact that while the global economy grew by 3.2% in 2023 according to the IMF, the gross domestic product of the Czech Republic, on the other hand, fell by 0.4%. This decline can be partly attributed to the high interest rates set by the Czech National Bank to fight inflation. At the end of December 2023, the key interest rate in the Czech Republic reached 6.75%, dampening investment and consumer activity, and thus overall economic growth.

A slowdown in the pace of inflation and a possible decline in interest rates may bring about a recovery in investment activity. Investors seeking returns in the context of high inflation may find real estate investments attractive, especially if rents are linked to inflation indexation.

The economic climate of 2023 requires commercial real estate market players to closely monitor the development of key indicators and respond flexibly to changing market conditions. Measures such as thorough analysis of individual projects, sensitivity to tenants' needs and far-sighted investment strategies will be key to success during this challenging but potentially promising period.



A photograph of a modern office building facade. The building features a mix of materials, including dark brick and large glass windows. The windows are arranged in a grid pattern, and some are reflecting the sky and surrounding environment. The lighting is warm, suggesting late afternoon or early morning. The text is overlaid on the right side of the image.

” We are one of the few who can offer  
our tenants a green lease  
on the office market in Prague. “

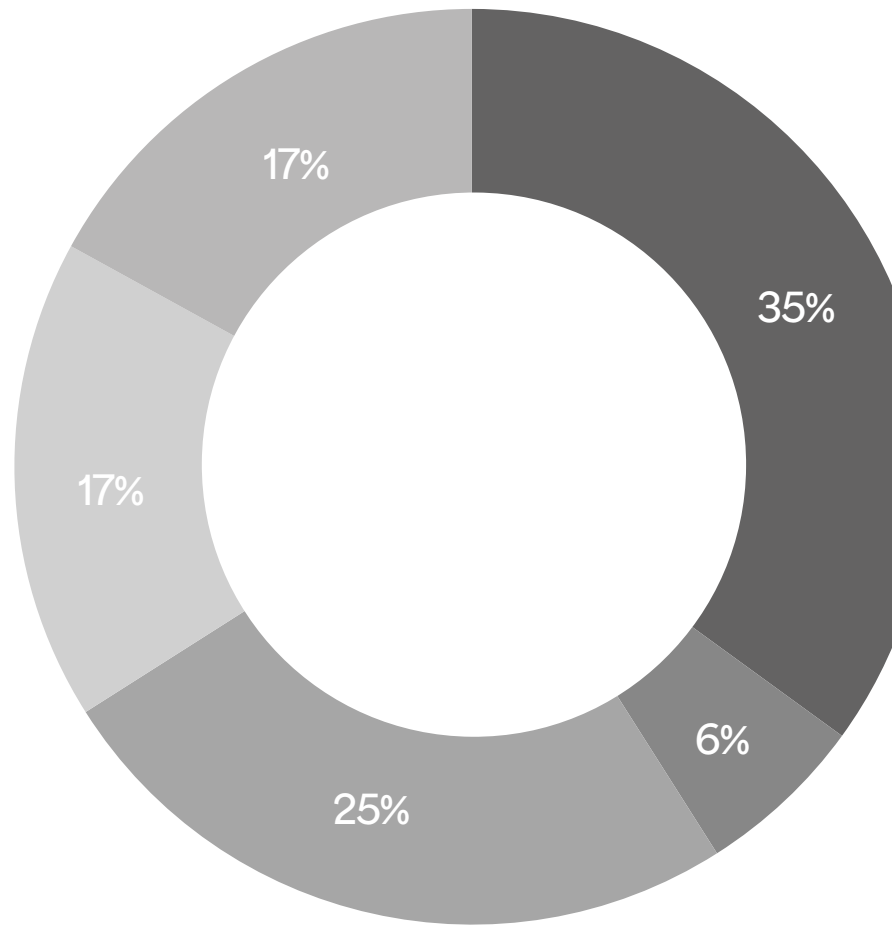
# Portfolio of real estate managed by Českomoravská Nemovitostní

# PORTFOLIO MANAGED BY ČMN

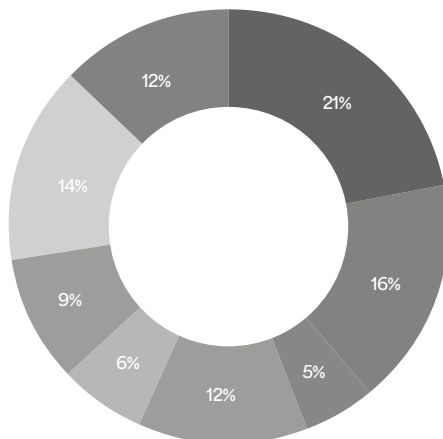


## DISTRIBUTION OF BUILDINGS BY LOCATION

- 35% PRAGUE 1, 2
- 25% PRAGUE 5
- 17% PRAGUE 8
- 17% PRAGUE 6
- 6% PRAGUE 4



## DISTRIBUTION OF TENANTS BY INDUSTRY



- 21% FINANCIAL SECTOR
- 16% INFORMATION AND COMMUNICATION SERVICES AND INDUSTRY
- 14% HEALTH AND SOCIAL CARE
- 12% TRADE AND MEDIATION
- 12% OTHERS
- 9% SOFTWARE DEVELOPMENT
- 6% FOOD INDUSTRY
- 5% REAL ESTATE & INFRASTRUCTURE



# CHURCHILL SQUARE VINOHRADY

OCCUPANCY OF THE BUILDING

**98%**

LEASABLE AREA

**30,000 m<sup>2</sup>**

EMPLOYEE CAPACITY

**3,000**

AVERAGE DURATION OF LEASE

**3.8 years**



## JUST ONE STEP AWAY FROM EVERYTHING YOU NEED

On the site of the Czech Railways' former warehouses, within sight of Prague's main railway station, there are the Churchill I and Churchill II buildings. With a total area of 30,000m<sup>2</sup>, these premises can accommodate up to 3,000 employees. At present, its most important tenants include the multinational consulting company Deloitte and the international FEG - Fortuna Entertainment Group. Retail space is also an important part of the building, where you will find the Rossmann drugstore or the Lidl supermarket, which extended its lease agreement in 2023. The year 2023 was also a significant milestone for us as the ČMN real estate group, as we became the new majority owner of both buildings.

The exceptional design of both buildings goes hand in hand with the use of environmentally friendly technologies that significantly save operating costs. Therefore, both buildings have received green certificates at the LEED Gold level. But our interest in sustainability does not end there. In 2023, we installed an insect hotel in front of the buildings and also tapped our first "urban" honey from the bees we breed on the roof.



SELECTED TENANTS

**FEG Deloitte.**



# BLOX DEJVICE

OCCUPANCY OF THE BUILDING

**99%**

LEASABLE AREA

**22,200 m<sup>2</sup>**

EMPLOYEE CAPACITY

**1,400**

AVERAGE DURATION OF LEASE

**2.5 years**



## TIMELESS OFFICES FOR YOUR BUSINESS

The dominant eight-storey BLOX building is located in Dejvice, a district full of commercial activities. This is one of the reasons why major multinational companies such as Amazon and CertiCon as well as domestic companies such as Košík have found their headquarters in our premises. In addition to offices, you will find retail space on the ground floor, which is leased by the Billa supermarket or Rossmann drugstore, as well as a canteen and café. These companies provide great facilities for office employees and residents of the neighborhood. We often turn the atrium of the building into a publicly accessible gallery, where we give space for presentation to local artists, for example from the Secondary Art School in Prague 6.

BLOX is a modern building that meets international standards of the highest BREEAM - OUTSTANDING level, which relate to the quality and efficiency of office space. It is easily accessible by public transport (metro line A, tram and bus stops) and is located in easy reach of Václav Havel Airport.



SELECTED TENANTS





# CITY WEST C1 & C2 STODŮLKY

OCCUPANCY OF THE BUILDING

**96%**

LEASABLE AREA

**26,000 m<sup>2</sup>**

EMPLOYEE CAPACITY

**2,100**

AVERAGE DURATION OF LEASE

**1.6 years**



## A PLACE TO WORK AND RELAX

These modern office premises with excellent accessibility are located in Stodůlky in Prague 5. They impress with their timeless design, high functionality and energy efficiency. The CITY WEST C1 and C2 buildings even became one of the first office buildings in the Czech Republic to receive the LEED Gold building sustainability certificate. We continued our sustainability regime in 2023.

We installed 17 electric chargers on the premises and invested in external blinds that will help regulate the temperature in the interior, thus reducing the consumption of heating in winter or air conditioning in summer. Both buildings boast a 96% occupancy rate. Major tenants include Vodafone and CEMEX.



SELECTED TENANTS

**CEMEX** **CGI**



# CRYSTAL VINOHRADY

OCCUPANCY OF THE BUILDING

**95%**

LEASABLE AREA

**15,000 m<sup>2</sup>**

EMPLOYEE CAPACITY

**1,550**

AVERAGE DURATION OF LEASE

**4.6 years**



## FOURTEEN-STORY LANDMARK OF VINOHRADY

Since 2015, the Crystal building has been attracting attention with its 14 floors, original architecture that resembles a small and large crystal, and a chessboard facade. It is a modern office building with BREEAM - EXCELLENT certification, which meets all the requirements of the current time and the needs of tenants. Among the largest tenants are the Health Insurance Company of the Ministry of the Interior of the Czech Republic and the General Health Insurance Company of the Czech Republic.

In 2023, we entered into a new lease agreement with EGIT, the number one company in the sale of gaming and gift vouchers. As a result, Crystal boasts a 95% occupancy rate and a high average lease duration of 4.6 years. Last year, we also invested in a garage system with a licence plate reader, and in order to save the environment, we replaced the lights in the common areas with LED bulbs.





SELECTED TENANTS



VŠEOBECNÁ  
ZDRAVOTNÍ POJIŠŤOVNA  
ČESKÉ REPUBLIKY

# VÁCLAVSKÉ NÁMĚSTÍ 62 NOVÉ MĚSTO



## **BOUTIQUE OFFICES NEAR THE HORSE**

The building at 62 Wenceslas Square was built in 1998 as one of the most modern buildings in Prague. Since September 2023, it has been undergoing renovation, after the completion of which it will offer its clients a wide range of uses from December 2024: from retail on the ground floor, through four floors of modern office space with breathtaking views. The reconstruction is designed in such a way that the building can strive to obtain the BREEAM - OUTSTANDING certification.

Wenceslas Square is considered to be one of the most prestigious addresses in the heart of Prague. In addition to the lucrative location, another great advantage of this building is its easy transport accessibility.







# CORSO KARLÍN

OCCUPANCY OF THE BUILDING

**100%**

LEASABLE AREA

**9,500 m<sup>2</sup>**

EMPLOYEE CAPACITY

**600**

AVERAGE DURATION OF LEASE

**3.2 years**



## INDUSTRIAL DESIGN BUILDING IN AN ATTRACTIVE LOCATION

Karlín is a promised land for all working people. Inspiring atmosphere, excellent transport accessibility and great local amenities. All this contributes to the fact that CORSO Karlín can boast 100% occupancy. The last missing tenant was added in 2023. It was ALAX, a company that offers designer furniture. Other major tenants include ERV European Insurance Company and ICON Communication Centres.

Because Karlín is connected to a dense network of cycle paths and bicycle transport is becoming more and more popular among employees, we decided to invest in building a bike shed. From 2023, athletes and enthusiasts of eco-friendly transport will find their facilities in the building.



SELECTED TENANTS



# MEZI VODAMI MODŘANY

OCCUPANCY OF THE BUILDING

**99%**

LEASABLE AREA

**8,500 m<sup>2</sup>**

EMPLOYEE CAPACITY

**350**

AVERAGE DURATION OF LEASE

**5.4 years**



## OFFICES JUST A STEP AWAY FROM NATURE

The modern office building is located on the outskirts of the office area of Prague 4 with an idyllic view of the banks of the Vltava River and the opposite slopes of Chuchelský háj. The U-shaped glass building with five above-ground and two underground floors has around 8,500 m<sup>2</sup> of leasable area. It was built in 2006 in the former industrial area of the Orion chocolate factory in Modřany.

This office building is fully leased by Nestlé and Siemens with an average lease duration of 5.4 years. The biggest events of 2023 were the repair of elevators, which took place in two phases, and the construction of the Nestlé Coffee House in cooperation with the majority tenant Nestlé. The café is located in the atrium of the building, and employees can enjoy a cup of coffee, relax or go to a meeting in a beautiful setting.





SELECTED TENANTS



**SIEMENS**

# APEIRON KARLÍN

OCCUPANCY OF THE BUILDING

**98%**

LEASABLE AREA

**12,200 m<sup>2</sup>**

EMPLOYEE CAPACITY

**770**

AVERAGE DURATION OF LEASE

**2.2 years**

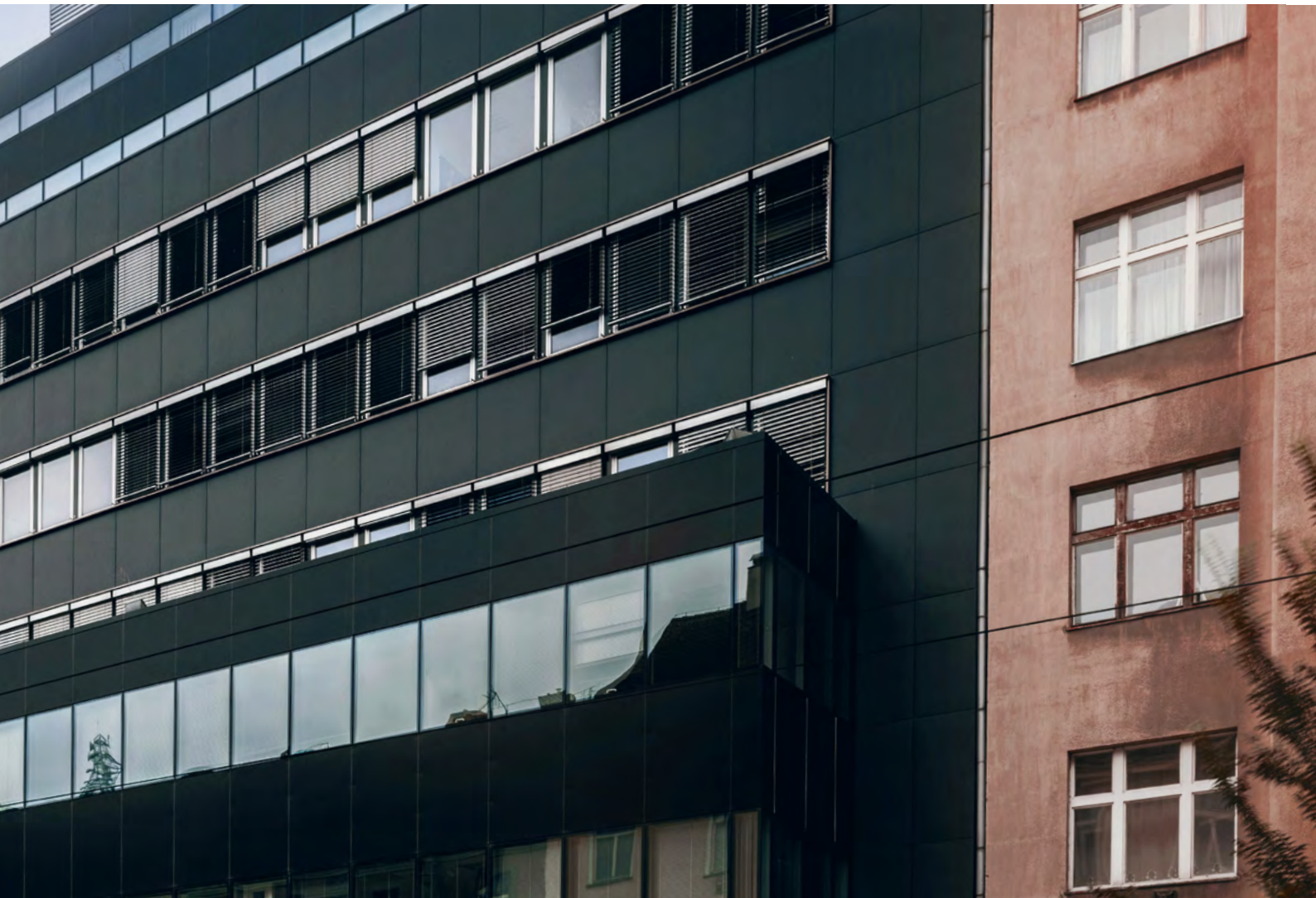


## QUIET OFFICES NEAR BY THE CITY CENTRE

The Apeiron building was built in 2000 and underwent extensive renovation 19 years later to meet modern office space requirements. In addition, in 2023, we expanded the camera system of the entry/exit camera to the licence plates and installed beehives on the roof. The attractiveness of this building is confirmed by its unique occupancy rate of 98.3%. Major tenants include OTE, SWIETELSKY and EUC PLS.

A huge advantage of the location of Prague's Karlín is excellent transport accessibility by all types of transport - car, public transport, or even bike. The Line B Křižíkova metro station and the tram stop of the same name are located very close to the building. The Florenc Bus and Metro Station can be reached on foot in 10 minutes. Thanks to Karlín's connection to Prague's network of cycle paths, you can easily get to the office by bike.





SELECTED TENANTS





# ARAGONIT JINONICE

OCCUPANCY OF THE BUILDING

**92%**

LEASABLE AREA

**6,500 m<sup>2</sup>**

EMPLOYEE CAPACITY

**400**

AVERAGE DURATION OF LEASE

**4.3 years**



## WHEN YOU ARE LOOKING FOR PEACE AND QUIET AND A FAMILY ATMOSPHERE

The year 2023 will go down in history for Aragonit as the time when the single-tenant building was transformed into a multi-tenant building. The current tenant, STOCK Plzeň-Božkov, has significantly expanded its premises and other tenants have recently joined it, for example the GENNET reproduction clinic or the Fitness Clinic. Thanks to this, the building is now 92% leased.


The four-storey Aragonit building is located in Prague's Jinonice district in Prague 5. It is an ideal place for those who prefer cosy spaces with a family atmosphere and views of greenery to modern administrative complexes.



SELECTED TENANTS





A photograph of a modern, multi-story office building with large glass windows and a grey facade. The building is partially obscured by autumn foliage in the foreground, including green and yellow leaves on the left and tall, feathery grasses at the bottom. The sky is a clear, pale blue.

“We are building a high-quality portfolio of premium properties without compromises.”



# Consolidated Annual Report of the Českomoravská Nemovitostní Group

# INTRODUCTION

The Českomoravská Nemovitostní Group (hereinafter referred to as the "ČMN Group" or the "Group") is a group of related entities directly or indirectly controlled by Českomoravská Nemovitostní a.s., with its registered office in Prague 1, Václavské náměstí 806/62, 110 00, IČ 051 42 202 (hereinafter referred to as the "Company"), as a holding company. The basic information about the Company as of December 31, 2023, is as follows:

Company	Českomoravská Nemovitostní a.s.
Registered office	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1
Identification number	051 42 202
Registration in the Commercial Register	June 7, 2016
Registered capital	CZK 2,000,000
Statutory Body	Ing. et Ing. Radek Stacha (Chairman of the Board) born on November 28, 1987 Karolínská 708/13, Karlín, 186 00 Praha 8  Ing. Mgr. Josef Eim (Vice-Chairman of the Board) born on April 5, 1984, Tučkova 418/21, Veveří, 602 00 Brno
Supervisory body	Richard Britten-Long (Member of the Supervisory Board) born on February 22, 1953, WR66YY Wichenford, Worcester, The Hill Farm, The United Kingdom of Great Britain and Northern Ireland

## BOARD INFORMATION ABOUT PERFORMANCES, ACTIVITIES, AND ECONOMIC POSITION OF THE GROUP

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

The ČMN Group is an investment group focusing primarily on the acquisition, long-term ownership, and management of commercial buildings in the Czech Republic. The main focus of its business is premium real estate in prestigious locations, characterized by long-term lease agreements with tenants, ensuring stable and predictable cash flows. The ČMN Group is also a significant issuer of corporate bonds.

At the end of 2023, the portfolio of properties managed by the ČMN Group amounted to approximately CZK 13 billion.

For more information on the current portfolio, please visit [www.cm-n.cz/projekty](http://www.cm-n.cz/projekty).

The consolidated financial result of the ČMN Group for the year 2023 amounted to CZK 58,208 thousand.

## PROJECTED DEVELOPMENT OF ACTIVITIES OF THE ČMN GROUP

The ČMN Group intends to continue its business focus on premium real estate in the coming years. The group's efforts will be directed towards strengthening its position on the market, improving the quality of services provided and increasing its competitiveness. At the same time, the ČMN Group will also commit to continuous improvement of their internal processes and to adhere to the highest standards in internal controls and prudent investing.

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

In the year 2023, the ČMN Group did not allocate any funds for research and development. No investments in research and development are planned for the year 2024 either.

### **INFORMATION ON ACQUISITION OF OWN SHARES OR STAKES**

None of the companies within the ČMN Group acquired their own shares or stakes.

### **INFORMATION ON ENVIRONMENTAL PROTECTION AND EMPLOYMENT RELATIONS**

Environmental protection is ensured in accordance with applicable legal regulations. There were no significant changes in the area of labor relations in 2023.

### **INFORMATION ABOUT BRANCHES ABROAD**

The ČMN Group does not have any organizational units or branches abroad.

### **STATEMENT OF THE BOARD OF DIRECTORS**

The Chairman of the Board of the Company declares that, to the best of his knowledge, this annual report provides a true and fair view of the financial situation, business activities, and financial results for the past accounting period, as well as the outlook for future developments in the financial position, business activities, and financial results of the ČMN Group.

**In Prague on May 6<sup>th</sup>, 2024**  
For Českomoravská Nemovitostní a.s.



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





**Consolidated  
Financial Statements of the  
Českomoravská Nemovitostní Group  
as of December 31, 2023**

# CONSOLIDATED BALANCE SHEET

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Row	Current year			Prior year
			Gross	Adjust.	Net	Net
	<b>TOTAL ASSETS</b>	<b>001</b>	<b>8 563 862</b>	<b>-15 585</b>	<b>8 548 277</b>	<b>8 060 582</b>
A.	Receivables for subscribed capital	002				
B.	Fixed assets	003	6 822 533	-13 497	6 809 036	6 701 446
B. I.	Intangible assets	004	332	-332		
B. I. 1.	Research & development	005				
B. I. 2.	Valuable rights	006	332	-332		
B. I. 2. 1.	Software	007	332	-332		
B. I. 2. 2.	Other valuable rights	008				
B. I. 3.	Goodwill	009				
B. I. 4.	Other intangibles	010				
B. I. 5.	Advance payments for intangible fixed assets and intangible assets under construction	011				
B. I. 5. 1.	Advance payments for intangible fixed assets	012				
B. I. 5. 2.	Intangible assets under construction	013				
B. II.	Tangible fixed assets	014	650 573	-13 165	637 408	521 204
B. II. 1.	Land, Buildings and structures	015	570 070	-9 944	560 126	476 781
B. II. 1. 1.	Land	016	41 515		41 515	77 508
B. II. 1. 2.	Buildings and structures	017	528 555	-9 944	518 611	399 272
B. II. 2.	Machines, tools and equipment, transportation means, furniture and office equipment	018	40 775	-3 221	37 553	3 078
B. II. 3.	Adjustment to acquired fixed assets	019				
B. II. 4.	Other tangibles	020				
B. II. 4. 1.	Cultivated areas	021				
B. II. 4. 2.	Livestock	022				
B. II. 4. 3.	Other tangible fixed assets	023				
B. II. 5.	Advance payments for tangible fixed assets and tangible assets under construction	024	39 729		39 729	41 346
B. II. 5. 1.	Advance payments for tangible fixed assets	025				
B. II. 5. 2.	Tangible assets under construction	026	39 729		39 729	41 346
B. III.	Long-term financial assets	027	6 153 709		6 153 709	6 156 342
B. III. 1.	Shares and ownership interests in subsidiaries	028				
B. III. 2.	Intercompany loans, loans to controlled entities	029				
B. III. 3.	Equity investments in associates and joint ventures	030				
B. III. 4.	Intercompany loans - associates	031				
B. III. 5.	Other long-term securities and ownership interests	032	3 160 537		3 160 537	3 997 178
B. III. 6.	Borrowings and loans - others	033	2 993 172		2 993 172	2 159 165
B. III. 7.	Other long-term financial assets	034				
B. III. 7. 1.	Other long-term financial assets	035				
B. III. 7. 2.	Advance payments for long-term investments	036				
B. IV. 1.	Positive consolidation difference	037	17 918		17 918	23 899



as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Row	Current year			Prior year
			Gross	Adjust.	Net	Net
<b>C.</b>	<b>Current assets</b>	<b>038</b>	<b>1 307 377</b>	<b>-2 087</b>	<b>1 305 290</b>	<b>962 837</b>
<b>C. I.</b>	<b>Inventory</b>	<b>039</b>	<b>28 711</b>		<b>28 711</b>	
C. I. 1.	Raw materials	040				
C. I. 2.	Work in progress and semi-finished products	041				
C. I. 3.	Finished goods and merchandise	042				
C. I. 3. 1.	Finished goods	043				
C. I. 3. 2.	Merchandise inventory	044				
C. I. 4.	Livestock (inventory)	045				
C. I. 5.	Advances on inventory	046	28 711		28 711	
<b>C. II.</b>	<b>Receivables</b>	<b>047</b>	<b>430 542</b>	<b>-2 087</b>	<b>428 455</b>	<b>297 528</b>
C. II. 1.	Long-term receivables	048	93 807		93 807	
C. II. 1. 1.	Trade receivables	049				
C. II. 1. 2.	Receivables from controlled entities, controlling entities and from entities under common control	050				
C. II. 1. 3.	Receivables from associates and joint ventures	051				
C. II. 1. 4.	Deferred tax asset	052				
C. II. 1. 5.	Other receivables	053	93 807		93 807	
C. II. 1. 5. 1.	Receivables from owners	054				
C. II. 1. 5. 2.	Long-term advance payments	055				
C. II. 1. 5. 3.	Estimated receivables	056				
C. II. 1. 5. 4.	Other receivables	057	93 807		93 807	
C. II. 2.	Short-term receivables	058	336 735	-2 087	334 648	297 528
C. II. 2. 1.	Trade receivables	059	73 883	-2 087	71 796	138 832
C. II. 2. 2.	Receivables from controlled entities, controlling entities and from entities under common control	060				
C. II. 2. 3.	Receivables from associates and joint ventures	061				
C. II. 2. 4.	Other receivables	062	262 852		262 852	158 696
C. II. 2. 4. 1.	Receivables from owners	063				
C. II. 2. 4. 2.	Social security and health insurance	064				
C. II. 2. 4. 3.	Due from state - tax receivables	065	17 217		17 217	633
C. II. 2. 4. 4.	Short-term advance payments	066	6 406		6 406	7 666
C. II. 2. 4. 5.	Estimated receivables	067	1 612		1 612	3 679
C. II. 2. 4. 6.	Other receivables	068	237 617		237 617	146 719

# CONSOLIDATED BALANCE SHEET

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Row	Current year			Prior year
			Gross	Adjust.	Net	Net
<b>C. III.</b>	<b>Short-term financial assets</b>	<b>069</b>				
C. III. 1.	Shares and ownership interests in subsidiaries	070				
C. III. 2.	Other short-term financial assets	071				
<b>C. IV.</b>	<b>Cash in hand and bank accounts</b>	<b>072</b>	<b>848 124</b>		<b>848 124</b>	<b>665 309</b>
C. IV. 1.	Cash in hand	073	100		100	150
C. IV. 2.	Bank accounts	074	848 024		848 024	665 159
<b>D.</b>	<b>Deferrals</b>	<b>075</b>	<b>433 951</b>		<b>433 951</b>	<b>396 299</b>
D. 1.	Prepaid expenses	076	433 951		433 951	393 984
D. 2.	Complex prepaid expenses	077				
D. 3.	Accrued revenues	078				2 315

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
			Net	Net
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>079</b>	<b>8 548 277</b>	<b>8 060 582</b>
A.	Equity	080	978 263	1 165 180
A.I.	Registered capital	081	2 000	2 000
A.I.1.	Registered capital	082	2 000	2 000
A.I.2.	Own shares (-)	083		
A.I.3.	Changes in registered capital	084		
A.II.	Share premium and capital contributions	085	343 522	515 813
A.II.1.	Share premium	086		
A.II.2.	Capital funds	087	343 522	515 813
A.II.2.1.	Other capital funds	088	35 433	
A.II.2.2.	Gains or losses from revaluation of assets and liabilities (+/-)	089	308 089	508 658
A.II.2.3.	Gains or losses from revaluation on mergers (+/-)	090		7 155
A.II.2.4.	Differences from mergers (+/-)	091		
A.II.2.5.	Differences in valuation from mergers (+/-)	092		
A.III.	Profit funds	093		
A.III.1.	Other provision funds	094		
A.III.2.	Statutory and other funds	095		
A.IV.	Profit/Loss - previous year (+/-)	096	574 532	561 833
A.IV.1.	Retained profits from previous years (+/-)	097	573 374	629 309
A.IV.2.	Other result from previous years (+/-)	098	1 159	-67 476
A.V.	Profit/Loss - current year (+/-)	099	58 208	85 534
A.VI.	Decisions on advances for the payment of profit sharing (+/-)	100		
B.+C.	Provisions and liabilities	101	7 569 883	6 892 540
B.	Provisions	102	5 795	27 247
B.1.	Provisions for pensions and similar liabilities	103		
B.2.	Income tax provision	104	5 777	27 247
B.3.	Provisions under special statutory regulations	105		
B.4.	Other provisions	106	18	



# CONSOLIDATED BALANCE SHEET

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
			Net	Net
C.	Liabilities	107	7 564 088	6 865 293
C.I.	Long-term liabilities	108	6 361 285	5 523 417
C.I.1.	Bonds issued	109	5 731 931	4 826 287
C.I.1.1.	Convertible bonds	110		
C.I.1.2.	Other bonds	111	5 731 931	4 826 287
C.I.2.	Liabilities to credit institutions	112	519 225	585 584
C.I.3.	Long-term advances received	113	185	9 942
C.I.4.	Trade payables	114		
C.I.5.	Long-term bills of exchange payable	115		
C.I.6.	Liabilities to controlled entities, controlling entities and from entities under common control	116		
C.I.7.	Liabilities to associates and joint ventures	117		
C.I.8.	Deferred tax liability	118	107 614	99 430
C.I.9.	Other liabilities	119	2 330	2 174
C.I.9.1.	Liabilities to owners	120		
C.I.9.2.	Estimated liabilities	121		
C.I.9.3.	Other liabilities	122	2 330	2 174

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
			Net	Net
<b>C.II.</b>	<b>Short-term liabilities</b>	<b>123</b>	<b>1 202 803</b>	<b>1 341 876</b>
C.II.1.	Bonds issued	124	1 075 836	1 233 190
C.II.1.1.	Convertible bonds	125		
C.II.1.2.	Other bonds	126	1 075 836	1 233 190
C.II.2.	Liabilities to credit institutions	127		13 360
C.II.3.	Advances received	128	8 358	5 467
C.II.4.	Trade payables	129	64 498	41 485
C.II.5.	Short-term bills of exchange payable	130		
C.II.6.	Liabilities to controlled entities, controlling entities and from entities under common control	131		
C.II.7.	Liabilities to associates and joint ventures	132		
C.II.8.	Other liabilities	133	54 111	48 374
C.II.8.1.	Liabilities to owners	134		
C.II.8.2.	Other short-term borrowings	135		
C.II.8.3.	Liabilities to employees	136	4 022	3 279
C.II.8.4.	Social security and health insurance liabilities	137	1 947	1 684
C.II.8.5.	Due to state - taxes and subsidies	138	7 170	12 278
C.II.8.6.	Estimated liabilities	139	3 086	3 683
C.II.8.7.	Other liabilities	140	37 887	27 451
<b>D.</b>	<b>Accruals</b>	<b>141</b>	<b>131</b>	<b>2 862</b>
D.1.	Accrued expenses	142		
D.2.	Deferred revenue	143	131	2 862

# CONSOLIDATED PROFIT AND LOSS STATEMENT

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
I.	Revenues from the sale of own products and services	001	166 956	170 896
II.	Revenues from the sales of goods	002		
A.	Cost of sales	003	258 717	172 069
A.1	Cost of goods sold	004		
A.2	Raw materials and consumption	005	13 500	7 890
A.3	Services	006	245 217	164 180
B.	Change in own production inventory (+/-)	007		
C.	Capitalisation (-)	008		
D.	Personnel expenses	009	83 013	65 838
D.1	Wages and salaries	010	62 431	49 329
D.2	Social security expenses, health insurance and other expenses	011	20 582	16 508
D.2.1	Social security expenses and health insurance	012	20 074	15 994
D.2.2	Other expenses	013	507	515
E.	Adjustments relating to operating activities	014	16 639	32 988
E.1.	Adjustments of fixed assets	015	15 545	32 731
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	016	14 824	32 731
E.1.2.	Impairment of intangible and tangible fixed assets	017	721	
E.2	Adjustments of inventory	018		
E.3	Adjustments of receivables	019	1 094	257
III.	Other operating income	020	316 292	1 320 807
III.1	Income from fixed assets sold	021	8 843	55 344
III.2	Income from materials sold	022		
III.3	Other operating income	023	307 450	1 265 463
F.	Other operating expenses	024	9 756	754 171
F.1	Net book value of fixed assets sold	025	1 167	36 103
F.2	Net book value of material sold	026		
F.3	Taxes and fees	027	578	642
F.4	Provisions relating to operating activities and complex deferred expenses	028		7 408
F.5	Other operating expenses	029	8 011	710 019
	Depreciation of positive consolidation difference	030	1 648	374 490
	Depreciation of negative consolidation difference	031		-4 242
*	Operating profit/loss (+/-)	032	113 476	96 388



as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
IV.	Income from shares and ownership interests	033	938 349	399 564
IV.1	Income from shares and ownership interests in subsidiaries	034		
IV.2	Other income from shares and ownership interests	035	938 349	399 564
G.	Cost of securities and investments sold	036	827 367	318 459
V.	Income from other long-term investments	037	1 498	173 291
V.1.	Income from other long-term investments - subsidiaries	038		
V.2.	Other income from other long-term investments	039	1 498	173 291
H.	Expenses relating to other long-term investments	040		173 291
VI.	Interest income and similar income	041	272 080	194 720
VI.1.	Interest and similar income - subsidiaries	042		
VI.2.	Other interest and similar income	043	272 080	194 720
I.	Sales of own product and services	044		
J.	Interest expenses and similar expenses	045	371 456	311 497
J.1.	Interest and similar expenses - subsidiaries	046		
J.2.	Other interest and similar expenses	047	371 456	311 497
VII.	Other financial income	048	39 899	197 668
K.	Other financial expense	049	146 814	159 265
*	Profit/loss from financial operations (transactions) (+/-)	050	-93 811	2 732
**	Profit/loss before tax (+/-)	051	19 665	99 120
L.	Income tax	052	-38 543	13 586
L.1.	Income tax - due	053	8 467	35 553
L.2.	Income tax - deferred (+/-)	054	-47 010	-21 968
**	Profit/loss after tax (+/-)	055	58 208	85 534
M.	Transfer of share of profit/loss to partners (+/-)	056		
***	Profit/loss of current accounting period (+/-)	057	58 208	85 534
*	Net turnover = I. + II. + III. + IV. + V. + VI. + VII.	058	1 735 074	2 456 947

# CONSOLIDATED CASH FLOW STATEMENT

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Current year	Prior year
P	Opening balance of cash and cash equivalents	665 309	342 435
<b>CASH FLOW FROM ORDINARY ACTIVITIES</b>			
Z	Profit or loss from ordinary activities before tax	58 208	85 534
A1	Adjustments for non-cash transactions	87 423	521 506
A1.1	Depreciation of fixed assets	15 545	32 731
A1.1.2	Depreciation of consolidation difference	1 648	370 248
A1.2	Change in provisions and reserves	-21 470	20 991
A1.3	Profit (loss) on the sale of fixed assets	-7 676	-19 241
A1.4	Revenues from dividends and profit shares		
A1.5	Interest expense and interest income	99 376	116 777
A1.6	Adjustments for other non-cash transactions		
A*	Adjustments for non-cash transactions	145 631	607 040
A2.	Change in working capital	-344 193	592 294
A2.1	Change in operating receivables and other assets	-168 579	143 988
A2.2	Change in operating payables and other liabilities (+/-)	-146 903	448 306
A2.3	Change in inventories (+/-)	-28 711	
A2.4	Other changes in working capital		
A**	Adjustments for non-cash transactions	-198 562	1 199 334
A3	Interest paid (-)	-371 456	-311 497
A4	Interest received (+)	272 080	194 720
A5	Income tax paid (-) and received (+) from ordinary operations	10 651	32 650
A6	Income and expenses forming extraordinary profit/loss including income tax from extraordinary activities		
A7	Dividends received (+)		
A***	Adjustments for non-cash transactions	-287 287	1 115 207

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Current year	Prior year
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
B1	Fixed assets expenditures	-126 040	-317 035
B2	Proceeds from fixed assets sold	8 843	55 344
B3	Loan to members of the group		
<b>B*</b>	<b>Fixed assets expenditures</b>	<b>-117 197</b>	<b>-261 691</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
C1	Change in payables from financing	837 868	-433 044
C2	Impact of changes in equity	-250 569	-97 598
C2.1	Cash increase in share capital (+)		
C2.2	Capital payments to partners (-)		
C2.3	Other cash contributions made by partners (+)		
C2.4	Settlement of loss by partners (+)		
C2.5	Payments from capital funds (-)	-250 569	-97 598
C2.6	Dividends paid (-)		
<b>C*</b>	<b>Net financial cash flows</b>	<b>587 299</b>	<b>-530 642</b>
<b>F</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>182 815</b>	<b>322 874</b>
<b>R</b>	<b>Closing balance of cash and cash equivalents</b>	<b>848 124</b>	<b>665 309</b>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as of December 31, 2023  
(in full, in thousands of CZK)

No.	Description	Opening Balance	Increase	Decrease	Closing Balance
<b>A.</b>	<b>Equity</b>	<b>1 165 180</b>	<b>413 893</b>	<b>-600 810</b>	<b>978 263</b>
A.I	Registered capital	2 000			2 000
A.I.1	Registered capital	2 000			2 000
A.I.2	Own shares				
A.I.3	Changes in share capital				
<b>A.II</b>	<b>Capital funds</b>	<b>515 813</b>	<b>91 289</b>	<b>-263 580</b>	<b>343 522</b>
A.II.1	Share premium				
A.II.2	Capital funds	515 813	91 289	-263 580	343 522
A.II.2.1	Other capital funds		91 289	-55 856	35 433
A.II.2.2	Gains or losses from revaluation of assets and liabilities (+/-)	508 658		-200 569	308 089
A.II.2.3	Gains or losses from revaluation on mergers (+/-)	7 155		-7 155	
A.II.2.4	Differences from mergers (+/-)				
A.II.2.5	Differences in valuation from mergers (+/-)				
<b>A.III</b>	<b>Profit funds</b>				
A.III.1	Other provision fund				
A.III.2	Statutory and other funds				
<b>A.IV</b>	<b>Accumulated profits/losses brought forward</b>	<b>561 833</b>	<b>264 396</b>	<b>-251 696</b>	<b>574 533</b>
A.IV.1	Retained earnings or accumulated losses from previous years	629 309	195 761	-251 696	573 374
A.IV.2	Other accumulated profits/losses	-67 476	68 635		1 159
<b>A.V</b>	<b>Profit or loss for the current period</b>	<b>85 534</b>	<b>58 208</b>	<b>-85 534</b>	<b>58 208</b>

# Notes to the Consolidated Financial Statements as of December 31, 2023

# 1. DESCRIPTION OF THE GROUP

The parent company of the Českomoravská Nemovitostní Group (hereinafter referred to as the "Group") is Českomoravská Nemovitostní a.s. (hereinafter referred to as the "Parent company"), which is a joint-stock company based in Prague, Václavské nám. 806/62, Czech Republic, identification number 05142202. The Parent company is registered in the Commercial Register of the Municipal Court in Prague under file number B 24261.

The main business activity of the Group includes the management of its own assets, purchase, sale, management, and maintenance of real estate, as well as the leasing of real estate, apartments, and non-residential spaces.

The primary focus of the Group's business is manufacturing, trade, and services not specified in Annexes 1 to 3 of the Trade Licensing Act, as well as the activities of accounting consultants, accounting management, and tax records management.

Each member of the Board of Directors acts independently on behalf of the Parent company in all matters.

None of the companies within the Group have an organizational unit abroad.

As of December 31, 2023, the controlling and governing bodies of the parent company were as follows:

## **CHAIRMAN OF THE BOARD:**

Ing. et Ing. Radek Stacha,  
Born on November 28, 1987  
Karolínská 708/13, Karlín, 186 00 Praha 8  
Date of appointment: February 25, 2020  
Registered: February 25, 2020

## **VICE CHAIRMAN OF THE BOARD:**

Ing. Mgr. Josef Eim,  
Born on April 5, 1984  
Tučkova 418/21, Veveří, 602 00 Brno  
Date of appointment: February 25, 2020  
Registered: February 25, 2020

## **MEMBER OF THE SUPERVISORY BOARD:**

Richard Britten-Long,  
Born on February 22, 1953  
WR66YY Wichenford, Worcester,  
The Hill Farm, The United Kingdom of Great Britain  
and Northern Island  
Date of appointment: October 12, 2021  
Registered: October 19, 2021



## THE ČESKOMORAVSKÁ NEMOVITOSTNÍ GROUP CONSISTS OF THE FOLLOWING COMPANIES:

Company name	Company Headquarters	Registered capital (thous. CZK)	Share value
Českomoravská Nemovitostní a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
Anilit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
Blixit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
CMN International Assets a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
Czech-Moravian Properties a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
Českomoravská Poradenská s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
Českomoravská Projektová a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
Českomoravská Projektová II a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
Českomoravská Projektová III a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
Českomoravská Projektová IV a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
Českomoravská Projektová V a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
Českomoravská Projektová VI a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
ČMN Alpha s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
ČMN Gama s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
ČMN Husova s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
ČMN I s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
ČMN II s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
ČMN Financing s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	20	100 %
ČMN RE I a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
ČMN RE II a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %
ČMN RE III a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
ČMN RE Management a.s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2,000	100 %

Company name	Company Headquarters	Registered capital (thous. CZK)	Share value
ČMN Servis s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
Dixenit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
Fangit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
Gyrolit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
High End Living s.r.o.	Štefánikova 136/66, Ponava, 612 00 Brno	20	100 %
Holtit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
Chenit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %
Langit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	20	100 %
Maldonit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	10	100 %
Natanit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	20	100 %
Odinit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	10	100 %
Pavonit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	10	100 %
Quandilit RE s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	10	100 %
RE Slovakia I s.r.o.	Laurinská 18, Staré Město, 811 01 Bratislava	5,000 €	100 %
REZIDENCE KRÁLOVSKÁ TRŽIŠKA, s.r.o. v likvidaci	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	1	100 %
Sokolovská 967 s. r. o. v likvidaci	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	100	100 %
ČMN Beta s.r.o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %

The companies mentioned above are directly or indirectly owned by the parent company Českomoravská Nemovitostní a.s. All subsidiary companies have prepared their financial statements as of December 31, 2023. The full consolidation method has been applied.

## 2. BASIC PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The attached consolidated financial statements were prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended (hereinafter referred to as the "Accounting Act"), and implementing decree No. 500/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for accounting entities using double-entry bookkeeping, as well as Czech Accounting Standards for Entrepreneurs, as amended.

The accounting adheres to general accounting principles, particularly the principle of valuing assets at historical cost (unless stated otherwise), the principle of accrual basis accounting, the prudence principle, and the assumption of the group's ability to continue as a going concern.

The Group's financial statements are compiled as of the balance sheet date on December 31, 2023, for the calendar year 2023.

The group is classified as a large group of accounting entities according to Section 1b of Act No. 563/1991 Coll.

Financial figures in these financial statements are expressed in thousands of Czech crowns (CZK), unless indicated otherwise.



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

The valuation methods used by the Company in preparing the financial statements for the year 2023 are as follows:

#### A) FIXED ASSETS

Fixed assets generally include the following items:

##### INTANGIBLE FIXED ASSETS

Intangible fixed assets primarily include intangible results of development, valuable rights and software with a useful life exceeding one year. Acquired intangible fixed assets are valued at the acquisition cost reduced by adjustments and recognized impairment losses. Expenses related to research are accounted for as costs in the year they are incurred. Interest and other financial expenses related to the acquisition of intangible fixed assets are not included in their valuation.

Goodwill arises as the difference between the valuation of the business enterprise (or its part) acquired through transfer or transition for consideration or by contribution, or the valuation of assets and liabilities within the framework of corporate transformations, and the sum of individually revalued components of assets reduced by assumed debts. Amortization of goodwill is carried out when its value is positive, charging the expenses.

Amortization of intangible fixed assets is calculated based on the acquisition cost and the expected useful life of the respective asset. The amortization plan is updated during the use of intangible fixed assets based on the anticipated useful life.

##### TANGIBLE FIXED ASSETS

Tangible fixed assets include land, buildings, and tangible assets with a useful life exceeding one year and a valuation exceeding CZK 80,000 in individual cases. Acquired tangible fixed assets are valued at the acquisition cost, which includes the acquisition cost, transportation costs, customs, and other expenses related to acquisition.

Costs for technical appreciation of tangible fixed assets increase their acquisition cost. Repairs and maintenance are accounted for as expenses.

The valuation of tangible fixed assets created through own activities includes direct costs, indirect costs causally related to the creation of assets through own activities (production overheads), and related to the activity period. Costs of sale are not included.

Depreciation is calculated based on the acquisition cost and the expected useful life of the respective asset. The depreciation plan is updated during the use of tangible fixed assets based on the anticipated useful life. If there is a decrease in the accounting

value of tangible fixed assets, the company creates an adjustment as the difference between the accounting residual value and the appraised value.

Profits or losses from the sale or disposal of assets are determined as the difference between the sales proceeds and the accounting residual value of the asset at the date of sale and are accounted for in the income statement.

##### LONG-TERM FINANCIAL ASSETS

Long-term financial assets include loans with a maturity longer than one year, equity interests in entities with substantial or significant influence, marketable securities, and debt securities with a maturity over 1 year held until maturity.

Securities and equity interests are initially valued at acquisition cost. The acquisition cost of a security includes direct costs related to the acquisition, such as fees and commissions to brokers, advisers, and stock exchanges.

As of the acquisition date of securities and equity interests, a long-term financial asset is classified by the Company according to its nature as ownership interests - controlled entity and ownership interests in entities under significant influence or debt securities held until maturity or marketable securities and ownership interests.

Ownership interests in companies whose financial flows and operating processes can be controlled by the Company to gain benefits from their activities are classified as ownership interests - controlled entity.

Ownership interests in companies whose financial flows and operating processes can be significantly influenced by the Company to gain benefits from their activities are classified as ownership interests in entities under significant influence.

As of the date of the financial statements:

- Equity interests are valued at acquisition cost, reduced by adjustments
- Equity securities held for trading are valued at fair value. Changes in fair value of marketable equity securities are recognized in the income statement for the current period
- Debt securities held until maturity are valued at acquisition cost plus interest income (including amortization of any premium or discount)
- Marketable securities and shares are valued at fair value, if it can be determined. Changes in fair value of marketable securities are charged against revaluation differences on overvaluation of assets and liabilities within equity
- Loans granted are not revalued
- Interest on provided loans and credits is capitalized

Fair value represents the market value as publicly declared on domestic or foreign stock exchanges, or announced by a depository, or, if the market value is not available, it is determined by qualified estimate or expert appraisal.

Long-term financial assets consist of:

- Other long-term securities,
- Loans granted.

## **B) CURRENT ASSETS**

Current assets generally include the following items:

### **SHORT-TERM FINANCIAL ASSETS AND CASH**

Short-term financial assets consist of tradable shares and similar securities, bonds and debentures + similar securities maturing within 1 year held to maturity, own shares, own bonds issued, and other realizable securities.

The initial valuation of short-term financial assets is based on the acquisition cost. The acquisition cost includes direct costs related to the acquisition, such as fees and commissions paid to brokers, advisors, and stock exchanges.

As of the acquisition date of short-term financial assets, these assets are classified by the Company according to their nature as short-term financial assets for trading or available for sale short-term financial assets. Short-term financial assets for trading refer to securities held for the purpose of trading on the public market to profit from short-term price differences, but typically not exceeding a period of one year.

As of the financial statements date, the Company values short-term financial assets at fair value if determinable, except for securities held until maturity. Changes in fair value are recognized in the income statement for the current period, except for available for sale securities, where the revaluation is recorded within equity.

For short-term financial assets not valued at fair value, adjustments are created if they are impaired during the reporting period.

Shares, bonds, debentures and similar securities not classified as securities held until maturity or securities held for trading are classified as available for sale securities and are reported at fair value.

The fair value of short-term financial assets is the market value, publicly announced on domestic or foreign stock exchanges, or, if the market value is not available, it is determined by qualified estimate or expert appraisal.

Cash and cash equivalents consist of negotiable securities, cash on hand, and funds in bank accounts.

## **RECEIVABLES**

Receivables are initially valued at their nominal value, subsequently reduced by relevant adjustments for doubtful and uncollectible amounts. Receivables acquired for consideration or by contribution are valued at the acquisition cost reduced by adjustments for doubtful and uncollectible amounts. The assessment of doubtful receivables is reduced by adjustments, reflecting the costs to realize their value, based on individual assessment of each debtor and the age structure of the debts.

Estimated receivables are valued based on expert estimates and calculations.

Both accounts receivable and estimated receivables are classified into short-term (maturity within 12 months, including) and long-term (maturity over 12 months), with short-term receivables being due within one year from the balance sheet date.

## **C) EQUITY**

The company's registered capital is shown as the amount registered in the Commercial Register of the Municipal Court. Any increase or decrease in registered capital based on resolutions of the general meeting, that has not been registered as of the balance sheet date, is reported as changes in registered capital. Contributions exceeding the registered capital are reported as share premium.

## **D) PROVISIONS**

Provisions are designated to cover liabilities or expenses with a clearly defined nature that are probable or certain to occur as of the balance sheet date, although their exact amount or timing is uncertain.

## **E) LIABILITIES**

Liabilities are recorded at their nominal value.

Estimated liabilities are valued based on expert estimates and calculations and are classified into short-term (maturity within 12 months, including) and long-term (maturity over 12 months), with short-term liabilities being due within one year from the balance sheet date.

## **F) TRANSACTIONS WITH RELATED PARTIES**

Related parties of the company are defined as follows:

- Parties with the ability to directly or indirectly exercise controlling influence on the Company and companies where these parties hold controlling or significant influence,
- Parties with the ability to directly or indirectly exercise significant influence on the Company,
- Members of the statutory, supervisory, and management bodies of the Company or its parent company, along with individuals close to these persons, including businesses where these members and individuals hold significant or controlling influence.

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

#### **G) FOREIGN EXCHANGE OPERATIONS**

Accounting transactions in foreign currencies are recorded using the exchange rate of the Czech National Bank valid on the date of the transaction.

As of the balance sheet date, foreign currency assets and liabilities are revalued using the CNB exchange rate on that date. Realized and unrealized exchange gains and losses are accounted for in the financial results of the current year.

#### **H) USE OF ESTIMATES**

The preparation of financial statements requires the Company's management to use estimates and assumptions affecting reported values of assets and liabilities as of the balance sheet date, as well as the reported amounts of revenues and expenses for the reporting period. The Company's management has based these estimates on all relevant information available to them. However, due to the nature of estimation, actual values in the future may differ from these estimates.

#### **I) REVENUE AND EXPENSE RECOGNITION**

Revenues and expenses are accrued, i.e., recognized in the period to which they relate both in terms of substance and timing.

#### **J) PROVISIONS FOR INCOME TAX OF LEGAL ENTITIES**

The Company's management has recorded the tax liability and tax expense based on a tax calculation derived from its understanding of the interpretation of tax laws applicable in the Czech Republic as of the date of the financial statement. The management is confident in the accuracy of the tax amount in accordance with the applicable tax regulations of the Czech Republic. However, given the existence of various interpretations of tax laws and regulations by third parties, including government authorities, the income tax liability reported in the Company's financial statements may change based on the final decision of the tax authority.

The income tax expense is calculated using the applicable tax rate on the net income, adjusted for permanently or temporarily non-deductible expenses and non-taxable revenues (e.g., creation and reversal of other provisions and adjustments, representation expenses, the difference between accounting and tax depreciation, etc.). Additionally, tax base reducing items (e.g., donations), deductible items (e.g., tax loss, expenses on research and development projects), and income tax credits are taken into account.

#### **K) SUBSEQUENT EVENTS**

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

#### **L) CHANGES IN VALUATION, DEPRECIATION AND ACCOUNTING POLICIES FROM PREVIOUS ACCOUNTING PERIOD**

During the current financial year, there have been no significant changes in valuation methods, depreciation procedures, and accounting procedures compared to the previous accounting period.

## 4. ADDITIONAL INFORMATION TO THE CONSOLIDATED BALANCE SHEET

The consolidated financial statements of the group include the following data resulting from the full consolidation of the group:

Thous. CZK	2023	2022
Net assets	8 548 277	8 060 582
Equity	978 263	1 165 180
Provisions and Liabilities	7 569 883	6 892 540
Accrual of liabilities	131	2 862

The most significant item among assets is Other long-term securities amounting to CZK 3,160,537 thousand (2022: CZK 3,997,178 thousand). This item includes mainly shares in the CORE Fund owned by the ČMN Group. CORE Fund, registration No. FL-0002.624.683-5, legal form: unit trust, governed by the law of the Principality of Liechtenstein, managed by the fund administrator IFM INDEPENDENT FUND MANAGEMENT AKTIENGESELLSCHAFT (hereinafter "CORE Fund"), owns the main investment projects of the Group. The decrease in these assets compared to the values as of December 31, 2022, was caused by the sale of NEMO Fund shares totaling CZK 721,994 thousand.

The second most significant item is Borrowings and loans - others totaling CZK 2,993,172 thousand (2022: CZK 2,159,165 thousand). The majority of this item consists of a loan to ČMN RE Core a.s. This represents a form of debt financing method for the Group's main investment projects.

As of the balance sheet date, funds in bank accounts amounted to CZK 848,024 thousand (2022: CZK 665,159 thousand). The most significant liability items are long-term issued bonds amounting to CZK 5,731,931 thousand (2022: CZK 4,826,287 thousand) and the Group's equity, which reached a value of CZK 978,263 thousand (2022: CZK 1,165,180 thousand).

The ČMN Group has business relationships with a wide range of tenants, banks, bondholders, suppliers, and other business partners. Therefore, to maintain its goal of transparency, it has decided to disclose the consolidated financial statements in full, including the breakdown of items into individual classes.



## A) INTANGIBLE FIXED ASSETS

Intangible fixed assets at their net value include other assessable rights, goodwill and software associated with the group's information system. It is primarily used to record bondholders and coupon payments.

### Overview of long-term intangible assets in 2022:

thous. CZK	1.1. 2022	Increase	Disposals	Transfers	31.12. 2022
Gross Value					
Other valuable rights	263		-263		
Goodwill	99 120		-99 120		
Software	332				332
<b>Total</b>	<b>99 715</b>		<b>-99 383</b>		<b>332</b>
Adjustment					
Other valuable rights	-197		197		
Goodwill	-99 120		99 120		
Software	-283	-49			-332
<b>Total</b>	<b>-99 600</b>	<b>-49</b>	<b>99 317</b>		<b>-332</b>
Impairment					
Other valuable rights					
Goodwill					
Software					
<b>Total</b>					
<b>Net value</b>	<b>115</b>	<b>-49</b>	<b>-66</b>		

The disposal of goodwill in 2022 was mainly due to the sale of CORSO Karlín, s.r.o.

## Overview of long-term intangible assets in 2023:

thous. CZK	1.1.2023	Increase	Disposals	Transfers	31.12.2023
Gross Value					
Other valuable rights					
Goodwill					
Software	332				332
<b>Total</b>	<b>332</b>				<b>332</b>
Adjustments					
Other valuable rights					
Goodwill					
Software	-332				-332
<b>Total</b>	<b>-332</b>				<b>-332</b>
Impairment					
Other valuable rights					
Goodwill					
Software					
<b>Total</b>					
<b>Net value</b>					

## B) TANGIBLE FIXED ASSETSS

Tangible fixed assets amounting to a net value of CZK 637,408 thousand (2022: CZK 521,204 thousand) consist of real estate projects directly owned by the Group. Real estate projects owned by CORE Fund are included in the balance sheet in the form of units in the category of other long-term securities. The purchase and holding of real estate projects are typically financed, among other means, through bank loans. When utilizing these loans, the bank is typically granted a lien on the property and typically other liens (such as receivables from rents, insurance, bank accounts, etc.).

### Overview of long-term tangible assets in 2022:

Thous. CZK	1.1. 2022	Increase	Disposals	Transfers	31.12. 2022
<b>Gross value</b>					
Land	120 389	5 587	-48 468		77 508
Buildings	1 167 806	512	-741 191		427 127
Tangible movable assets and their sets	19 801		-16 420	2 798	6 179
Other long-term tangible assets					
Advances for long-term tangible assets					
Tangible fixed assets under construction	48 910	21 837	-29 401		41 346
Valuation difference on acquired property					
<b>Total</b>	<b>1 356 906</b>	<b>27 936</b>	<b>-835 480</b>	<b>2 798</b>	<b>552 160</b>
<b>Adjustments</b>					
Buildings	-10 571	-26 159	8 875		-27 855
Tangible movable assets and their sets	-18 090	-1 004	15 993		-3 101
Other long-term tangible assets					
Valuation difference on acquired property					
<b>Total</b>	<b>-28 661</b>	<b>-27 164</b>	<b>24 868</b>		<b>-30 956</b>
<b>Impairment</b>					
Land					
Buildings					
Tangible movable assets and their sets					
Other long-term tangible assets					
Advances for long-term tangible assets					
Tangible fixed assets under construction					
Valuation difference on acquired property					
<b>Total</b>					
<b>Net value</b>	<b>1 328 245</b>	<b>773</b>	<b>-810 612</b>	<b>2 798</b>	<b>521 204</b>

### Overview of long-term tangible assets in 2023

Thous. CZK	1.1.2023	Increase	Disposals	Transfers	31.12.2023
Gross value					
Land	77 508	21 684	-57 677		41 515
Buildings	427 127	489 322	-387 895		528 555
Tangible movable assets and their sets	6 179	35 072	-2 149	1 672	40 775
Other long-term tangible assets					
Advances for long-term tangible assets					
Tangible fixed assets under construction	41 346	40 319	-40 264	-1 672	39 729
Valuation difference on acquired property					
<b>Total</b>	<b>552 160</b>	<b>586 398</b>	<b>-487 985</b>		<b>650 573</b>
Adjustments					
Buildings	-27 855	-22 931	40 842		-9 944
Tangible movable assets and their sets	-3 101	-1 729	1 610		-3 221
Other long-term tangible assets					
Valuation difference on acquired property					
<b>Total</b>	<b>-30 956</b>	<b>-24 660</b>	<b>42 452</b>		<b>-13 165</b>
Impairment					
Land					
Buildings					
Tangible movable assets and their sets					
Other long-term tangible assets					
Advances for long-term tangible assets					
Tangible fixed assets under construction					
Valuation difference on acquired property					
<b>Total</b>					
<b>Net value</b>	<b>521 204</b>	<b>561 737</b>	<b>-445 533</b>		<b>637 408</b>



## C) LONG-TERM FINANCIAL ASSETS

Long-term financial assets are the primary component of the group's assets and consist primarily of other long-term securities totaling CZK 3,160,537 thousand (2022: CZK 3,997,178 thousand). As of the balance sheet date, the Group holds all shares in CORE Fund, which owns the group's main investment projects. Additionally, the Group still holds a portion of shares in NEMO Fund. The shares of both funds are accounted for at market value as of December 31, 2023. Their revaluation is recorded against equity.

Borrowings and loans - others amounting to CZK 2,993,172 thousand (2022: CZK 2,159,165 thousand) mainly represent a loan to ČMN RE Core a.s. The maturity of this loan is over 5 years and is provided under standard market conditions. ČMN RE Core a.s., ID: 080 95 574, with its registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, is a holding company owning projects Crystal, Blox, City West C1 & C2, and Churchill Square. The sole owner of ČMN RE Core a.s. is CORE Fund.

### Overview of long-term financial assets in 2022:

Thous. CZK	1.1.2022	Additions	Disposals	Transfers	31.12.2022
<b>Gross value</b>					
Other long-term securities	2 758 035	1 880 606	-641 463		3 997 178
Borrowings and loans - other	1 771 941	904 897	-517 673		2 159 165
Other long-term financial assets					
Advance payments made on fixed financial assets					
<b>Total</b>	<b>4 529 977</b>	<b>2 785 503</b>	<b>-1 159 137</b>		<b>6 156 342</b>
<b>Impairment</b>					
Other long-term securities					
Borrowings and loans - other					
Other long-term financial assets					
Advance payments made on fixed financial assets					
<b>Total</b>					
<b>Net value</b>	<b>4 529 977</b>	<b>2 785 503</b>	<b>-1 159 137</b>		<b>6 156 342</b>

## Overview of long-term financial assets in 2023 :

Thous. CZK	1.1.2023	Additions	Disposals	Transfers	31.12.2023
Gross value					
Other long-term securities	3 997 178	191 295	-827 367	-200 568	3 160 537
Borrowings and loans - other	2 159 165	1 242 190	-408 183		2 993 172
Other long-term financial assets					
Advance payments made on fixed financial assets					
<b>Total</b>	<b>6 156 342</b>	<b>1 433 485</b>	<b>-1 235 550</b>	<b>-200 568</b>	<b>6 153 709</b>
Impairment					
Other long-term securities					
Borrowings and loans - other					
Other long-term financial assets					
Advance payments made on fixed financial assets					
<b>Total</b>					
<b>Net value</b>	<b>6 156 342</b>	<b>1 433 485</b>	<b>-1 235 550</b>	<b>-200 568</b>	<b>6 153 709</b>

## 4. ADDITIONAL INFORMATION FOR THE CONSOLIDATED BALANCE SHEET

### D) INVENTORIES

In 2023, a one-time deposit was paid for the purchase of inventory goods amounting to CZK 28,711 thousand (2022: CZK 0). The sale of goods or products is not a significant aspect of the Group's activities or business.

### E) ACCOUNTS RECEIVABLE

As of the balance sheet date, Group ČMN reported long-term receivables amounting to CZK 93,807 thousand (2022: CZK 0).

Accounts receivable from trade relationships amounting to CZK 71,796 thousand (2022: CZK 138,832 thousand) include receivables from rent and receivables for other services provided. Another significant portion of this item consists of receivables

from ČMN RE I a.s. for the unsettled sale of shares in CORE Fund. Payment of the receivable will occur after the published value of the share certificate as of December 31, 2023.

Short-term advance payments provided amounting to CZK 6,406 thousand (2022: CZK 7,666 thousand) are also related to the Group's regular operations.

Other receivables totaling CZK 237,617 thousand (2022: CZK 146,719 thousand) consist of various receivables from term operations in the financial market, which the Group uses to mitigate currency and interest rate risks. Instruments utilized include currency forwards, interest rate swaps, and other standard derivative products.

#### Summary of receivables as of the financial statements date :

Thous. CZK	2023	2022	2021
Long-term receivables	93 807		
Short-term receivables	334 648	297 528	442 587
<b>Total</b>	<b>428 455</b>	<b>297 528</b>	<b>442 587</b>

### F) SHORT-TERM FINANCIAL ASSETS

As of the financial statements date, short-term financial assets consisted of cash on hand, securities, and predominantly funds in bank accounts. These resources were available to the Group for operational activities as well as for future acquisitions. The balance on bank accounts amounted to CZK 848,024 thousand at the end of 2023 (2022: CZK 665,159 thousand).

### G) ACCRUALS/DEFERRALS

Accruals/Deferrals primarily consist of expenses of future periods amounting to CZK 433,951 thousand (2022: CZK 393,984 thousand), including accrued expenses related to bond sales brokerage and other expenses that are recognized over time based on their timing and nature.

### H) EQUITY

The group's registered capital is CZK 2,000 thousand (2022: CZK 2,000 thousand) and has been fully paid. The parent company has never paid dividends to shareholders throughout its history. All profits are

reinvested, contributing to the group's equity, which reached CZK 978,263 thousand in 2023 (2022: CZK 1,165,180 thousand). The majority of the group's equity consists of accumulated historical profits and valuation differences arising from the valuation of investment units in the CORE Fund. The value of the share certificate includes both capital appreciation of real estate and rental income. A slight decline in equity was caused by a decrease in the market value of CORE Fund share certificates (with the revaluation of CORE Fund share certificates contributing the most significant impact, amounting to CZK 97,577 thousand, and the sale of a portion of CORE Fund share certificates totaling CZK 73,366 thousand).

During the consolidation for the year 2023, as a result of selling the subsidiary ZIRKON Real Invest s.r.o., there was a reclassification of following items of equity into the item "Undistributed profit or accumulated loss from previous years": Other capital funds amounting to CZK 55,856 thousand, and valuation differences from the revaluation during transformations of business corporations amounting to CZK 7,155 thousand.

**I) PROVISIONS**

The total amount of provisions as of the financial statements date reached CZK 5,795 thousand (2022: CZK 27,247 thousand). Reserves reported as of the financial statement's date consisted solely of income tax reserves, created due to the financial statement's compilation date preceding the deadline for filing corporate income tax returns for 2023.

**J) LONG-TERM LIABILITIES**

Long-term liabilities primarily consist of issued bonds amounting to CZK 5,731,931 thousand (2022: CZK 4,826,287 thousand) and liabilities to credit institutions, totaling CZK 519,225 thousand (2022: CZK 585,584 thousand). The pace of issued bonds reached its peak in 2023.

The ČMN Group collaborates with most of the banking institutions in the Czech market. Among the most significant banking partners are Československá obchodní banka, UniCredit Bank, Raiffeisenbank (both Czech and Austrian branches), the German banking giant Helaba, and others.

**K) DEFERRED TAX LIABILITY**

ČMN Group reported a deferred tax liability amounting to CZK 107,614 thousand (2022: CZK 99,430 thousand). The deferred tax liability arises from the differences between accounting and tax carrying values of assets (liabilities) and is based on the balance sheet approach.

**L) SHORT-TERM LIABILITIES**

Short-term liabilities primarily consist of issued bonds maturing in 2023 amounting to CZK 1,075,836 thousand (2022: CZK 1,233,190 thousand), and trade-related liabilities amounting to CZK 64,498 thousand (2022: CZK 41,485 thousand), which arise from standard business transactions associated with real estate projects and the Group's operations. There are no significant liabilities past due date.

**M) CONSOLIDATION DIFFERENCE**

In 2023, the ČMN Group reported a positive consolidation difference with a net value of CZK 17,918 thousand (2022: CZK 23,899 thousand). The positive consolidation difference arises from the accounting treatment of the acquisition of ČMN Beta s.r.o. The reduction in the positive consolidation difference occurred due to the amortization of remaining consolidation differences within the Group. The amortization of the positive consolidation difference is accounted for against the profit or loss for the current period.



## 5. ADDITIONAL INFORMATION TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

In the consolidated financial statements of the group, the following data resulting from the full consolidation of the group is included::

Thous. CZK	2023	2022	2021
Net turnover for the accounting period	1 735 074	2 456 947	2 054 781
Costs including income tax	1 676 866	2 371 413	1 992 564
<b>Consolidated profit or loss for the financial year</b>	<b>58 208</b>	<b>85 534</b>	<b>62 217</b>

### A) REVENUES

Income from long-term financial assets amounting to CZK 938,349 thousand (2022: CZK 399,564 thousand) primarily comprises proceeds from the sale of shares in NEMO Fund and CORE Fund. These revenues are associated with costs incurred on sold securities and shares totaling CZK 827,367 thousand (2022: CZK 318,459 thousand). The net impact of this item on the financial result amounts to CZK 110,982 thousand (2022: CZK 81,105 thousand).

A significant item of income for the Group is Other operating income amounting to CZK 307,450 thousand (2022: CZK 1,265,463 thousand), which under consolidation rules reflects the sale of consolidated real estate companies.

Due to the increased interest rates, yield interest is a significant item as well, reaching CZK 272,197 thousand (2022: CZK 194,720 thousand), resulting from holding interest-bearing cash on current bank accounts.

Another significant revenue item is sales of products and services of CZK 166,956 thousand (2022: CZK 170,896 thousand). The most significant items are fees from management services provided by the Group and rental income derived from leasing its properties. Rental income from projects held by CORE Fund is not included in the Group's consolidated revenues but is reflected through higher values of the held shares.

### Overview of company's revenues:

Thous. CZK	2023	2022	2021
Revenue from the sale of products and services	166 956	170 896	126 164
Revenue from the sale of goods			
Other operating income	316 292	1 320 807	925 200
Income from long-term financial assets	938 349	399 564	524 251
Income from other long-term financial assets	1 498	173 291	214 668
Interest income	272 080	194 720	86 738
Other financial income	39 899	197 668	177 760
<b>Total</b>	<b>1 735 074</b>	<b>2 456 947</b>	<b>2 054 781</b>

## B) COST OF SALES

Total Cost of sales amounted to CZK 258,717 thousand (2022: CZK 172,069 thousand).

Material and energy consumption costs were CZK 13,500 thousand (2022: CZK 7,890 thousand). The main items in this category for the year included are marketing needs and office equipment, including hardware IT, which is not classified as long-term tangible assets due to its low unit cost. These costs primarily arose due to the group's expansion and increased number of employees.

Service costs of CZK 245,217 thousand (2022: CZK 154,190 thousand) mainly cover expenses for legal, accounting, tax, economic, technical, and IT advisory services related to real estate projects, acquisitions, and the overall operation of the Group. Additionally, rental fees paid by the Group are included in this category.

## C) PERSONEL EXPENSES

Personnel expenses reached a total of CZK 83,013 thousand in 2023 (2022: CZK 65,838 thousand). The significant increase in personnel expenses is associated with the growth of the Group, with personnel strengthening taking place in nearly all departments.

In the past, the Group made a strategic decision to build the majority of key functions within the group without long-term reliance on consulting firms (insourcing). This applies particularly to finance, assets and property management, and wealth management departments. The main reason is to preserve critical know-how internally, build relationships with tenants on a personal level and reduce costs.

As of the financial statements date, the group had 47 employees. The average full-time equivalent employee count for the financial year was 47.

Remuneration for supervisory or administrative bodies was set according to market standards. Additionally, no special bonuses were paid to these bodies in 2023.

## D) OTHER OPERATING EXPENSES

Other operating expenses of CZK 9,756 thousand (2022: CZK 754,171 thousand) mainly consist of other operating expenses, amounting to CZK 8,011 thousand (2022: CZK 710,019 thousand).

## E) RESULT ON FINANCIAL OPERATIONS

Result of financial operations is divided into several parts. Revenues from long-term financial assets, as described above, are associated with costs incurred for sold securities and stakes. Both of these items primarily arose from the sale of NEMO and CORE Fund shares.

Interest income and similar revenues of the group consist of two main sources. The first source is bank interest, which the Group earned on cash held in bank accounts. Due to the duration of real estate transactions, the Group cannot invest financial resources immediately, and throughout the year, it held substantial cash in bank accounts, generating interest income. The average 2T repo rate of the Czech National Bank reached 7% in 2023, compared to an average of 5,95% in 2022. This category also includes all interest income from loans and borrowings to entities outside the ČMN group.

Other interest expenses and similar costs amounting to CZK 371,456 thousand (2022: CZK 311,497 thousand) represent one of the most significant cost items for the Group. It includes the cost of financing, both bank interest and bond coupons. The ČMN group issued bonds with maturities ranging from 2 to 7 years throughout 2023 and 2022.

Other financial revenues and other financial costs are predominantly composed of exchange gains and losses and the revaluation of derivative transactions at market value.

Individual accounting units offset foreign exchange losses and gains in their respective financial statements.

## 6. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The impact of events occurring between the balance sheet date and the date of preparing the financial statements are reflected in the financial statements.

In case significant events influencing facts that occurred after the balance sheet date took place between the balance sheet date and the date of preparing the financial statements, the consequences of these events are described in the financial statement's appendix but are not accounted for in the financial statements.

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

The group's management is closely monitoring the situation concerning the military conflict in Ukraine and associated sanctions against Russia. The Group responds to potential consequences arising from the situation in a manner that minimizes negative impacts on its activities and business. Due to the timely implementation of measures taken by the Group's management, it has been concluded that the situation does not have a significant impact on the assumption of the group's going concern. Consequently, the financial statements as of December 31, 2023, were prepared on the assumption that the group will be able to continue its operations without significant complications caused by the aforementioned situation.

## 7. GOING CONCERN ASSUMPTION

In the year 2023, the group reported a profit after tax of CZK 58,208 thousand, while the equity of the group reached CZK 978,263 thousand as of the financial statements date.

Considering the aforementioned figures and the strategic plans of the group, the financial statements as of December 31, 2023, were prepared under the assumption of the group's going concern.

**In Prague on May 6<sup>th</sup>, 2024**  
on behalf of Českomoravská Nemovitostní a.s.



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Ing. et Ing. Radek Stacha  
Chairman of the Board





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V Parku 2316/12  
Praha 4 - Chodov  
148 00  
Czech Republic

## INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Českomoravská Nemovitostní a.s.

### Opinion

We have audited the accompanying consolidated financial statements of Českomoravská Nemovitostní a.s., with its headquarters at Václavské náměstí 806/62, Praha 1 - Nové Město, Czech Republic, IC (Registration Number) 051 42 202, (hereafter the Company) prepared in accordance with Czech accounting regulations, which comprise the consolidated balance sheet as at 31. 12. 2023 and the consolidated income statement for the period from 1. 1. 2023 to 31. 12. 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. Information about the Group is given in the appendix to these consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities of Českomoravská Nemovitostní a.s. as at 31. 12. 2023 and of the costs, revenues and its profit or loss and its cash flows for the period from 1. 1. 2023 to 31. 12. 2023, in accordance with Czech accounting regulations.

### Basis for Opinion

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

### Other information included in the Consolidated Annual Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

Brno, 8. 5. 2024

Audit firm:

*BDO Audit s.r.o.*

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

Engagement Partner:



Ing. Jiří Kadlec  
Certificate No. 1246





**Individual Financial Statements  
of the Company  
Českomoravská Nemovitostní a.s.  
as at 31. 12. 2023**

# BALANCE SHEET

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Row	Current year			Prior year
			Gross	Adjust.	Net	Net
	<b>TOTAL ASSETS</b>	001	1 182 503	-465 122	717 381	667 175
A.	Receivables for subscribed capital	002				
B.	Fixed assets	003	1 042 893	-465 122	577 771	539 651
B. I.	Intangible assets	004	332	-332		
B. I. 1.	Research & development	005				
B. I. 2.	Valuable rights	006	332	-332		
B. I. 2. 1.	Software	007	332	-332		
B. I. 2. 2.	Other valuable rights	008				
B. I. 3.	Goodwill	009				
B. I. 4.	Other intangibles	010				
B. I. 5.	Advance payments for intangible fixed assets and intangible assets under construction	011				
B. I. 5. 1.	Advance payments for intangible fixed assets	012				
B. I. 5. 2.	Intangible assets under construction	013				
B. II.	Tangible fixed assets	014	36 888	-4 677	32 211	25 801
B. II. 1.	Land, Buildings and structures	015	27 846	-1 456	26 390	21 460
B. II. 1. 1.	Land	016				
B. II. 1. 2.	Buildings and structures	017	27 846	-1 456	26 390	21 460
B. II. 2.	Machines, tools and equipment, transportation means, furniture and office equipment	018	9 042	-3 221	5 821	2 669
B. II. 3.	Adjustment to acquired fixed assets	019				
B. II. 4.	Other tangibles	020				
B. II. 4. 1.	Cultivated areas	021				
B. II. 4. 2.	Livestock	022				
B. II. 4. 3.	Other tangible fixed assets	023				
B. II. 5.	Advance payments for tangible fixed assets and tangible assets under construction	024				1 672
B. II. 5. 1.	Advance payments for tangible fixed assets	025				
B. II. 5. 2.	Tangible assets under construction	026				1 672
B. III.	Long-term financial assets	027	1 005 673	-460 113	545 560	513 850
B. III. 1.	Shares and ownership interests in subsidiaries	028	979 095	-460 113	518 982	489 050
B. III. 2.	Intercompany loans, loans to controlled entities	029				
B. III. 3.	Equity investments in associates and joint ventures	030				
B. III. 4.	Intercompany loans - associates	031				
B. III. 5.	Other long-term securities and ownership interests	032				
B. III. 6.	Borrowings and loans - others	033	26 578		26 578	24 800
B. III. 7.	Other long-term financial assets	034				
B. III. 7. 1.	Other long-term financial assets	035				
B. III. 7. 2.	Advance payments for long-term investments	036				

as at 31. 12. 2023  
(full, in thousands of CZK)

No.	Description	Row	Current year			Prior year
			Gross	Adjust.	Net	Net
<b>C.</b>	<b>Current assets</b>	<b>037</b>	<b>124 322</b>		<b>124 322</b>	<b>108 398</b>
<b>C. I.</b>	<b>Inventory</b>	<b>038</b>				
C. I. 1.	Raw materials	039				
C. I. 2.	Work in progress and semi-finished products	040				
C. I. 3.	Finished goods and merchandise	041				
C. I. 3. 1.	Finished goods	042				
C. I. 3. 2.	Merchandise inventory	043				
C. I. 4.	Livestock (inventory)	044				
C. I. 5.	Advances on inventory	045				
<b>C. II.</b>	<b>Receivables</b>	<b>046</b>	<b>101 958</b>		<b>101 958</b>	<b>91 050</b>
C. II. 1.	Long-term receivables	047	3 993		3 993	
C. II. 1. 1.	Trade receivables	048				
C. II. 1. 2.	Receivables from controlled entities, controlling entities and from entities under common control	049				
C. II. 1. 3.	Receivables from associates and joint ventures	050				
C. II. 1. 4.	Deferred tax asset	051				
C. II. 1. 5.	Other receivables	052	3 993		3 993	
C. II. 1. 5. 1.	Receivables from owners	053				
C. II. 1. 5. 2.	Long-term advance payments	054	3 993		3 993	
C. II. 1. 5. 3.	Estimated receivables	055				
C. II. 1. 5. 4.	Other receivables	056				
C. II. 2.	Short-term receivables	057	97 965		97 965	91 050
C. II. 2. 1.	Trade receivables	058	94 205		94 205	82 601
C. II. 2. 2.	Receivables from controlled entities, controlling entities and from entities under common control	059				
C. II. 2. 3.	Receivables from associates and joint ventures	060				
C. II. 2. 4.	Other receivables	061	3 760		3 760	8 449
C. II. 2. 4. 1.	Receivables from owners	062				
C. II. 2. 4. 2.	Social security and health insurance	063				
C. II. 2. 4. 3.	Due from state - tax receivables	064	3		3	194
C. II. 2. 4. 4.	Short-term advance payments	065	916		916	6 172
C. II. 2. 4. 5.	Estimated receivables	066				
C. II. 2. 4. 6.	Other receivables	067	2 841		2 841	2 083



# BALANCE SHEET

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Row	Current year			Prior year
			Gross	Adjust.	Net	Net
<b>C. III.</b>	<b>Short-term financial assets</b>	<b>068</b>				
C. III. 1.	Shares and ownership interests in subsidiaries	069				
C. III. 2.	Other short-term financial assets	070				
<b>C. IV.</b>	<b>Cash in hand and bank accounts</b>	<b>071</b>	<b>22 364</b>		<b>22 364</b>	<b>17 348</b>
C. IV. 1.	Cash in hand	072	86		86	138
C. IV. 2.	Bank accounts	073	22 278		22 278	17 210
<b>D.</b>	<b>Deferrals</b>	<b>074</b>	<b>15 288</b>		<b>15 288</b>	<b>19 126</b>
D. 1.	Prepaid expenses	075	15 288		15 288	19 126
D. 2.	Complex prepaid expenses	076				
D. 3.	Accrued revenues	077				

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
			Net	Net
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>078</b>	<b>717 381</b>	<b>667 175</b>
A.	Equity	079	93 475	-26 029
A.I.	Registered capital	080	2 000	2 000
A.I.1.	Registered capital	081	2 000	2 000
A.I.2.	Own shares (-)	082		
A.I.3.	Changes in registered capital	083		
A.II.	Share premium and capital contributions	084	30 000	
A.II.1.	Share premium	085		
A.II.2.	Capital funds	086	30 000	
A.II.2.1.	Other capital funds	087	30 000	
A.II.2.2.	Gains or losses from revaluation of assets and liabilities (+/-)	088		
A.II.2.3.	Gains or losses from revaluation on mergers (+/-)	089		
A.II.2.4.	Differences from mergers (+/-)	090		
A.II.2.5.	Differences in valuation from mergers (+/-)	091		
A.III.	Profit funds	092		
A.III.1.	Other provision funds	093		
A.III.2.	Statutory and other funds	094		
A.IV.	Profit/Loss - previous year (+/-)	095	-28 029	272 254
A.IV.1.	Retained profits from previous years	096	-28 029	272 254
A.IV.2.	Other result from previous years (+/-)	097		
A.V.	Profit/Loss - current year	098	89 504	-300 283
A.VI.	Decisions on advances for the payment of profit sharing (-)	099		
B.+C.	Provisions and liabilities	100	623 906	693 204
B.	Provisions	101	808	
B.1.	Provisions for pensions and similar liabilities	102		
B.2.	Income tax provision	103		
B.3.	Provisions under special statutory regulations	104		
B.4.	Other provisions	105	808	

# BALANCE SHEET

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
			Net	Net
C.	Liabilities	106	623 098	693 204
C.I.	Long-term liabilities	107	574 119	669 058
C.I.1.	Bonds issued	108		
C.I.1.1.	Convertible bonds	109		
C.I.1.2.	Other bonds	110		
C.I.2.	Liabilities to credit institutions	111		
C.I.3.	Long-term advances received	112		
C.I.4.	Trade payables	113		
C.I.5.	Long-term bills of exchange payable	114		
C.I.6.	Liabilities to controlled entities, controlling entities and from entities under common control	115	574 119	669 058
C.I.7.	Liabilities to associates and joint ventures	116		
C.I.8.	Deferred tax liability	117		
C.I.9.	Other liabilities	118		
C.I.9.1.	Liabilities to owners	119		
C.I.9.2.	Estimated liabilities	120		
C.I.9.3.	Other liabilities	121		

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
			Net	Net
<b>C.II.</b>	<b>Short-term liabilities</b>	<b>122</b>	<b>48 979</b>	<b>24 146</b>
C.II.1.	Bonds issued	123		
C.II.1.1.	Convertible bonds	124		
C.II.1.2.	Other bonds	125		
C.II.2.	Liabilities to credit institutions	126		
C.II.3.	Advances received	127		
C.II.4.	Trade payables	128	17 178	16 258
C.II.5.	Short-term bills of exchange payable	129		
C.II.6.	Liabilities to controlled entities, controlling entities and from entities under common control	130		
C.II.7.	Liabilities to associates and joint ventures	131		
C.II.8.	Other liabilities	132	31 801	7 888
C.II.8.1.	Liabilities to owners	133		
C.II.8.2.	Other short-term borrowings	134		
C.II.8.3.	Liabilities to employees	135	3 941	3 224
C.II.8.4.	Social security and health insurance liabilities	136	1 914	1 655
C.II.8.5.	Due to state - taxes and subsidies	137	625	469
C.II.8.6.	Estimated liabilities	138	1 151	445
C.II.8.7.	Other liabilities	139	24 170	2 095
<b>D.</b>	<b>Accruals</b>	<b>140</b>		
D.1.	Accrued expenses	141		
D.2.	Deferred revenue	142		



# PROFIT AND LOSS STATEMENT

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
I.	Revenues from the sale of own products and services	001	133 624	137 793
II.	Revenues from the sales of goods	002		
A.	Cost of sales	003	187 647	141 713
A. 1.	Cost of goods sold	004		
A. 2.	Raw materials and energy consumption	005	8 498	7 025
A. 3.	Services	006	179 149	134 688
B.	Change in own production inventory (+/-)	007		
C.	Capitalisation (-)	008		
D.	Personnel expenses	009	81 384	62 920
D. 1.	Wages and salaries	010	61 165	47 115
D. 2.	Social security expenses, health insurance and other expenses	011	20 219	15 805
D. 2. 1.	Social security expenses and health insurance	012	19 723	15 300
D. 2. 2.	Other expenses	013	496	505
E.	Adjustments relating to operating activities	014	1 047	1 377
E. 1.	Adjustments of fixed assets	015	1 047	1 377
E. 1. 1.	Depreciation and amortisation of intangible and tangible fixed assets	016	1 047	1 377
E. 1. 2.	Impairment of intangible and tangible fixed assets	017		
E. 2.	Adjustments of inventory	018		
E. 3.	Adjustments of receivables	019		
III.	Other operating income	020	1 679	509
III. 1.	Income from fixed assets sold	021	1 241	
III. 2.	Income from materials sold	022		
III. 3.	Other operating income	023	438	509
F.	Other operating expenses	024	5 587	918
F. 1.	Net book value of fixed assets sold	025	1 167	
F. 2.	Net book value of material sold	026		
F. 3.	Taxes and fees	027	224	112
F. 4.	Provisions relating to operating activities and complex deferred expenses	028	808	
F. 5.	Other operating expenses	029	3 388	806
*	Consolidated operating profit/loss (+/-)	030	-140 362	-68 626

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Row	Current year	Prior year
IV.	Income from shares and ownership interests	031	293 006	200 000
IV.1.	Income from shares and ownership interests in subsidiaries	032	293 006	200 000
IV.2.	Other income from shares and ownership interests	033		
G.	Cost of securities and investments sold	034		
V.	Income from other long-term investments	035		
V.1.	Income from other long-term investments - subsidiaries	036		
V.2.	Other income from other long-term investments	037		
H.	Expenses relating to other long-term investments	038		
VI.	Interest income and similar income	039	2 456	1 403
VI.1.	Interest and similar income - subsidiaries	040	701	17
VI.2.	Other interest and similar income	041	1 755	1 386
I.	Sales of own product and services	042	2 568	387 545
J.	Interest expenses and similar expenses	043	65 639	46 952
J.1.	Interest and similar expenses - subsidiaries	044	65 639	46 204
J.2.	Other interest and similar expenses	045		748
VII.	Other financial income	046	3 990	2 077
K.	Other financial expense	047	1 379	640
*	Consolidated profit/loss from financial operations (transactions) (+/-)	048	229 866	-231 657
**	Consolidated profit/loss before tax (+/-)	049	89 504	-300 283
L.	Income tax	050		
L.1.	Income tax - due	051		
L.2.	Income tax - deferred (+/-)	052		
**	Consolidated profit/loss after tax (+/-)	053	89 504	-300 283
M.	Transfer of share of profit/loss to partners (+/-)	054		
** *	Consolidated profit/loss of current accounting period (+/-)	055	89 504	-300 283
*	Net turnover = I. + II. + III. + IV. + V. + VI. + VII.	056	434 755	341 782

# CASH FLOW STATEMENT

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Current year	Prior year
P	Opening balance of cash and cash equivalents	17 348	4 834
	<b>CASH FLOW FROM ORDINARY ACTIVITIES</b>		
Z	Profit or loss from ordinary activities before tax	89 504	-300 283
A1	Adjustments for non-cash transactions	-228 042	234 471
A1.1	Depreciation of fixed assets	1 047	1 377
A1.1.2	Depreciation of consolidation difference	808	387 545
A1.2	Change in provisions and reserves	-74	
A1.3	Profit (loss) on the sale of fixed assets	-293 006	-200 000
A1.4	Revenues from dividends and profit shares	63 183	45 549
A1.5	Interest expense and interest income		
A1.6	Adjustments for other non-cash transactions		
A*	Adjustments for non-cash transactions	-138 538	-65 812
A2	Change in working capital	-77 176	146 003
A2.1	Change in operating receivables and other assets	-7 070	-74 121
A2.2	Change in operating payables and other liabilities (+/-)	-70 106	220 124
A2.3	Change in inventories (+/-)		
A2.4	Other changes in working capital		
A**	Adjustments for non-cash transactions	-215 714	80 191
A3	Interest paid (-)	-65 639	-46 952
A4	Interest received (+)	2 456	1 403
A5	Income tax paid (-) and received (+) from ordinary operations		
A6	Income and expenses forming extraordinary profit/loss including income tax from extraordinary activities		
A7	Dividends received (+)	293 006	200 000
A***	Adjustments for non-cash transactions	14 109	234 642

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Current year	Prior year
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
B1	Fixed assets expenditures	-13 756	-197 328
B2	Proceeds from fixed assets sold	1 241	
B3	Loan to members of the group	-26 578	-24 800
B***	Fixed assets expenditures	-39 093	-222 128
	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
C1	Change in payables from financing		
C2	Impact of changes in equity	30 000	
C2.1	Cash increase in share capital (+)		
C2.2	Capital payments to partners (-)		
C2.3	Other cash contributions made by partners (+)		
C2.4	Settlement of loss by partners (+)		
C2.5	Payments from capital funds (-)	30 000	
C2.6	Dividends paid (-)		
C***	Net financial cash flows	30 000	
F	Net increase or decrease in cash and cash equivalents	5 016	12 514
R	Closing balance of cash and cash equivalents	22 364	17 348

# STATEMENT OF CHANGES IN EQUITY

as at 31.12.2023  
(full, in thousands of CZK)

No.	Description	Opening Balance	Increase	Decrease	Closing Balance
A.	Equity	-26 029	419 787	-300 283	93 475
A.I.	Registered capital	2 000			2 000
A.I.1.	Registered capital	2 000			2 000
A.I.2.	Own shares				
A.I.3.	Changes in share capital				
A.II.	Capital funds		30 000		30 000
A.II.1.	Share premium				
A.II.2.	Capital funds		30 000		30 000
A.II.2.1.	Other capital funds		30 000		30 000
A.II.2.2.	Gains or losses from revaluation of assets and liabilities (+/-)				
A.II.2.3.	Gains or losses from revaluation on mergers (+/-)				
A.II.2.4.	Differences from mergers (+/-)				
A.II.2.5.	Differences in valuation from mergers (+/-)				
A.III.	Profit funds				
A.III.1.	Other Provision fund				
A.III.2.	Statutory and other funds				
A.IV.	Accumulated profits/losses brought forward	272 254		-300 283	-28 029
A.IV.1.	Retained earnings or accumulated losses from previous years	272 254		-300 283	-28 029
A.IV.2.	Other accumulated profits/losses				
A.V.	Consolidated profit or loss for the current period (+/-)	-300 283	389 787		89 504
A.VI.	Share of profit/loss under equity accounting				
A.VII.	Decided on advance payment on profit distribution (-)				



**Notes to the Individual  
Financial Statements of  
Českomoravská Nemovitostní a.s.  
as of December 31, 2023**

# 1. DESCRIPTION OF THE COMPANY

The company Českomoravská Nemovitostní a.s. (hereinafter referred to as the "Company") is a joint-stock company based in Prague, Václavské nám. 806/62, Czech Republic, identification number 051 42 202. The Company is registered in the Commercial Register of the Municipal Court in Prague under file number B 24261.

The main business activity of the Company includes the management of its own assets, purchase, sale, management, and maintenance of real estate, as well as the leasing of real estate, apartments, and non-residential spaces.

The primary focus of the Company's business is manufacturing, trade, and services not specified in Annexes 1 to 3 of the Trade Licensing Act, as well as the activities of accounting consultants, accounting management, and tax records management.

The Company is the ultimate parent entity for consolidation purposes.

Each member of the Board of Directors acts independently on behalf of the Company in all matters. The Company has not an organizational unit abroad.

As of December 31, 2023, the controlling and governing bodies of the Company were as follows:

#### **CHAIRMAN OF THE BOARD:**

Ing. et Ing. Radek Stacha,  
Born on November 28, 1987  
Karolínská 708/13, Karlín, 186 00 Praha 8  
Date of appointment: February 25, 2020

#### **VICE CHAIRMAN OF THE BOARD:**

Ing. Mgr. Josef Eim,  
Born on April 5, 1984  
Tučkova 418/21, Veveří, 602 00 Brno  
Date of appointment: February 25, 2020

#### **MEMBER OF THE SUPERVISORY BOARD:**

Richard Britten-Long,  
Born on February 22, 1953  
WR66YY Wichenford, Worcester,  
The Hill Farm, The United Kingdom of Great  
Britain and Northern Island  
Date of appointment: October 12, 2021

## 2. BASIC PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The attached individual financial statements were prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended (hereinafter referred to as the "Accounting Act"), and implementing decree No. 500/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for accounting entities using double-entry bookkeeping, as well as Czech Accounting Standards for Entrepreneurs, as amended.

The accounting adheres to general accounting principles, particularly the principle of valuing assets at historical cost (unless stated otherwise), the principle of accrual basis accounting, the prudence principle, and the assumption of the Company's ability to continue as a going concern.

The Company's financial statements are compiled as of the balance sheet date on December 31, 2023, for the calendar year 2023.

The Company is classified as a small unit of accounting entities according to Section 1b of Act No. 563/1991 Coll.

Financial figures in these financial statements are expressed in thousands of Czech crowns (CZK), unless indicated otherwise.

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

The valuation methods used by the Company in preparing the financial statements for the year 2023 are as follows:

#### A) INTANGIBLE FIXED ASSETS

Intangible fixed assets primarily include intangible results of development, valuable rights and software with a useful life exceeding one year. Acquired intangible fixed assets are valued at the acquisition cost reduced by adjustments and recognized impairment losses. Expenses related to research are accounted for as costs in the year they are incurred. Interest and other financial expenses related to the acquisition of intangible fixed assets are not included in their valuation.

Goodwill arises as the difference between the valuation of the business enterprise (or its part) acquired through transfer or transition for consideration or by contribution, or the valuation of assets and liabilities within the framework of corporate transformations, and the sum of individually overvalued components of assets reduced by assumed debts. Amortization of goodwill is carried out when its value is positive, charging the costs.

Amortization of intangible fixed assets is calculated based on the acquisition cost and the expected useful life of the respective asset. The amortization plan is updated during the use of intangible fixed assets based on the anticipated useful life.

#### B) TANGIBLE FIXED ASSETS

Tangible fixed assets include land, buildings, and tangible assets with a useful life exceeding one year and a valuation exceeding CZK 80,000 in individual cases. Acquired tangible fixed assets are valued at the acquisition cost, which includes the acquisition cost, transportation costs, customs, and other expenses related to acquisition.

Costs for technical appreciation of tangible fixed assets increase their acquisition cost. Repairs and maintenance are accounted for as expenses.

The valuation of tangible fixed assets created through own activities includes direct costs, indirect costs causally related to the creation of assets through own activities (production overheads), and related to the activity period. Costs of sale are not included.

Depreciation is calculated based on the acquisition cost and the expected useful life of the respective asset. The depreciation plan is updated during the use of tangible fixed assets based on the anticipated useful life. If there is a decrease in the accounting

value of tangible fixed assets, the company creates an adjustment as the difference between the accounting residual value and the appraised value.

Profits or losses from the sale or disposal of assets are determined as the difference between the sales proceeds and the accounting residual value of the asset at the date of sale and are accounted for in the income statement.

#### C) LONG-TERM FINANCIAL ASSETS

Long-term financial assets include loans with a maturity longer than one year, equity interests in entities with substantial or significant influence, marketable securities, and debt securities with a maturity over 1 year held until maturity.

Securities and equity interests are initially valued at acquisition cost. The acquisition cost of a security includes direct costs related to the acquisition, such as fees and commissions to brokers, advisers, and stock exchanges.

As of the acquisition date of securities and equity interests, a long-term financial asset is classified by the Company according to its nature as ownership interests - controlled entity and ownership interests in entities under significant influence or debt securities held until maturity or marketable securities and ownership interests.

Ownership interests in companies whose financial flows and operating processes can be controlled by the Company to gain benefits from their activities are classified as ownership interests - controlled entity.

Ownership interests in companies whose financial flows and operating processes can be significantly influenced by the Company to gain benefits from their activities are classified as ownership interests in entities under significant influence.

As of the date of the financial statement:

- Equity interests are valued at acquisition cost, reduced by adjustments
- Equity securities held for trading are valued at fair value. Changes in fair value of marketable equity securities are recognized in the income statement for the current period
- Debt securities held until maturity are valued at acquisition cost plus interest income (including amortization of any premium or discount)
- Marketable securities and shares are valued at fair value, if it can be determined. Changes in fair value of marketable securities are charged against revaluation differences on revaluation of assets and

- liabilities within equity
- Loans granted are not revalued

Fair value represents the market value as publicly declared on domestic or foreign stock exchanges, or announced by a depository, or, if the market value is not available, it is determined by qualified estimate or expert appraisal.

#### **D) SHORT-TERM FINANCIAL ASSETS AND CASH**

Short-term financial assets consist of tradable shares and similar securities, bonds and debentures + similar securities maturing within 1 year held to maturity, own shares, own bonds issued, and other realizable securities.

The initial valuation of short-term financial assets is based on the acquisition cost. The acquisition cost includes direct costs related to the acquisition, such as fees and commissions paid to brokers, advisors, and stock exchanges.

As of the acquisition date of short-term financial assets, these assets are classified by the Company according to their nature as short-term financial assets for trading or available for sale short-term financial assets. Short-term financial assets for trading refer to securities held for the purpose of trading on the public market to profit from short-term price differences, but typically not exceeding a period of one year.

As of the financial statement date, the Company values short-term financial assets at fair value if determinable, except for securities held until maturity. Changes in fair value are recognized in the income statement for the current period, except for available for sale securities, where the revaluation is recorded within equity.

For short-term financial assets not valued at fair value, adjustments are created if they are impaired during the reporting period.

Shares, bonds, debentures and similar securities not classified as securities held until maturity or securities held for trading are classified as available for sale securities and are reported at fair value.

The fair value of short-term financial assets is the market value, publicly announced on domestic or foreign stock exchanges, or, if the market value is not available, it is determined by qualified estimate or expert appraisal.

Cash and cash equivalents consist of negotiable securities, cash on hand, and funds in bank accounts.

#### **E) RECEIVABLES**

Receivables are initially valued at their nominal value, subsequently reduced by relevant adjustments for doubtful and uncollectible amounts. Receivables acquired for consideration or by contribution are valued at the acquisition cost reduced by adjustments for doubtful and uncollectible amounts. The assessment of doubtful receivables is reduced by adjustments, reflecting the costs to realize their value, based on individual assessment of each debtor and the age structure of the debts.

Estimated receivables are valued based on expert estimates and calculations.

Both accounts receivable and estimated receivables are classified into short-term (maturity within 12 months, including) and long-term (maturity over 12 months), with short-term receivables being due within one year from the balance sheet date.

#### **F) EQUITY**

The company's registered capital is shown as the amount registered in the Commercial Register of the Municipal Court. Any increase or decrease in registered capital based on resolutions of the general meeting, that has not been registered as of the balance sheet date, is reported as changes in registered capital. Contributions exceeding the registered capital are reported as share premium.

#### **G) LIABILITIES**

Liabilities are recorded at their nominal value.

Estimated liabilities are valued based on expert estimates and calculations and are classified into short-term (maturity within 12 months, including) and long-term (maturity over 12 months), with short-term liabilities being due within one year from the balance sheet date.

#### **H) TRANSACTIONS WITH RELATED PARTIES**

Related parties of the company are defined as follows:

- Parties with the ability to directly or indirectly exercise controlling influence on the Company and companies where these parties hold controlling or significant influence,
- Parties with the ability to directly or indirectly exercise significant influence on the Company,
- Members of the statutory, supervisory, and management bodies of the Company, along with individuals close to these persons, including businesses where these members and individuals hold significant or controlling influence.



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

## I) PROVISIONS

Provisions are designated to cover liabilities or expenses with a clearly defined nature that are probable or certain to occur as of the balance sheet date, although their exact amount or timing is uncertain.

## J) LEASING

Financial leasing refers to the acquisition of long-term tangible assets whereby ownership of the asset transfers from the lessor to the lessee after or during the agreed-upon period of paid use by the lessee. The lessee makes payments for the acquisition costs within expenses.

The lease payments of financial leasing are accounted for as expenses. The increased initial payment of financial leasing is accrued over the lease term and recognized as an expense over the rental period.

## K) FOREIGN EXCHANGE OPERATIONS

Accounting transactions in foreign currencies are recorded using the exchange rate of the Czech National Bank valid on the date of the transaction.

As of the balance sheet date, foreign currency assets and liabilities are revalued using the CNB exchange rate on that date. Realized and unrealized exchange gains and losses are accounted for in the financial results of the current year.

## L) USE OF ESTIMATES

The preparation of financial statements requires the Company's management to use estimates and assumptions affecting reported values of assets and liabilities as of the balance sheet date, as well as the reported amounts of revenues and expenses for the reporting period. The Company's management has based these estimates on all relevant information available to them. However, due to the nature of estimation, actual values in the future may differ from these estimates.

## M) REVENUE AND EXPENSE RECOGNITION

Revenues and expenses are accrued, i.e., recognized in the period to which they relate both in terms of substance and timing.

## N) RESERVE FOR INCOME TAX OF LEGAL ENTITIES

The Company's management has recorded the tax liability and tax expense based on a tax calculation derived from its understanding of the interpretation of tax laws applicable in the Czech Republic as of the date of the financial statements. The management

is confident in the accuracy of the tax amount in accordance with the applicable tax regulations of the Czech Republic. However, given the existence of various interpretations of tax laws and regulations by third parties, including government authorities, the income tax liability reported in the Company's financial statements may change based on the final decision of the tax authority.

The income tax expense is calculated using the applicable tax rate on the net income, adjusted for permanently or temporarily non-deductible expenses and non-taxable revenues (e.g., creation and reversal of other reserves and adjustments, representation expenses, the difference between accounting and tax depreciation, etc.). Additionally, tax base reducing items (e.g., donations), deductible items (e.g., tax loss, expenses on research and development projects), and income tax credits are taken into account.

## O) DEFERRED INCOME TAX

The calculation of deferred income tax is based on the liability method, using a balance sheet approach.

The carrying amount of deferred tax assets is evaluated as of the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax asset or portion thereof can be utilized. Deferred tax is recognized in the income statement except in cases where it relates to items directly booked to equity and where the related deferred tax is also included in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

## P) SUBSEQUENT EVENTS

The impact of events occurring between the balance sheet date and the date of preparation of the financial statements are reflected in the financial statements if these events provided additional information about facts that existed as of the balance sheet date.

## Q) CHANGES IN VALUATION, DEPRECIATION AND ACCOUNTING POLICIES FROM PREVIOUS ACCOUNTING PERIOD

During the current financial year, there have been no significant changes in valuation methods, depreciation procedures, and accounting procedures compared to the previous accounting period.

## 4. ADDITIONAL INFORMATION TO BALANCE SHEET ITEMS

## A) LONG-TERM INTAGIBLE ASSETS

Long-term intangible assets in their net value include software associated with the Company's information system. This system is primarily used for managing bondholders and coupon payments.

Overview of long-term intangible assets in 2022 in thousands of CZK:

Thous. CZK	1. 1. 2022	Increase	Disposals	Transfers	31. 12. 2022
<b>Gross value</b>					
Software	332				332
<b>Total</b>	<b>332</b>				<b>332</b>
<b>Adjustments</b>					
Software	-283	-49			-332
<b>Total</b>	<b>-283</b>	<b>-49</b>			<b>-332</b>
<b>Impairment</b>					
Software					
<b>Total</b>					
<b>Net value</b>	<b>49</b>	<b>-49</b>			

Přehled dlouhodobého nehmotného majetku v roce 2023 v tis. Kč:

Thous. CZK	1. 1. 2023	Increase	Disposals	Transfers	31. 12. 2023
<b>Gross value</b>					
Software	332				332
<b>Total</b>	<b>332</b>				<b>332</b>
<b>Adjustments</b>					
Software	-332				-332
<b>Total</b>	<b>-332</b>				<b>-332</b>
<b>Impairment</b>					
Software					
<b>Total</b>					
<b>Net value</b>					

## B) LONG-TERM TANGIBLE ASSETS

Overview of long-term tangible assets in 2022 in thousands of CZK:

Thous. CZK	1.1. 2022	Increase	Disposals	Transfers	31.12. 2022
<b>Gross value</b>					
Buildings	22 451				22 451
Tangible movable assets and their sets	2 842	2 798			5 640
Tangible fixed assets under construction		1 672			1 672
<b>Total</b>	<b>25 293</b>	<b>4 470</b>			<b>29 763</b>
<b>Adjustments</b>					
Buildings	-537	-454			-991
Tangible movable assets and their sets	-2 097	-874			-2 971
<b>Total</b>	<b>-2 634</b>	<b>-1 328</b>			<b>-3 962</b>
<b>Total impairment</b>					
<b>Net value</b>	<b>22 659</b>	<b>3 142</b>			<b>25 801</b>

Overview of long-term tangible assets in 2023 in thousands of CZK:

Thous. CZK	1.1. 2023	Increase	Disposals	Transfers	31.12. 2023
<b>Gross value</b>					
Buildings	22 451	5 395			27 846
Tangible movable assets and their sets	5 640	4 900	-1 498		9 042
Tangible fixed assets under construction	1 672		-1 672		
<b>Total</b>	<b>29 763</b>	<b>10 294</b>	<b>-3 170</b>		<b>36 888</b>
<b>Adjustments</b>					
Buildings	-991	-465			-1 456
Tangible movable assets and their sets	-2 971	-1 748	1 498		-3 221
<b>Total</b>	<b>-3 962</b>	<b>-2 213</b>	<b>1 498</b>		<b>-4 677</b>
<b>Total impairment</b>					
<b>Net value</b>	<b>25 801</b>	<b>8 081</b>	<b>-1 672</b>		<b>32 211</b>

## C) LONG-TERM FINANCIAL ASSETS

The company reports long-term financial assets amounting to CZK 545,560 thousand (2022: CZK 513,850 thousand), primarily consisting of stakes in subsidiary companies.

### Overview of long-term financial assets in 2022 in thousands of CZK:

Thous. CZK	1.1.2022	Increase	Disposals	Transfers	31.12.2022
Shares - controlled and controlling entity	734 845	211 750			946 595
Loans and borrowings - controlled or controlling entity					
Loans and borrowings - other	18 891	5 909			24 800
Deposits for long-term financial assets					
<b>Total</b>	<b>753 736</b>	<b>217 659</b>			<b>971 395</b>
<b>Impairment</b>					
Shares - controlled and controlling entity	-70 000	-387 545			-457 545
Loans and borrowings - controlled or controlling entity					
Loans and borrowings - other					
Deposits for long-term financial assets					
<b>Total</b>	<b>-70 000</b>	<b>-387 545</b>			<b>-457 545</b>
<b>Net value</b>	<b>683 736</b>	<b>-169 886</b>			<b>513 850</b>

### Overview of long-term financial assets in 2023 in thousands of CZK:

Thous. CZK	1.1.2023	Increase	Disposals	Transfers	31.12.2023
Shares - controlled and controlling entity	946 595	32 500			979 095
Loans and borrowings - controlled or controlling entity					
Loans and borrowings - other	24 800	1 778			26 578
Deposits for long-term financial assets					
<b>Total</b>	<b>971 395</b>				<b>1 005 673</b>
<b>Impairment</b>					
Shares - controlled and controlling entity	-457 545	-2 568			-460 113
Loans and borrowings - controlled or controlling entity					
Loans and borrowings - other					
Deposits for long-term financial assets					
<b>Total</b>	<b>-457 545</b>				<b>-460 113</b>
<b>Net value</b>	<b>513 850</b>				<b>545 560</b>



## ČESKOMORAVSKÁ NEMOVITOSTNÍ A.S. IS THE PARENT COMPANY OF THE FOLLOWING LEGAL ENTITIES:

Company name	Company's headquarters	Registered capital (thous. CZK)	Share value	Assets (thous. CZK)
CMN International Assets a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	2 210
Czech-Moravian Properties a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	23 501
Českomoravská Poradenská s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %	7 263
Českomoravská Projektová a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	909 415
Českomoravská Projektová II a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	883 372
Českomoravská Projektová III a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	1 371 661
Českomoravská Projektová IV a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	1 503 629
ČMN I s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %	99 410
ČMN II s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %	529
ČMN Financing s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	20	100 %	5 869 582
ČMN RE I a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	3 441 878
ČMN RE II a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	52 009
ČMN RE III a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %	223 237
ČMN RE Management a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	93 201
ČMN Servis s. r. o.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	200	100 %	665
High End Living s. r. o.	Štefánikova 136/66, Ponava, 612 00 Brno	20	100 %	123
Českomoravská Projektová V a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	1 505 442
Českomoravská Projektová VI a. s.	Václavské náměstí 806/62, Nové Město, 110 00 Praha 1	2 000	100 %	756 290

## 4. ADDITIONAL INFORMATION TO BALANCE SHEET ITEMS

The company created adjustments for the value of its interests to accurately reflect their market value. No adjustments were made for the following companies because positive financial results are expected in future years.

Českomoravská Poradenská s.r.o. plans to generate revenues from additional financial products in the upcoming period, which is expected to increase financial income.

If ČMN RE II a.s. sells its shares in ČMN Husova s.r.o. at market value, it will realize significant income.

Českomoravská Projektová V a.s. and Českomoravská Projektová VI a.s. plan to increase their lending activities in the future, resulting in higher financial income for both companies.

## THE STRUCTURE OF EQUITY OF SUBSIDIARY COMPANIES AS OF THE DATE OF THE FINANCIAL STATEMENTS WAS AS FOLLOWS:

Company name	Equity (thous. CZK)	Registered capital and capital funds (thous. CZK)	Advance payment of profit share (thous. CZK)	Undistributed profit/loss from previous years (thous. CZK)	Profit/loss for the current period (thous. CZK)
CMN International Assets a. s.	2 171	2 000		-56	115
Czech-Moravian Properties a. s.	22 930	2 000		16 094	4 837
Českomoravská Poradenská s. r. o.	3 531	10 300		-1 248	-5 521
Českomoravská Projektová a. s.	19 355	2 000		11 824	5 531
Českomoravská Projektová II a. s.	7 615	2 000		7 055	-1 440
Českomoravská Projektová III a. s.	10 750	2 000		8 035	715
Českomoravská Projektová IV a. s.	16 083	2 000		6 125	7 958
ČMN I s. r. o.	99 162	28 150		39 512	31 500
ČMN II s. r. o.	354	3 000		-2 573	-73
ČMN Financing s. r. o.	6 541	4 970		-5 818	-7 389
ČMN RE I a. s.	1 131 877	710 104		458 483	-36 710
ČMN RE II a. s.	807	20 500		-15 051	-4 642
ČMN RE III a. s.	115 011	25 189	-145 800		235 622
ČMN RE Management a. s.	3 141	2 000		2 031	-890
ČMN Servis s. r. o.	588	700		-390	278
High End Living s. r. o.	113	1 320		-1 169	-38
Českomoravská Projektová V a. s.	52	18 500		-1 508	-16 940
Českomoravská Projektová VI a. s.	106	4 300			-4 194

## 4. ADDITIONAL INFORMATION TO BALANCE SHEET ITEMS

### D) RECEIVABLES

The Company's receivables include, among other things, receivables from controlled entities, which arise from service agreements.

The receivables do not have overdue balances exceeding 5 years.

The company did not make any adjustments for receivables during the accounting period.

### E) SHORT-TERM FINANCIAL ASSETS

Short-term financial assets consist of cash and bank balances.

### F) ACCRUED EXPENSES

Accrued expenses primarily include the accrued expenses of legal services and other costs based on timing and materiality. The company does not have accrued accounts in the liability section as of the financial statement date.

### G) EQUITY

The company's registered capital is CZK 2,000,000, fully paid.

By the decision of the general meeting held on June 30, 2023, the loss for the year 2022 amounting to CZK 300,283 was approved to be transferred to the account of accumulated losses from previous years.

### H) PROVISIONS

In 2023, the Company accounted for accrued vacation.

### I) LIABILITIES

Long-term liabilities primarily consist of a loan from ČMN Financing s.r.o. amounting to CZK 574,119, with a maturity exceeding 5 years.

Short-term liabilities mainly include trade payables arising from standard business relationships. As of the financial statement date, the company did not have short-term liabilities secured by collateral.

As of the date of the financial statements, the Company does not record bonds in its short-term liabilities.

### J) LEASING

The company has a leasing agreement for leasing a personal automobile.

### K) SUBSIDIES / INVESTMENT INCENTIVES

The company did not receive any subsidies or investment incentives during 2023 or 2022.

## 5. ADDITIONAL INFORMATION TO THE PROFIT AND LOSS STATEMENT

### A) REVENUES

Company revenues primarily consist of sales of goods and services and dividends.

Overview of revenues:

(thous. CZK)	2023	2022
Sales of goods and services	133 624	137 793
Other operating income	1 679	509
Sales of securities and shares		
Income from shares - controlled or controlling entity	293 006	200 000
Interest income	2 456	1 403
Interest from long-term financial assets		
Other financial income	3 990	2 077
<b>Total</b>	<b>434 755</b>	<b>341 782</b>

### B) PRODUCTION CONSUMPTION

Total production consumption amounted to CZK 187,647 thousand.

Material and energy consumption costs of CZK 8,498 thousand include mainly expenses related to marketing needs and office equipment, including IT hardware, which is not classified as long-term tangible assets due to its low unit cost.

Service costs of CZK 179,149 thousand mainly encompass expenses for legal, accounting, tax, economic, technical, and IT consultancy.

### C) PERSONNEL EXPENSES

Personnel expenses reached a total of CZK 81,384 thousand in 2023. As of the financial statements date, the company employed 59 individuals, with an average full-time equivalent of 46 employees throughout the fiscal year.

### D) INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

The company provides services to controlled entities, involving financial and commercial advisory, asset and property management, etc. The company charges fees for these services based on market standards.

All transactions with related parties have been negotiated under market principles and standard business conditions.

### E) RESEARCH AND DEVELOPMENT

The company did not incur any expenses related to research and development.



## 6. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The impact of events occurring between the reporting date and the date of financial statements preparation are reflected in the financial statements if these events provide supplementary information about facts existing as of the balance sheet date.

In cases where significant events have occurred between the reporting date and the date of financial statements preparation, considering circumstances arising after the reporting date, the consequences of these events are described in the notes to the financial statements but are not accounted for in the financial statements.

The company's management is diligently monitoring the situation related to the military conflict in Ukraine, associated sanctions against Russia. The company responds to potential consequences arising from this situation to minimize negative impacts on its activities and business.

Thanks to the timely implementation of necessary measures, the company's management has concluded that the situation does not have a significant impact on the assumption of the business's going concern.

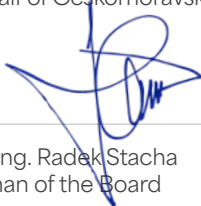
Consequently, the financial statements as of December 31, 2023, were prepared on the assumption that the company will be able to continue its operations without significant complications influenced by the aforementioned situation.

## 7. GOING CONCERN ASSUMPTION

In the year 2023, the company reported an after-tax profit of CZK 89,504 thousand. Simultaneously, the company's equity, as of the financial statements date, reaches CZK 93,475 thousand.

Considering the above and the strategic plans of the company, the financial statements as of December 31, 2023, were prepared on the assumption of the company's going concern.

**In Prague on May 6<sup>th</sup>, 2024**  
on behalf of Českomoravská Nemovitostní a.s.



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Ing. et Ing. Radek Stacha  
Chairman of the Board



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

BDO Audit s.r.o.  
V parku 2316/12  
Prague 4  
148 00

Translation of the original Czech version of the Independent Auditor's Report. Only the Czech version presented together with the accompanying audited financial statements is legally binding.

## Independent Auditor's Report

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

### Opinion

We have audited the accompanying financial statements of **Českomoravská Nemovitostní a. s.**, with its headquarters at Václavské náměstí 806/62, Nové Město, 110 00 Praha 1, IC (Registration Number) 051 42 202, (hereafter the Company) prepared in accordance with Czech accounting regulations, which comprise the balance sheet as at 31 December 2023, the profit/loss account, statement of changes in equity and cash flow statement for the period from 1 January 2023 to 31 December 2023 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 the Company as at 31 December 2023 and of the costs, revenues and its profit or loss and its cash flows for the period from 1 January 2023 to 31 December 2023, in accordance with Czech accounting regulations.

### Basis for Opinion

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

### Other information included in the Annual Report

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

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



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

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

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

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

#### **Responsibilities of the Company's Statutory Body for the Financial Statements**

The Company's Statutory Body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting regulations, and for such internal control as the Statutory Body 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 Statutory Body 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 Statutory Body 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 Statutory Body.
- Conclude on the appropriateness of the Statutory Body's 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 Company's Statutory Body 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.

Brno, May 7, 2024

Audit firm:

*BDO Audit s.r.o.*

BDO Audit s. r. o.

Certificate No. 018

Engagement Partner:

Ing. Jiří Kadlec

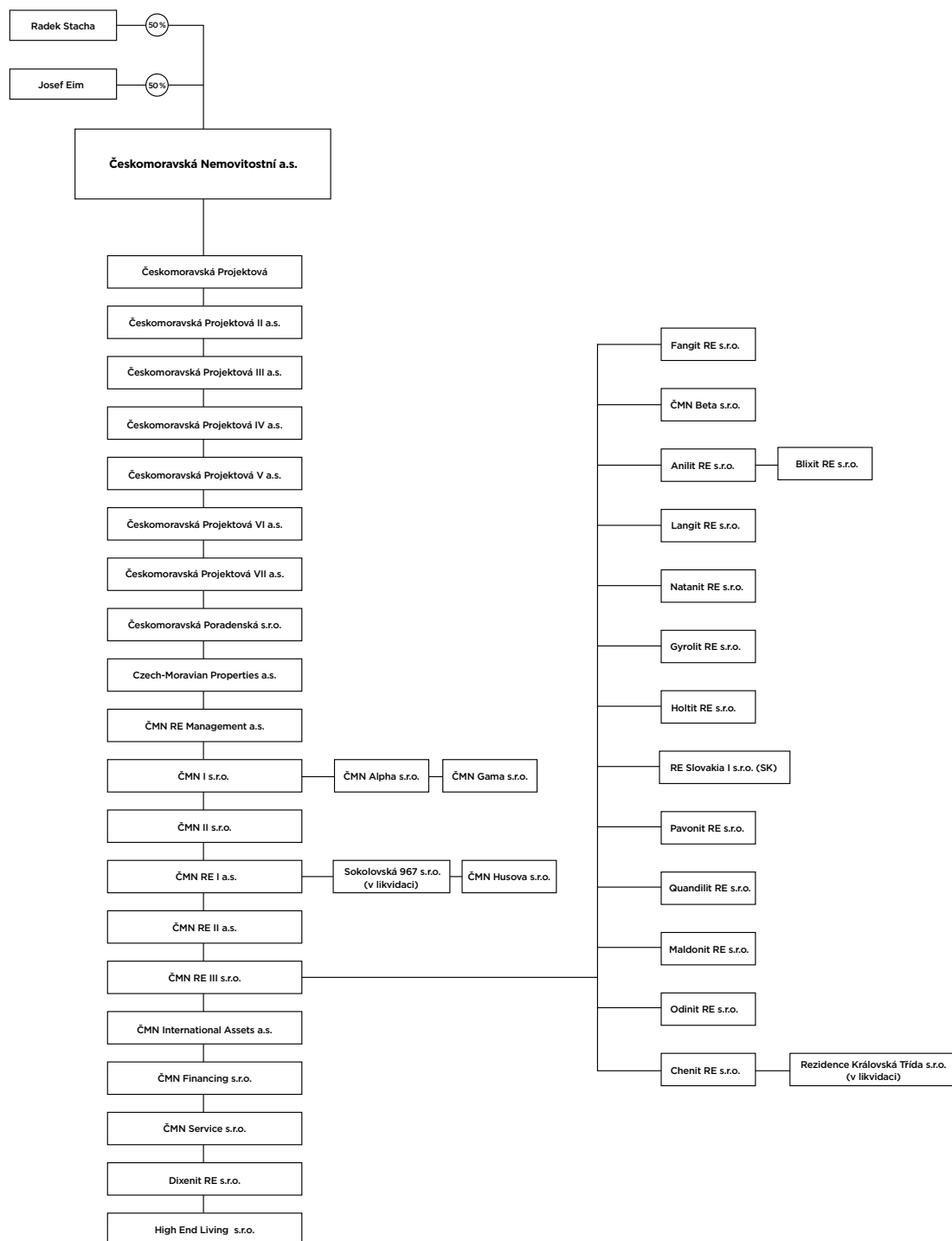
Certificate No. 1246



# Report on relations

# ORGANIZATIONAL STRUCTURE OF THE GROUP

as of December 31, 2023



# REPORT ON RELATIONS

Report of the statutory body of Českomoravská Nemovitostní a.s., with its registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 051 42 202, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 24261 (hereinafter referred to as the 'Company'), regarding the relationships between the controlling entity and the controlled entity, i.e., the Company, and between the controlled entity and the entities controlled by the same controlling entity, processed in accordance with Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations and Cooperatives, as amended (hereinafter referred to as the 'Act')."

## Section I.

Structure of Relationships between the Controlled and Controlling Entities

### Controlling Person:

Ing. et Ing. Radek Stacha,  
born on November 28, 1987,  
residing at Karolinská 708/13, Karlín, 186 00 Prague 8

Ing. Mgr. Josef Eim,  
born on April 5, 1984,  
residing at Tučkova 418/21, Veverí, 602 00 Brno

### Entities Controlled by the Company:

As of December 31, 2023, the statutory body of the Company was aware of the following entities controlled by the Company:

#### Českomoravská Projektová a.s.

Registered office: Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 073 75 115, Registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 24251

#### Českomoravská Projektová II a.s.

Registered office: Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 081 69 926, Registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 24412

#### Českomoravská Projektová III a.s.

Registered office: Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 090 48 189, Registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 25198

#### Českomoravská Projektová IV a.s.

Registered office: Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 109 23 705, Registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 26362

#### Českomoravská Projektová VI a.s.

Registered office: Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 191 96 750, Registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 28042

#### Českomoravská Projektová V a.s.

Registered office: Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 143 75 737, Registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 27177

#### Českomoravská Poradenská s.r.o.

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 055 59 812, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 311985;

#### ČMN RE I a.s.

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 065 94 191, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 24177;

#### ČMN RE II a.s.

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 065 94 484, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 24176;

#### ČMN RE III s.r.o.

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 096 39 110, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 339462;

#### ČMN I s.r.o.

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 049 38 453, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 309183;

#### ČMN II s.r.o.

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 053 72 321, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 310795;

#### High End Living s.r.o.

with its registered office at Štefánikova 136/66, Ponava, 612 00, Brno, ID: 038 85 216, registered in the Commercial Register maintained by the Regional Court in Brno, file no. C 87242;

#### ČMN Alpha s.r.o.

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 062 22 960, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 311004;

# REPORT ON RELATIONS

## **ČMN Gama s.r.o.**

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 063 33 311, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 311993;

## **ČMN RE Management a.s.**

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 079 49 898, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 24244;

## **ČMN Servis s.r.o.**

with its registered office at Václavské náměstí 806/62, Nové Město, 110 00, Prague 1, ID: 085 99 181, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 321738;

## **Report on relations**

### **Sokolovská 967 s.r.o.**

in liquidation, with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 060 36 163, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 311987;

### **ČMN Husova s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 064 37 885, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 311990;

### **Anilit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 080 53 332, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 312191;

### **Blixit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 080 53 359, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 312194;

### **Dixenit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město 110 00 Prague 1, ID: 080 53 421, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 312197;

### **Fangit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 080 53 499, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 312201;

## **Gyrolit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 080 53 511, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 312202;

## **Holtit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 080 53 537, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 312203;

## **Chenit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 080 53 553, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 312204;

## **Czech-Moravian Properties a.s.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 063 58 764, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 25711;

## **REZIDENCE KRÁLOVSKÁ TŘÍDA, s.r.o.**

in liquidation, with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 067 67 591, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 288518;

## **RE Slovakia I s.r.o.**

established and existing under Slovak law, with registered office at Laurinská 18, Bratislava - Staré Mesto, 811 01 Slovak Republic, ID: 53 405 226, registered in the Slovak Commercial Register maintained by District Court Bratislava I, Section Sro, Insert No. 148427/B;

## **Langit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 099 48 121, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 344725;

## **Natanit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 099 24 035, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 344726;

## **Pavonit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 141 55 753, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 361263;

**Quandilit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 141 55 648, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 361262;

**Maldonit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 141 55 885, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 361269;

**Odinit RE s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 141 55 818, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 361268;

**ČMN Financing s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 099 24 019, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 344727;

**CMN International Assets a.s.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 098 85 404, registered in the Commercial Register maintained by the Municipal Court e, file no. B 26061;

**ČMN Beta s.r.o.**

with registered office at Václavské náměstí 806/62, Nové Město, 110 00 Prague 1, ID: 062 23 079, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. C 311001 (hereinafter "Controlled Entities").

The statutory body of the Company declares that it has exercised the care of a prudent manager to identify the scope of other related parties for the purposes of preparing this report.

**Section II.  
COMPANY'S ROLE**

Within the group, the Company is an independent entity intending to develop its business activities within the real estate market, i.e., leasing of real estate, especially non-residential premises (offices and logistics areas), possibly apartments, and within asset management.

**Section III.  
METHOD AND MEANS OF CONTROL**

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

**Section IV.  
RELEVANT PERIOD**

This report covers the period from January 1, 2023, to December 31, 2023.

**Section V.**  
Overview of actions taken at the instigation or in the interest of controlling persons or entities controlled by them, if such actions concerned property exceeding 10% of the Company's equity capital.

The Company is not aware of any actions taken at the instigation or in the interest of controlling persons or entities



## Section VI.

Contracts concluded between the Company and Controlled entities or entities controlled by them

Entity	Contract Name	Date of Conclusion	Performance provided by the company	Performance provided for the company	Loss
ČMN Financing s.r.o.	Loan Agreement based on Assignment Agreement from 30. 4. 2021	11. 2019	Interest	Loan	- none
Sokolovská 967 s.r.o.	Service Agreement, as amended later	20.11. 2019	Services	Fee	- none
ČMN Alpha s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
ČMN Gama s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
ČMN I s.r.o.	Service Agreement	10.12. 2019	Services	Fee	- none
ČMN II s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
ČMN RE I a.s.	Service Agreement	26.8. 2019	Services	Fee	- none
ČMN RE II a.s.	Service Agreement	10.12. 2019	Services	Fee	- none
ČMN Husova s.r.o.	Service Agreement	10.12. 2019	Services	Fee	- none
Českomoravská Poradenská s.r.o.	Service Agreement	1.3. 2020	Services	Fee	- none
ČMN Servis s.r.o.	Service Agreement	29.1. 2020	Services	Fee	- none
Czech-Moravian Properties a.s.	Service Agreement, as amended later	26.8. 2019	Services	Fee	- none
Českomoravská Projektová a.s.	Service Agreement	26.8. 2019	Services	Fee	- none
Českomoravská Projektová II a.s.	Service Agreement, as amended later	26.8. 2019	Services	Fee	- none
Českomoravská Projektová III a.s.	Service Agreement, as amended later	20.4. 2020	Services	Fee -	- none
ČMN RE Management a.s.	Service Agreement, as amended later	10.6. 2019	Services	Fee	- none
Anilit RE s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
Blixit RE s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
Dixenit RE s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
Fangit RE s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
Gyrolit RE s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
Holtit RE s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
Chenit RE s.r.o.	Service Agreement	26.8. 2019	Services	Fee	- none
CMN International Assets a.s.	Service Agreement	22.2. 2021	Services	Fee	- none
ČMN RE III s.r.o.	Service Agreement	22. 2. 2021	Services	Fee	- none
High End Living s.r.o.	Service Agreement	22. 2. 2021	Services	Fee	- none
ČMN Financing s.r.o.	Service Agreement	12. 3. 2021	Services	Fee	- none
Langit RE s.r.o.	Service Agreement	12. 3. 2021	Services	Fee	- none
Natanit RE s.r.o.	Service Agreement	12. 3. 2021	Services	Fee	- none
Českomoravská Projektová IV a.s.	Service Agreement	30. 7. 2021	Services	Fee	- none

## Section VI.

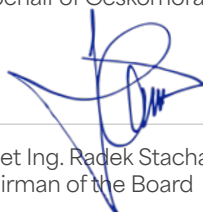
Contracts concluded between the Company and Controlled entities or entities controlled by them

Entity	Contract Name	Date of Conclusion	Performance provided by the company	Performance provided for the company	Loss
Českomoravská Projektová V a.s.	Service Agreement	29.8. 2022	Services	Fee	- none
Maldonit RE s.r.o.	Service Agreement	29.8. 2022	Services	Fee	- none
Pavonit RE s.r.o.	Service Agreement	29.8. 2022	Services	Fee	- none
Odínit RE s.r.o.	Service Agreement	29.8. 2022	Services	Fee	- none
Quandilit RE s.r.o.	Service Agreement	29.8. 2022	Services	Fee	- none
Českomoravská Poradenská s.r.o.	Support Agreement	1.11. 2019	Incentive Services	Fee	- none
ČMN RE I a.s.	Surcharge Agreement	6.10. 2022	Surcharge	Fee	- none
ČMN Financing s.r.o.	Surcharge Agreement	30.12. 2022	Surcharge	Fee	- none
Českomoravská Poradenská s.r.o.	Surcharge Agreement	22.8. 2022	Surcharge	Fee	- none
ČMN II s.r.o.	Surcharge Agreement	2.8. 2023	Surcharge	Fee	- none
Českomoravská Projektová V a.s.	Surcharge Agreement	31.12. 2023	Surcharge	Fee	- none
Českomoravská Projektová VI a.s.	Surcharge Agreement	30.12. 2022	Surcharge	Fee	- none
ČMN RE II s.r.o.	Surcharge Agreement	15.12. 2023	Surcharge	Fee	- none
ČMN RE II s.r.o.	Surcharge Agreement	31.12. 2023	Surcharge	Fee	- none
Českomoravská projektová VI a.s.	Service Agreement	28.9. 2023	Services	Fee	- none

The statutory body of the Company further declares that, in its opinion, all monetary performances or counter performances provided on the basis of relationships stated in sections V and VI of this report were provided in the usual amount. The Company has not suffered any losses as a result of the performances stated in sections V and VI of this report. Consequently, there are no disadvantages or potential risks to the Company arising from its relationships with related parties that would exceed the risks associated with similar contracts with unrelated parties in nature or scope.

**In Prague on May 6, 2024**

on behalf of Českomoravská Nemovitostní a.s.



Ing. et Ing. Radek Stacha  
Chairman of the Board





Českomoravská Nemovitostní a.s.

**Registered address**

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