

REICO ČS NEMOVITOSTNÍ  
**2022 Annual Report**







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## Basic information

### Basic information on the Fund as at 31 December 2022

<b>Fund identification:</b>	REICO ČS NEMOVITOSTNÍ, open-ended mutual fund of
<b>Fund manager and administrator:</b>	REICO investiční společnost České spořitelny, a.s. *
<b>Depository:</b>	Česká spořitelna, a.s.*
<b>Auditor:</b>	KPMG Česká republika Audit, s.r.o.
<b>Date of establishment of the Fund:</b>	9 February 2007
<b>Frequency of valuation and trading:</b>	daily
<b>Recommended investment horizon:</b>	min. 5 years
<b>First and every subsequent investment:</b>	min. CZK 300
<b>Fund bank account number:</b>	35-2001349369/0800
<b>ISIN:</b>	CZ0008472545
<b>Fund currency:</b>	CZK
<b>Sale fee:</b>	did not exceed 1.5% in 2022
<b>Management fee:</b>	1.75%

(\*over the entire period of the Fund's existence)

### Selected key financial information as at 31 December 2022

REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. (open-ended mutual fund of REICO investiční společnost České spořitelny, a.s.)

Key financial indicators for the accounting period	TCZK
<b>Total assets</b>	<b>29 999 484</b>
<b>Total value of real estate (market valuation)</b>	<b>37 330 058</b>
- owned directly by the Fund	0
- owned through a real estate company	37 330 058
<b>Number of real estate units</b>	<b>21</b>
- owned directly by the Fund	0
- owned through a real estate company	21
<b>Occupancy rate of real estate</b>	<b>93.0 %</b>
<b>Changes in the real estate portfolio in 2022:</b>	
<b>Purchases of real estate</b>	<b>1</b>
- owned directly by the Fund	0
- owned through a real estate company	1
<b>Sales of real estate</b>	<b>0</b>
- owned directly by the Fund	0
- owned through a real estate company	0
<b>Performance of the Fund in the period from 1 January 2022 to 31 December 2022</b>	<b>6.18 %</b>
<b>Net value of assets attributable to unitholders</b>	<b>28 282 144</b>
<b>Net value of assets attributable to unitholders per unit (CZK C class)</b>	<b>1.3784</b>
<b>Net value of assets attributable to unitholders per unit (CZK DPM class)</b>	<b>1.2765</b>
<b>Revenue paid to unitholders</b>	<b>0<sup>1</sup></b>

<sup>1</sup> REICO ČS NEMOVITOSTNÍ is a growth fund and does not pay any revenue to its unitholders.

## Introduction by the chairman of the board of directors



Tomáš Jandík, CFA, MRICS

Chairman of the board of directors

REICO investiční společnost České spořitelny, a.s.

Ladies and gentlemen, dear unitholders.

Let me present to you the annual report of REICO ČS NEMOVITOSTNÍ, the open-end mutual fund of REICO investiční společnost České spořitelny, a.s. for year 2022, during which we achieved record fund return of 6.1% despite numerous challenges and uncertainties.

Macroeconomy and the commercial real estate sector had no yet fully consumed impacts of the pandemic when consequences of Russia's unprovoked war against Ukraine began to affect the whole world. From a macroeconomic perspective, the gradual increase in the 2-week repo rate set by the Czech National Bank to 7% p.a. was crucial, possibly increasing the motive for short-term savings at the expense of long-term investments. On the other hand, the high interest rate differential between the Czech crown and the euro contributed significantly to the Fund's appreciation through the currency hedging instruments held by the Fund. Rising interest rates in the Eurozone then made it more difficult to finance new acquisitions, although most of the Fund's existing loan portfolio remained interest rate hedged over the long term. The most significant macroeconomic effect was a surge in inflation in the Eurozone, which at 2.6% for 2021 made its way into the 2022 rent indexation and at 8.4% for 2022 will continue to be a significant contributor to the Fund's performance going forward.

In the commercial real estate investment market, prime yields typically increased by 25 to 75 basis points, primarily in response to the rising cost of financing at around 5%. However, rent indexation together with rising construction costs both contributed to rental growth and thus lead to relatively stable commercial real estate valuations. The office sector continues with subdued construction following the pandemic, while continuously low vacancy rates in both Prague and Warsaw contribute strongly to landlord market. Retail went through difficult period during the pandemic and long beforehand and so our positions in dominant shopping centres investments enjoyed stable rents at high yields last year. The industrial real estate sector saw rental growth of up to tens of percent. This increase often more than offset the

increase in desired yields, which in the industrial sector had the most negative impact on real property valuations.

Significant addition to REICO ČS NEMOVITOSTNÍ's real estate portfolio was the acquisition of Centrum Bořislavka in Prague 6 for approximately CZK 5 billion. This premium property with an average lease term of 9 years has been leased to KKCG and other creditworthy office and retail tenants. Designed by Aulík Fišer architects, the centre enjoys LEED Gold environmental certification, and embodies another flagship property in the Fund's portfolio. The acquisition not only helped to improve the portfolio's quality but also significantly increased its weighted-average lease length, which stood at 4.11 years at the end of the year. During the year we also worked on reduction of energy consumption across our portfolio in compliance with Article 8 of the SFDR, thereby qualifying the funds under our management as "light green" financial products with effect from 1 January 2023.

Following the latest acquisition and despite the challenging external environment, the price per unit rose by 6.1% over the past year, a record result in the Fund's history. The real estate portfolio of nearly CZK 38 billion at the end of the year consisted of 21 mostly premium commercial properties with more than 670 lease relationships. The portfolio spread across three countries and four sectors maintained an occupancy rate of over 95%. In addition to broad diversification, the Fund offers daily liquidity and stable performance with minimum correlation to financial markets. These are the attributes of a conservative investment strategy, which is the cornerstone of alternative allocation in investment portfolios, whether for one-off investments with a horizon of over 5 years or for regular savings. We thank our more than 105 000 unitholders for their continued confidence which for us represents an ongoing commitment in the coming years.

Tomáš Jandík, CFA, MRICS

Chairman of the board of directors

REICO investiční společnost České spořitelny, a.s.

## Macroeconomic overview

In 2022, the Czech economy's GDP grew by 2.4%, showing a more favourable development than initially expected. The economy was significantly affected by Russia's invasion of Ukraine in February and its negative effects on inflation, foreign trade, and interest rates. Overall, GDP growth was expected to be lower than what the Czech economy eventually achieved. Developments in the individual quarters varied during the year. At the beginning of 2022, the economy was undergoing a recovery, with GDP growth driven mainly by domestic demand, all this after the low household consumption figures for 2021 influenced by the pandemic. Foreign trade had the opposite effect, with imports for consumption and investment purposes rising strongly and net exports contributing to GDP growth negatively in the first half of 2022. In the second half of the year, the situation reversed, with household consumption undergoing a significant decline while foreign trade became the most important driver of GDP growth.

Average inflation reached 15.1% last year, as inflationary pressures gradually intensified during the year, driven mainly by two main factors: first, the war in Ukraine and the associated rise in energy prices, which in addition to its direct impact on consumer inflation also increased costs for firms and businesses, translating in turn into rising prices of goods and services. Second, domestic factors, i.e., the overheated labour market and strong household demand from 2021 and early 2022 also significantly contributed to the further intensification of inflationary pressures. In the second half of the year, these domestic factors gradually began to weaken, but this was offset by further increases in energy prices. Inflation thus decreased only in October when its year-on-year rate slowed from 18% to 15.1%. However, this was mainly due to the Czech Statistical Office's accounting for the impact of the savings tariff in price developments. Without this, year-on-year inflation would have been 18.6% in October alone. The effect of the savings tariff was then present in the data throughout the entire fourth quarter.

The labour market deteriorated in 2022 but remained strong. The average unemployment rate reached 2.4%, remaining significantly low. This consequently contributed to strong anti-inflationary pressures, especially in the first half of the year. On the other hand, however, real wage developments worsened over the past year,

even though nominal wage growth remained solid. This was due to high inflation, which caused average real wages to fall by around 8% in 2022. Falling wages then gradually translated into a slowdown in household consumption and into a weakening of domestic inflationary pressures in the second half of the year.

With inflation strengthening and heightened concerns about a possible longer-term increase in inflation, the Czech National Bank continued to gradually raise interest rates during the first half of 2022. The main rate, standing at 3.75% at the start of 2022, was raised to 7.0% in June and remained stable until the end of the year. Market sentiment, influenced by the war in Ukraine and its impact on the European economy, had a significant impact on the development of the Czech crown during 2022. Especially in the first half of the year, the Czech crown briefly weakened against the euro, twice above the level of CZK 25 to the euro. On the one hand this was due to market fears of a possible major escalation of the war and, on the other hand, to concerns about the Czech (and European) economy due to possible problems with gas shortages. These tendencies were dampened by the CNB's raising of interest rates and its foreign exchange interventions to defend the exchange rate. In the second half of 2022, sentiment in the markets calmed and improved significantly towards the end of the year. This was boosted by favourable weather, as well as rapidly progressing work on European LNG terminals.

Residential property price growth in 2022 remained very high and became even stronger compared to 2021. This was mainly a response to strong household demand on the one hand and the continued overhang of demand for residential property over supply on the other. In addition, rising CNB rates and fears of further property price growth played the same role during the first half of the year, as households sought to buy property on mortgage before further rate increases and before further housing price growth. Then, in the second half of the year, purchases of real estate began to gradually weaken with high CNB rates and a slowdown in consumer demand, resulting in a slowdown in year-on-year price growth.



## Developments in real estate markets

At the end of 2022, REICO ČS NEMOVITOSTNÍ was engaged in the office segment on the Czech, Polish and Slovak markets, in the retail segment on the Czech and Polish markets, and in the logistics segment on the Polish and Slovak markets. In February 2021, the coronavirus restrictions were eased but the optimism at the beginning of the year was quickly dampened by the Russian invasion of Ukraine at the end of February. Uncertainty in the market again increased significantly and the commercial real estate investment market stagnated. Given Europe's heavy dependence on energy supplies from Russia, the prices of all energy products started to rise rapidly. Gas, electricity, and oil prices peaked in the summer, reaching record highs. In addition to energy, food prices also rose sharply, and high energy prices gradually began to penetrate all other areas of the economy. The outcome was double-digit inflation and a reduction in household purchasing power, with negative effects particularly in the retail sector. While sales growth was evident at the beginning of the year and was enhanced in the second quarter by the arrival of refugees from Ukraine and their purchases of basic goods, the second half of the year saw a downturn. Attempting to tame inflation, the central banks relatively quickly began to raise interest rates. This led to increases in debt servicing costs and made new property acquisitions much more difficult. Increased interest rates resulted in higher yields in all real estate segments. Revenue growth was partially offset by rental growth. This was particularly evident in the logistics sector, where, e.g., rents in the Prague area increased by more than 30% year-on-year. However, this increase was mainly due to a critical lack of available space, with warehouse occupancy rates in the Prague area reaching 100%. Due to inflation clauses, rent increases will not reflect current levels of inflation until 2023. New construction will also have an impact on rent increases due to high construction costs and declining yields, as developers of new projects are forced to enter into increased rents if their projects are to remain profitable. However, high inflation also brings with it rising service charges. This, together with the already strong pressure to promote ESG principles, increases the requirements for energy efficiency in buildings.

### Commercial real estate investment market in Central Europe

The commercial real estate investment market in Central Europe reported an increase of 4.2% compared to the previous year, i.e., EUR 9.87 billion in 2022 compared to EUR 9.47 billion in 2021. Traditionally, the biggest market in 2022 was again Poland (EUR 5.81 billion, y-o-y growth of 2%), followed by the Czech Republic (EUR 1.58 billion, y-o-y drop of 18%). Like last year, Hungary came a little closer to the annual investment volumes achieved before the pandemic (EUR 1.35 billion, 21% year-on-year growth). Slovakia even witnessed very strong year-on-year growth of 55% and almost doubled the total annual investment volume (EUR 1.13 billion) compared to the pre-pandemic 2019 result.

The largest Czech transaction of the year was made by REICO ČS NEMOVITOSTNÍ when in January 2022, the Fund expanded its real estate portfolio with the Bořislavka multifunctional centre, which it bought from developer KKCG for more than EUR 200 million. Other significant transactions were the sale of two regional

shopping centres - IGY Centre in České Budějovice and CityPark in Jihlava. Both centres, formerly owned by CPI, were purchased by 365.invest for a total of approximately EUR 215 million. An equally important transaction was the sale of the BB Centrum Gamma office building in which O2 has been located since 2006 back to its original owner and developer, Passerinvest. Immofinanz sold this project for almost EUR 100 million. It was the office sector that dominated the market in the Czech Republic in 2022, accounting for almost 36% of the total investment volume. The second strongest sector was the logistics sector with a share of almost 22%. The largest transaction in this sector was the sale of CPI's industrial portfolio, consisting of properties in Brandýs nad Labem, Vestec u Prahy and Jažlovice. This portfolio was bought by Hines for EUR 110 million. A second interesting transaction was the sale of the Ostrava Multimodal Logistics Park, owned by J&T and Concens, and bought by Exeter for approximately EUR 60 million.

In 2022, the Slovak market was predominantly driven by investments in the office sector, accounting for 54% of the total volume. However, the investment market volume was distorted by the transfer of part of assets totalling EUR 340 million and consisting mainly of office buildings from Penta Real Estate to Alto Real Estate, when one of the partners, Jozef Oravkin, became independent. This transaction alone represented 29% of the total investment volume for 2022. Another transaction involving the office sector was the sale of the Blumental Offices building, becoming a new addition to the ZFP real estate fund. The fund acquired the building from Corwin for approximately EUR 80 million. The largest retail transaction was again the acquisition of the Aupark shopping centre in Bratislava, which started in May 2021. The retail sub-fund of WOOD & Company acquired another 27% stake during the second phase of the transaction for EUR 121.5 million. The final phase of the acquisition is expected to take place in 2024 when the last part of the total purchase price of EUR 450 million will be paid. Among the most significant transactions in the logistics sector was the sale of a logistics park near Dunajská Streda during the fourth quarter of the year. The ARETE INDUSTRIAL fund bought the site from GENA LOGISTIK for EUR 20 million.

In Poland, 2022 saw five large portfolio transactions accounting for approximately 40% of the total investment volume. Most of the investments were directed at the office sector (35%) and their volume increased by 19% compared to 2021 (EUR 2.04 billion). The largest Polish transaction of the year was made by Google with the purchase of The Warsaw HUB complex from Ghelamco for EUR 583 million. This transaction became the largest ever out-of-portfolio transaction in the Polish market and all of Central and Eastern Europe. Another significant acquisition, this time amounting to EUR 285 million, was the Generation Park Y office tower fully leased to PZU for 10 years. The property was sold by property developer Skanska to a new owner, Hansa Invest. Together, the above two transactions accounted for 80% of the capital invested in the office sector during the year. The sale of the Danica portfolio, with a value of approximately EUR 524 million, was an exceptional transaction in the logistics sector and the second largest transaction of the year. CBRE IM acquired this portfolio from developer Hillwood. In the retail sector, NEPI



Rockcastle was very active, acquiring two Polish shopping centres to its portfolio during the last quarter. It managed to acquire the Forum Gdańsk shopping centre from Blackstone for approximately EUR 250 million, making this acquisition one of the largest European retail transactions of the year. It also acquired the Atrium Copernicus shopping centre in Toruń from Atrium for EUR 127 million.

As the central banks were raising interest rates, yields were growing especially in the second half of 2022, with prime yields increasing across all sectors. In the Czech Republic, they were 4.80% for offices, 6.25% for retail, and 4.75% for both Prague's main shopping streets and prime logistics properties at the end of 2022. It is the logistics sector that saw the most significant change, with yields growing by 75 bps in 2022 compared to 55 bps in the office sector. Since yields for retail and prime shopping streets had already gone through a surge during the COVID-19 pandemic, this time they saw the mildest correction (+50 bps). Slightly stronger growth in prime yields took place in Poland where office yields rose year-on-year from an initial 4.50% to 5.25%. Logistics yields again saw the biggest change over the year, rising by as much as 90 bps to 5.25%. Retail yields for 2022 climbed to 6.25% (+50 bps). The same trend but at a more modest increase was seen in Slovak prime yields, with office yields reaching 5.50% (+25 bps) at the end of 2022. Industrial prime yields increased by 45 bps year-on-year to 5.75% and retail yields by 25 bps to 6.25%.

## Commercial real estate market in Czech Republic

In 2022, the Prague office market grew by 74 400 m<sup>2</sup> of new premises, which is an over 32% year-on-year increase compared to the previous year. Net absorption for 2022 increased significantly year on year, reaching 73 060 m<sup>2</sup>, which is a year-on-year increase of 270%. In contrast, the vacancy rate slightly decreased in Prague, reaching 7.7% (-12 bps y-o-y). As expected, prime rents in Prague grew to a new maximum. At the end of the year, the highest rent was around EUR 26.5/m<sup>2</sup>/month, which represents a 10% increase compared to the end of 2021. The largest lease transaction in 2022 was the re-negotiation of the contract of O2 in the Brumlovka office complex (Gamma), totalling 29 000 m<sup>2</sup>; the largest new transaction was the pre-lease by SCS Software of the new Roztyly Plaza building with an area of 9 700 m<sup>2</sup>.

With the COVID-19 pandemic subsiding, in 2022 the retail sector was similarly challenged by high inflation. Although sales grew year-on-year at the beginning of the year, the consumer response to the new economic situation reversed the trend in the second quarter, resulting in an overall decline of 3.6% in sales compared to 2021. In contrast, mall footfalls saw a slight improvement during the year but still remained below 2019 levels. The total retail area at the end of 2022 in the Czech Republic was 2.51 million m<sup>2</sup>, which is a 11 210 m<sup>2</sup> increase compared to 2021 (-63.5% y-o-y). Only a few regional projects were completed during the year, with the largest one being the new Javor shopping centre in Nový Jičín, which brought 6 000 m<sup>2</sup> of new retail space. Top rent rates in Prague shopping centres decreased year-on-year by EUR 5/m<sup>2</sup>/month to EUR 135/m<sup>2</sup>/month, and rent rates in the prime shopping streets decreased by EUR 15/m<sup>2</sup>/month to EUR 190/m<sup>2</sup>/month. Outside of Prague, prime rents remained at the same level throughout 2022, i.e., at EUR 65/m<sup>2</sup>/month.

## Commercial real estate market in Poland

In 2022, 236 800 m<sup>2</sup> (a year-on-year decrease of -27%) of new office space was completed in Warsaw, with the overall size of office space thus exceeding 6.5 million m<sup>2</sup>. The slowdown in construction was most noticeable at the end of the year when less than 9 000 m<sup>2</sup> of new space was completed during the quarter. Combined with continued overall demand for office space, which in turn increased by 33.6% y-o-y, this development led to a decline in the vacancy rate to 11.6% (107 bps y-o-y). A further decline in vacancy is expected in 2023 when the area of newly completed construction should reach a historic low of around 60 000 m<sup>2</sup>. At the end of 2022, only 180 000 m<sup>2</sup> instead of the usual 700 000–800 000 m<sup>2</sup> was under development. Like other Central European countries, Poland saw a further increase in the highest rent achieved, which in the centre of Warsaw is already 26.0 EUR/m<sup>2</sup>/month, i.e., 0.5 EUR/m<sup>2</sup>/month more than the previous year. The largest new lease transaction of 2022 was Bank Pekao's pre-lease of the new 30 000 m<sup>2</sup> Forest Tower skyscraper in Warsaw.

In contrast to the Czech Republic, retail sales in Poland showed a 5% year-on-year growth in 2022. During the year, a total of 280 000 m<sup>2</sup> new retail space was completed. A further 300 000 m<sup>2</sup> are under construction, to be completed in 2023. The most important projects scheduled to open in 2023 include Warsaw's Fort Wola business centre (24 000 m<sup>2</sup>) and retail parks Koszalin Power Center (38 000 m<sup>2</sup>) and Karuzela Biała Podlaska (28 000 m<sup>2</sup>).

The Polish logistics real estate market for lease comprised almost 27.7 million m<sup>2</sup> and in the prior year grew by more than 4 million m<sup>2</sup>, representing a year-on-year increase in total space of an incredible 33% and the highest ever amount of newly completed space. A further 3.4 million m<sup>2</sup> of new industrial space is currently under construction, of which 53% is already pre-leased. Net absorption compared to last year increased by 30% to nearly 4 million m<sup>2</sup>. As a result of strong absorption, vacancy rates remained very low despite record additions of new space, rising by 20 bps to 3.9% compared to 2021. The average rent increased by 35.7% y-o-y and at the end of 2022 reached EUR 5.7/m<sup>2</sup>/month.

## Commercial real estate market in Slovakia

The office building market in Bratislava consists of approx. 1.97 million m<sup>2</sup> of modern office areas. In 2022, 25 200 m<sup>2</sup> of new office space was completed (down 60% year-on-year), one of the lowest results in history. Net market absorption by contrast increased by 31% year-on-year to 31 500 m<sup>2</sup>, causing the vacancy rate to fall by 49 bps to 11.2% during 2022. The situation should be different next year when many new office completions are expected, which is likely to lead to a renewed but only temporary increase in the vacancy rate. The plan for 2023 is to complete up to 70% of the 162 500 m<sup>2</sup> under active construction at the end of 2022. The rent rates in prime office buildings in Bratislava remain stable year on year, at EUR 17 /m<sup>2</sup>/month. The largest lease transaction of 2022 was a new lease to a public sector tenant in the Blumenau building with an area of 6 000 m<sup>2</sup>.

In 2022, over 407 500 m<sup>2</sup> of new industrial space was completed in Slovakia, which is more than double the amount of the previous year. In total, the logistics market grew by 13% year-on-year to



3.62 million m<sup>2</sup>. At the end of the year, a further 287 500 m<sup>2</sup> of industrial space was under construction, of which 48% had already been pre-leased. Net absorption compared to 2021 increased by almost 82% to more than 490 000 m<sup>2</sup>. Due to an extremely strong

absorption, the vacancy rate decreased to 3.57% in 2022. Average rent increased by 26% y-o-y, and at the end of 2022 reached EUR 4.9/m<sup>2</sup>/month.

## Information for investors

### Objective and strategy of the Fund

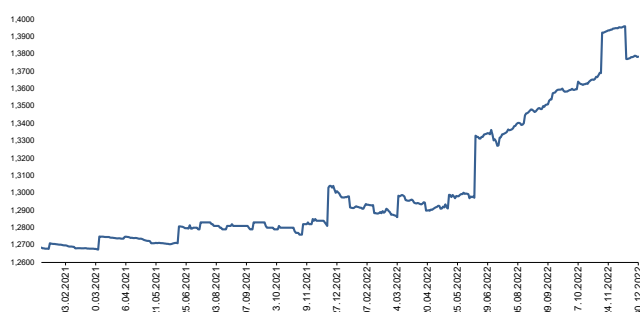
The Fund's objective is to achieve stable long-term appreciation of the funds invested in by the unitholders. The Fund primarily focuses on investments in commercial real estate (administrative buildings, shopping centres and logistic parks), selecting those which generate or have the potential to generate revenues in form of income from leases. The Fund does not pay out any dividends and all revenues are reinvested.

The real estate portfolio is being gradually extended and renewed. Apart from acquisitions of attractive commercial real estates, the extension and renewal of the portfolio also includes the sale of real estates from the portfolio. The Fund is currently not planning to change its strategy. Part of its strategy is to hold real estate in its portfolio for extended periods of time. Hence, the Fund does not intend to sell any real estate within the foreseeable period after its acquisition.

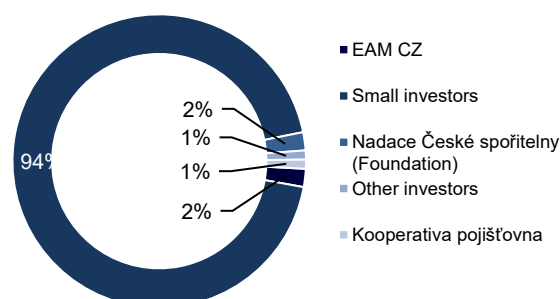
### Performance of the Fund, value of its equity and the value of equity per unit

The liquid component of the Fund is valued daily. The real estate component is valued at least twice a year. The steps visible on the chart of the Fund's performance have been caused by reflecting the valuation of the real estate component in the Fund's assets. Once a month, the Fund accounts for an estimated item for the valuation of the real estate companies based on the value of the current assets and liabilities of the real estate companies owned by the Fund. As a result, the Fund obtains a truer view of the collected lease payments for the lease of the real estate held by the real estate companies on the Fund level in time. The estimated item is subsequently replaced by its actual value based on the value of the real estate determined by the expert committee within the ordinary valuation of the Fund's ownership interest in the real estate company carried out at least twice a year in compliance with the law.

#### Development of the unit value CZK, 1 Jan 2022 – 31 Dec 2022



#### Structure of investors In % by the ownership interest in CZK



### Data on development of fund capital

Date	Fund capital of the mutual fund (in TCZK)	Fund capital per CZK C class unit (in CZK)	Fund capital per CZK DPM class unit (in CZK)
31 Dec 2020	27 644 843	1.2685	1.1554
31 Dec 2021	28 736 573	1.2996	1.1944
31 Dec 2022	28 282 144	1.3784	1.2765

### Number of issued units

As at 31 December 2022, the number of units was 19 755 777 171 in the CZK C class, and 823 643 499 in the CZK DPM class.

### Number of issued units in the period from 1 January 2022 to 31 December 2022

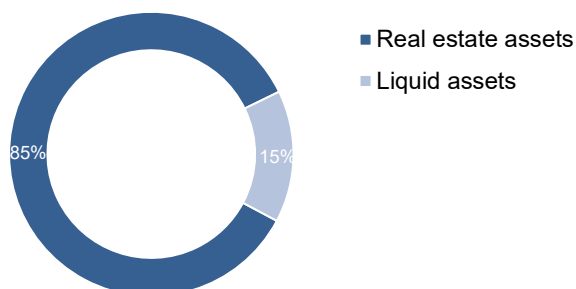
Issued and redeemed units	CZK C class	CZK DPM class
Number of units issued by the Fund	1 616 844 913	6 675 577
Amount collected into the Fund's assets for issued units in CZK	2 141 379 927	7 938 994
Number of units redeemed by the Fund	2 747 550 956	516 748 573
Amount paid from the Fund's assets for redeemed units in CZK	3 636 146 728	638 336 835

## Real estate portfolio

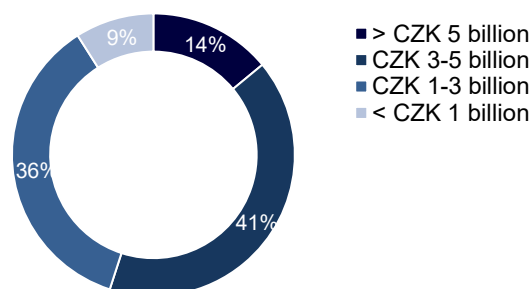
### Brief overview

To minimise the risks connected with real estate portfolio management, the portfolio is diversified both in terms of geography and the size and type of real estate. The size of the real estate and its market value are important parameters. Larger real estate usually offers a higher utilisation flexibility, generate more stable lease income, and their value can be maintained on a high level over a long period of time. The charts show the geographic structure of the portfolio and the structure of the real estate' market value.

**Share of real estate assets on the Fund's total assets**  
% share of the total value of the fund capital



**Market value of buildings**  
% share of the total market value

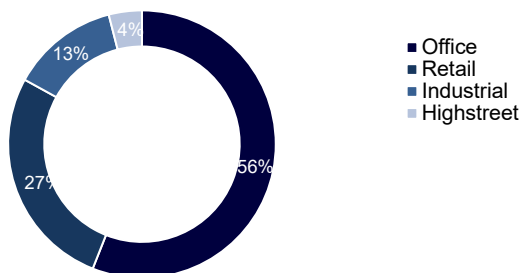


Real estate assets: values of the ownership interests in the real estate companies and values of loans provided by the Fund to the real estate companies.

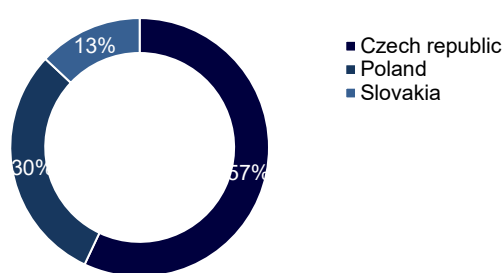
### Potential of portfolio utilisation

The following chart shows the utilisation of the real estate in the Fund's portfolio based on the type of the premises. A suitable combination of various types and utilisation of the premises in the portfolio contributes to its stability.

**Sector diversification**  
% share of the total market value



**Geographical diversification**  
% share of the total market value



### Occupancy rate of the real estate portfolio

As at 31 December 2022, the average vacancy rate of the real estate included in the portfolio was 6.9%. The vacancy rate is determined as the percentage of the vacant (office, retail, warehouse and other leasable) areas towards the total leasable areas in REICO ČS NEMOVITOSTNÍ's portfolio recognised as at the relevant date. Parking spaces are not included into the vacancy rate calculation.



## Financial information as at 31 December 2022

Summary of assets	Value of assets (in TCZK)
<b>I. Real estate part of the Fund</b>	<b>23 200 509</b>
<b>I.I Tangible fixed assets</b>	<b>0</b>
<b>I.II Ownership interests with controlling influence</b>	<b>23 200 509</b>
- real estate companies in the Czech Republic (real estate held through real estate companies)	13 387 300
- real estate companies outside the Czech Republic (real estate held through real estate companies)	9 813 209
<b>II. Receivables from non-banking entities</b>	<b>2 357 477</b>
- loans granted to real estate companies	2 357 477
<b>III. Liquid portion of the fund</b>	<b>3 378 416</b>
<b>III.I Receivables from banks</b>	<b>2 126 770</b>
- current accounts	386 429
- fixed-term deposits	1 740 341
- compound margins	0
<b>III.II Debt securities</b>	<b>1 251 646</b>
- issued by government institutions	782 212
- issued by other entities	469 434
<b>III.III Shares, units and other investments</b>	<b>0</b>
- shares, units and other investments	0
<b>IV. Other assets</b>	<b>1 062 081</b>
- other assets	1 062 081
<b>V. Prepaid expenses and accrued income</b>	<b>1 001</b>
- deferred revenues and expenses	1 001
<b>TOTAL ASSETS</b>	<b>29 999 484</b>

## Bank loans and overdrafts

As at 31 December 2022, REICO ČS NEMOVITOSTNÍ recognised indirect liabilities of approx. CZK 15.7 billion from loans to the financing banks, arising from funding of the real estate companies, and liabilities from issued bonds in the nominal amount of CZK 600 million. All 21 real estate items were owned through 21 real estate companies in 2022.

- REICO Investment ALFA, a.s.	- Proximo One sp. z o.o.
- REICO Investment BETA, s.r.o.	- Proximo Two sp. z o.o.
- REICO Investment GAMA, a.s.	- Industrial Park Dubnica I, s. r. o.
- Trianon Building Prague s.r.o.	- METRONOM BC s.r.o.
- Qubix Building Prague s.r.o.	- New Karolina Shopping Center Development, s.r.o.
- FORUM BC I s.r.o.	- Industrial Park Dubnica II, s. r. o.
- Topas REAL spol. s r.o.	- Sered' Logistics and Industry 1, s.r.o.
- CITY TOWER, a.s.	- Sered' Logistics and Industry 2, s.r.o.
- Park One Bratislava, s.r.o.	- Tychy DC1 sp. z o.o.
- Słoneczna Radom sp. z o.o.	- Tychy DC2 sp. z o.o.
- BOŘISLAVKA OFFICE & SHOPPING CENTRE s.r.o.	

Some real estate companies are financed through bank loans provided by various banks and having various maturity dates. As at 31 December 2022, the value of the loans and liabilities from the issued bonds against the market values of the financed property was 44.7%.

## Overview of bank loans

Bank loans	Total loans (directly owned real estate) in TCZK	Total loans (indirectly owned real estate) in TCZK	Remaining period of duration of the loan agreement In % of the total volume of loans			
			< 1 year	1-2 years	2-5 years	5+ years
CZK-denominated loans in the Czech Republic	0	224 652	1.43 %	0.00 %	0.00 %	0.00 %
EUR-denominated loans in the Czech Republic	0	8 609 959	33.06 %	4.17 %	17.69 %	0.00 %
EUR-denominated loans outside the Czech Republic	0	6 842 636	6.15 %	17.28 %	18.10 %	2.12 %
<b>Total</b>	<b>0</b>	<b>15 677 247</b>	<b>40.65 %</b>	<b>21.44 %</b>	<b>35.79 %</b>	<b>2.12 %</b>

In 2021, the real estate company Trianon Building Prague s.r.o. was funded through an issue of hedged bonds in the nominal value of CZK 600 million with a 5-year maturity, issued in December 2018. As at 31 December 2021, this represents a 32.79 % ratio of the bonds to

the value of the Trianon real estate. As at 31 December 2022, the total ratio of all external funding of the real estate companies (i.e., bank loans and issued bonds) to the market value of all real estate in the Fund's portfolio was 42%.







**REAL ESTATE INDEX**  
as at 31 December 2022

Number	Ownership share	Property name Property address	Country	Name of SPV Address of SPV Country	Share capital, Shareholder loan	Type of property	Type of use	Date of purchase	Year of construction	Landplot area in (sq m)	Parking spaces (no.)	Legal title of ownership (land)	Gross Lettable Area (sq m)	Features	Market value in TCZK	Share on portfolio market value in %	Outstanding Senior Loan in TCZK	Loan-to-value ratio in % (LTV)	Vacancy rate as % of Gross Lettable Area	Weighted-average unexpired lease term in years	Actual rental income 2022 in TCZK	Budgeted rental income 2022 in TCZK	Estimated Rental Value in TCZK p.a.
1	100%	Čtyři Dvory	CR	REICO investment ALFA a.s. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Shopping centres	O (99.5%) X ( 0.5%)	7.12.2007	2002	22 437	300	F	10 556	AC, D PL	324 000	0.9%	0	0.0%	90.2%	3.4	27 947	28 161	27 565
2	100%	Office Box	SR	REICO investment BETA s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Share capital: Shareholder loan:	Offices	O (86.0%) C ( 2.8%) X (11.2%)	1.6.2008	2008 2016 <sup>1)</sup>	3 566	103	F	4 281	AC, PL	94 049	0.3%	0	0.0%	52.0%	3.1	6 688	8 293	11 515
3	100%	Melantrich	CR	REICO investment GAMA a.s. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Highstreet	O (2.3%) C (47.8%) R (48.3%) X (1.6%)	1.11.2010	1913 2020 <sup>1)</sup>	1 838	36	F	11 155	AC, E SL, PL	1 403 000	3.8%	224 652	16.0%	100.0%	4.3	71 990	73 851	66 154
4	100%	Trianon	CR	Trianon Building Prague, s.r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Offices	O (86.2%) C ( 5.3%) X ( 8.5%)	2.3.2013	2009	7 581	298	F	20 805	AC, SL PL	1 830 000	4.9%	600 000	32.8%	100.0%	3.2	127 657	127 923	106 596
5	100%	Qubix	CR	Qubix Building Prague s.r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Offices	O (81.8%) C (14.1%) X ( 4.1%)	2.3.2014	2012	3 185	108	F	13 914	AC, SL PL	926 016	2.5%	223 211	24.1%	83.4%	2.0	46 759	51 225	57 008
6	100%	Forum BC	SR	FORUM BC s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Share capital: Shareholder loan:	Offices	O (84.7%) C ( 3.4%) X (11.9%)	2.12.2015	2013	5 992	391	F	19 356	AC, SL PL	1 220 219	3.3%	606 010	49.7%	86.9%	7.3	76 223	80 688	86 346
7	100%	Rohan BC	CR	Topas REAL spol. s r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Offices	O (85.0%) C ( 8.3%) X ( 6.7%)	28.4.2016	2012	4 135	100	F	9 435	AC, PL	730 685	2.0%	0	0.0%	84.5%	3.5	32 335	34 612	42 898
8	100%	City Tower	CR	CITY TOWER, a.s. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Offices	O (89.8%) C ( 5.5%) X ( 4.7%)	27.9.2016	1993 2007 <sup>1)</sup>	9 891	793	F	48 674	AC, SL PL, D	4 041 674	10.8%	865 694	21.4%	90.6%	2.3	218 279	235 286	234 942
9	100%	Park One	SR	Park One Bratislava, s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Share capital: Shareholder loan:	Offices	O (89.8%) C ( 8.0%) X ( 2.2%)	3.2.2017	2007	1 800	167	F	13 229	AC, PL D	1 005 596	2.7%	332 726	33.1%	96.4%	3.2	65 499	70 759	64 504
10	100%	Proximo One	PL	Proximo One sp. z o.o. ul.Przyokopowa 33, 01-208 Warszawa Poland	Share capital: Shareholder loan:	Offices	O (92.7%) C ( 4.6%) X ( 2.7%)	9.8.2017	2016	8 394	428	RPU	29 194	AC, D SL, PL	3 122 893	8.4%	1 661 683	53.2%	83.1%	2.9	137 751	147 717	176 123
11	100%	Galeria Sloneczna	PL	Sloneczna Radom sp. z o.o. ul.Przyokopowa 33, 01-208 Warszawa Poland	Share capital: Shareholder loan:	Shopping centres	O (1.5%) C (97.0%) X (1.5%)	26.9.2017	2011	49 778	1 161	RPU	42 737	AC, E, D SL, PL	3 600 370	9.6%	2 102 297	58.4%	91.4%	3.2	219 938	201 909	252 713
12	100%	Industrial Park Dubnica	SR	Industrial Park Dubnica I, s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Share capital: Shareholder loan:	Logistics	W (95.7%) O (2.2%) X (2.1%)	17.3.2018	2016	152 790	29	F	89 259	AC	1 244 334	3.3%	430 200	34.6%	100.0%	3.7	71 443	73 508	86 386
13	100%	Metronom BC	CR	METRONOM BC s.r.o. Antala Staška 2027/79, 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Offices	O (90.0%) C (8.3%) X (1.7%)	14.6.2018	2015	11 553	528	F	35 649	AC, PL, D	2 336 744	6.3%	1 098 137	47.0%	97.5%	1.6	137 391	148 296	145 001
14	100%	Proximo Two	PL	Proximo Two sp. z o.o. ul.Przyokopowa 33, 01-208 Warszawa Poland	Share capital: Shareholder loan:	Offices	O (96.4%) C (3.4%) X (0.2%)	12.9.2018	2018	4 917	219	RPU	20 703	AC, D, SL, PL	2 083 536	5.6%	964 359	46.3%	98.8%	1.1	114 982	119 057	120 101
15	100%	Forum Nová Karolina	CR	New Karolina Shopping Center Development, s.r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Shopping centres	O (0.37%) C (96.5%) X (3.1%)	5.12.2018	2012	29 377	1 500	F	58 545	SL, PL, E, D	5 117 203	13.7%	2 619 492	51.2%	91.4%	3.4	324 285	362 185	373 097

## REAL ESTATE INDEX

as at 31 December 2022

Number	Ownership share	Property name Property address	Country	Name of SPV Address of SPV Country	Share capital, Shareholder loan	Type of property	Type of use	Date of purchase	Year of construction	Landplot area in (sq m)	Parking spaces (no.)	Legal title of ownership (land)	Gross Lettable Area (sq m)	Features	Market value in TCZK	Share on portfolio market value in %	Outstanding Senior Loan in TCZK	Loan-to-value ratio in % (LTV)	Vacancy rate as % of Gross Lettable Area	Weighted-average unexpired lease term in years	Actual rental income 2022 in TCZK	Budgeted rental income 2022 in TCZK	Estimated Rental Value in TCZK p.a.
16	100%	Industrial Park Dubnica 2	SR	Industrial Park Dubnica II, s.r.o. Laurinská 18, 811 01 Bratislava Slovak Republic	Share capital: Shareholder loan:	Logistics	W (93.9%) O (5.2%) X (0.9%)	27.11.2019	2018	39 678	0	F	16 629	AC	279 734	0.7%	0	0.0%	100.0%	1.8	18 164	19 108	18 766
17	100%	Industrial Park Sereď I	SR	Sereď Logistics and Industry 1, s.r.o. Laurinská 18, 811 01 Bratislava Slovak Republic	Share capital: Shareholder loan:	Logistics	W (93.9%) O (6.1%) X (0.0%)	13.5.2020	2019	28 318	0	F	11 971	AC	265 265	0.7%	0	0.0%	100.0%	7.1	16 198	16 999	16 670
18	100%	Industrial Park Sereď II	SR	Sereď Logistics and Industry 2, s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Share capital: Shareholder loan:	Logistics	W (94.7%) O (5.1%) X (0.2%)	16.5.2020	2019	70 001	0	F	33 181	AC	566 703	1.5%	0	0.0%	100.0%	7.9	32 013	33 485	37 329
19	100%	Industrial Park Tychy - DC1	PL	TYCHY DC1 Sp.z.o.o. Przyokopowa 33 01-208 Warszawa Poland	Share capital: Shareholder loan:	Logistics	W (94.4%) O (5.4%) X (2.6%)	27.7.2021	2019	103 363	0	F	54 868	AC	1 171 989	3.1%	503 638	43.0%	100.0%	5.9	62 955	65 573	65 653
20	100%	Industrial Park Tychy - DC2	PL	TYCHY DC2 Sp.z.o.o. Przyokopowa 33 01-208 Warszawa Poland	Share capital: Shareholder loan:	Logistics	W (68.4%) O (4.2%) X (27.4%)	21.12.2021	2021	114 185	0	F	60 776	AC	1 241 923	3.3%	671 923	54.1%	100.0%	10.8	0	0	65 820
21	100%	Bořislavka	CZ	BOŘISLAVKA OFFICE & SHOPPING CENTRE s.r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Share capital: Shareholder loan:	Offices/ Shopping centres	O (65.7%) C (22.3%) X (12.0%)	31.1.2022	2022	12 183	380	F	40 049	AC, SL, PL, E, D	4 724 129	12.7%	2 773 225	58.7%	96.9%	8.2	250 008 <sup>1)</sup>	244 806 <sup>1)</sup>	211 187
Total real estate assets											6 541		644 966		37 330 058	100%	15 677 247	42.00%	95.25%	4.11	2 058 505	2 143 441	2 266 376

<sup>1)</sup> Date of refurbishment.

<sup>2)</sup> Trianon – this amount refers to a bond issue; this real estate does not have a bank loan.

<sup>3)</sup> Bořislavka – the planned revenues for Y2022 are calculated proportionally since the acquisition date (31.1.2022)

Note: The values for real properties valued in EUR are translated using the exchange rate valid as at 31.12.2022.



Explanation of the terms relating to the real estate index:

7	<b>Purpose of lease</b>	The structure of the type of utilisation is calculated according to the usual value of rent (irrespective of the current income from lease) as at the date of the last real estate valuation prepared by an approved independent expert and approved by the Expert Committee  Abbreviations: O ... Office; C ... Commercial; W ... Warehouse, R... Residential; X ... Other;
8	<b>Date of real estate acquisition</b>	MM/YYYY ... Date of conclusion of the transaction;
9	<b>Date of issue of the use permit for the real estate</b>	YYYY ... The year of issue of the original use permit; in the event of an annex/renovation the year in which the use permit was issued after having finished the annex/renovation;
10	<b>Size of the lot of land</b>	Area according to the Land Register;
12	<b>Legal title to land</b>	Abbreviations: F ... Freehold / Ownership title; L ... Leasehold/Lease title; □ RPU ... Right of Perpetual Usufruct
13	<b>Lettable area</b>	m <sup>2</sup> corresponds to the sum of the actual leased and free areas. Free areas are listed in accordance with the latest expert opinion;
14	<b>Equipment of real estate</b>	Abbreviations: AC ... Air conditioning; SL ... Service lift; PL ... Passenger lift; E ... Escalator; D ... District heating;
15	<b>Market value</b>	Market value as at the date of the last expert report prepared by an approved independent expert and approved by the Expert Committee;
19	<b>Occupancy rate by floor area</b>	Percentage of occupancy of leasable area;
20	<b>Weighted-average remaining lease term in years</b>	Stated in years and calculated according to current value of rent (before discount on rent). Lease agreements with no fixed expiry date are included for the one year period;
21	<b>Rental income for 2022</b>	Current income from leases in 2022, in case of acquisition or sale only for the period of ownership of the real estate (irrespective of VAT and service fees);
22	<b>Budgeted rental income for 2022</b>	Planned income from leases (irrespective of VAT and service fees)
23	<b>Estimated rental value at full-occupancy determined by expert</b>	Annual income from leases based on full-occupancy assumption as at the date of the last real estate valuation prepared by approved independent expert and approved by the Expert Committee (in case of acquisition or sale only for the period of ownership of the real estate); foreign currency exchange rates calculated based on the exchange rate valid as at the date determined by decision of the Expert Committee.







## Information on real estate portfolio

All real estate included in the Fund's portfolio are owned in form of a 100% ownership interest in real estate companies holding one or more real estate.

### REICO Investment ALFA, a. s., a real estate company

On 7 December 2007, REICO ČS NEMOVITOSTNÍ acquired a 100% ownership interest in REICO Investment ALFA, s.r.o. In 2016, the company was transformed into a joint stock company. The registered office of the company is located at Praha 4, Antala Staška 2027/79, post code 14000, identification number: 271 08 619.

#### Čtyři Dvory shopping centre

##### Identification of the real estate

The real estate is located at Milady Horákové 1498, České Budějovice 2.



Čtyři Dvory shopping centre, České Budějovice, Czech Republic

Cadastral area code and name: 621943 České Budějovice 2; District: CZ0311 České Budějovice; code and name of municipality: 544256 České Budějovice; Ownership certificate 1861.

##### Description, age, utilisation and purpose of acquisition of the real estate and other information

The property is a retail centre complex consisting of two connected buildings. The shopping part of the building was built in 2001 and the leisure part in 2002. In 2018/2019, the property underwent extensive reconstruction of all common areas (new arcade, unified design of shop fronts, completion of the main entrance to the shopping centre, new food-court), the layout of some leased premises changed, building technologies were completed and improved (cooling system, air-conditioning, electric systems, data network (new public WIFI)), new layout of the stalls, revitalisation of the building façade. The non-residential premises are leased for retail, catering, and entertainment purposes. The major lessees are Ahold and Cinestar.

REICO ČS NEMOVITOSTNÍ has acquired the real estate to operate it. The purpose of the acquisition has not changed.

##### Real estate administration

The real estate administration is provided by Active Retail Asset Management s.r.o. Identification No. 024 85 575, Praha 3, Laubova 1729/8, postcode 130 00, based on a contract for administration.

##### Rights encumbering the building (excluding lease relations)

##### Easements

- Technické služby města České Budějovice (Technical services of České Budějovice) – above ground networks
- Dopravní podnik města České Budějovice (Public Transport Company of České Budějovice) – placement of overhead traction trolley and cable lines
- CETIN a.s. (underground services)
- České Budějovice heating plant (heat line)

##### Pledges

- Real estate pledged in favour of REICO investiční společnost České spořitelny, a.s., acting on the account of ČS nemovitostní fond, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s.

##### Information on the real estate's valuation

The real estate was valued by Savills CZ, s.r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

### REICO Investment BETA, s.r.o., a real estate company

On 12 May 2008, REICO ČS NEMOVITOSTNÍ acquired a 100% ownership interest in REICO Investment BETA, s.r.o., with its registered office at Laurinská 18, Bratislava 811 03, Slovakia, identification number: 36 856 711.

#### Office Box building

##### Identification of the real estate

The real estate is located at Mokráň Záhon 2, Trnávka, Bratislava II, Slovakia. Cadastral area name: Trnávka; Municipality name: BA-city quarter RUŽINOV, District: Bratislava II, Slovakia, Ownership certificate: 3716. Type of real estate under Act No. 256/2013 Coll.: land in the form of plots a part of which are buildings connected with land through a solid foundation.

##### Description, age, utilisation and purpose of acquisition of the real estate and other information

The Office Box building was finished at the end of 2007. It is a standard office building located close to the Milan Rastislav Štefánik Airport in Bratislava. The renovation of the real estate was commenced in the second half of 2015. The building was fenced in, the façade was repaired and painted, air conditioning was installed, and the unused ground floor parterre was utilised to create additional parking spaces. Starting from March 2016,

the building was again ready for lease under its new name Office Box. The major lessees are TERNO Real Estate and Celltex.

REICO ČS NEMOVITOSTNÍ has acquired the building in order to operate it. This purpose has not changed.

#### Real estate administration

The administration of the real estate is carried out by Cushman & Wakefield Property Services Slovakia, s.r.o., identification number 35 963 981, Pribinova 10, 811 09 Bratislava, Slovakia, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

- Easement – suffering the placement of utilities network for Kristián Lauko and František Žáček
- Easement – suffering the placement of utilities network for BLUE BOX s.r.o

##### Pledges

Real estate pledged in favour of REICO investiční společnost České spořitelny, a.s., acting on the account of ČS nemovitostní fond, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s.



Office Box administrative building, Bratislava, Slovakia

#### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s.r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

### REICO Investment GAMA, a.s., a real estate company

On 11 November 2010, ČS NEMOVITOSTNÍ acquired a 100% ownership interest in La Salle, a.s., which was subsequently renamed to REICO Investment GAMA, a.s., Identification No.: 261 92 896, with its registered office in Praha 4, Antala Staška 2027/79, post code 140 00. The real estate company's assets include one real estate as defined in Government Regulation No. 243/2013 Coll. It is the multifunctional building Melantrich, a highly attractive commercial real estate located in a prestigious location. It presents a significant stable and sustainable value in the real estate fund's portfolio.



Melantrich multifunctional building, Prague, Czech Republic

### Melantrich

#### Identification of the real estate

The real estate is located at Václavské náměstí 793, Praha 1. Cadastral area code and name: 727181 Nové Město; code and name of municipality: 554782 Praha, District: CZ 0100 Capital of Prague, Ownership certificate: 582.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

The building was built in 1913 for the needs of Česká strana národně sociální (Czech National Socialist Party). Over most of the 20th century, publishing houses and a printing office were seated in the building. In the period from 2003 to 2004, the building underwent complete renovation and an annex was added to the rear wing. In December 2021, a plaque was unveiled at the entrance to the building, to commemorate the first speech by Václav Havel in November 1989.

The building is in good technical condition. Repairs and maintenance are carried out with due care. The whole real estate represents a significant investment value in the Fund's portfolio. Due to the nature of this real estate, its size, and the attractiveness of the location, low volatility of the building's market value and its long-term sustainability can be expected. The major lessees are Marks & Spencer and EuroAgentur Hotels & Travel.

REICO ČS NEMOVITOSTNÍ has acquired the building in order to operate it. This purpose has not changed.

#### Real estate administration

The administration of the real estate is carried out by Savills CZ s.r.o., Identification No.: 055 61 281, Praha 1, Na Florenci 2116/15, post code 110 00, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

In favour of the real estate:

- Location of the building (street elevators)

Encumbering the real estate:

- PRE distribuce, a.s. - transformer station

##### Pledges

- Real estate pledged in favour of Česká spořitelna, a.s.
- Real estate pledged in favour of REICO investiční společnost České spořitelny, a.s. (second pledge in order), acting on the account of ČS nemovitostní fond, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s.



### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Trianon Building Prague s.r.o., a real estate company

On 27 March 2013, the Fund acquired a 100% ownership interest in the real estate company Trianon Building Prague s.r.o., with its registered office at Antala Staška 2027/79, 140 00 Praha 4, identification number: 265 04 006. The real estate company's assets include one real estate as defined in Government Regulation No. 243/2013 Coll.

### Trianon

#### Identification of the real estate

The real estate is located at Budějovická 1518/13a, Praha 4 – Michle, post code 140 00, on the corner of the Budějovická and Vyskočilova Streets. Cadastral area code: 727750 Michle; District: CZ0100 Capital of Prague; Municipality: 554782 Praha; Ownership certificate: 438.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

The Trianon administrative building is located in city quarter Praha 4 – Michle/Budějovická. One of the main characteristics of the real estate is its strategic position within the Capital of Prague very close to the Budějovická station of the metro C line. Its excellent accessibility by transport is further supported by access to several bus lines and the proximity of the Prague Ring ("Jižní spojka") in the south and the 5. května street (the "Arterial Road") in the north as a slip road from the city centre in the direction to Brno.

The building constructed by the renowned property development company Hochtief was officially approved for use and put into operation in 2009. It consists of three underground and eight above ground floors. In the three underground floors, 298 parking spaces are available to the lessees of the building. Except for the ground floor where retail premises are located, the remaining part of the building consists exclusively of office premises. Trianon offers its lessees above-standard premises, with the option to flexibly arrange the interior. The major lessee is Česká spořitelna. Cash flows connected with the real estate are stable and no changes are expected.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by Savills CZ s.r.o., Identification No.: 055 61 281, Praha 1, Na Florenci 2116/15, post code 110 00, based on a contract for administration.



Trianon administrative building, Prague, Czech Republic

### Rights encumbering the building (excluding lease relations)

#### Easements

- Capital City of Prague – position of the construction, entry and entryway
- Pražská plynárenská Distribuce, a.s. – gasworks equipment
- Česká telekomunikační infrastruktura a.s. – communication networks
- PREdistribuce, a.s. – cable lines
- Pražská teplárenská a.s. – hot water pipe
- GTS Czech s.r.o. – communication networks
- T-Systems Czech Republic – optical fibre connection
- GTS Novera – communications network / wiring

#### Pledges

- Real estate pledged in favour of Česká spořitelna, a. s.

### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Qubix Building Prague s.r.o., a real estate company

On 27 March 2014, REICO ČS NEMOVITOSTNÍ acquired a 100% ownership interest in Stavební a inženýrská společnost, spol. s r.o. On 12 September 2014, the company was renamed Qubix Building Prague s.r.o., with its registered office at Antala Staška 2027/79, Praha 4 – Krč, post code 140 00, identification number 457 95 223.

### Qubix

#### Identification of the real estate

The real estate is located at Štětkova 18, Praha 4 Nusle, postal code 140 00. Cadastral area code: 728161 Nusle; District: CZ0100 Capital of Prague; Municipality: 554782 Praha; Ownership certificate: 549.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

Qubix is an office building located in Praha 4 close to the metro station Vyšehrad. It is in a very good location is close to the city centre, with a great accessibility by transport. In 2010-2012, the building was completely renovated by S+B Plan & Bau ČR based on a contract for the general supply of the construction. The prestigious architecture office of the renowned Viennese architect

Professor Ernst Hoffmann participated in the renovation of the building. It is a multifunctional real estate, consisting primarily of office premises and holding the top level of the LEED Platinum certification. Major lessees of Qubix include Corpus Solution, CRIF, and Prime Vigilance.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by CBRE s.r.o. Identification No.: 257 59 604, with its registered office at Nám. Republiky 1a, post code 110 00, Praha 1, Czech Republic, based on a contract for administration.

Rights encumbering the building (excluding lease relations)

#### Easements

In favour of the real estate:

- Servitude – STL gas pipeline

Encumbering the real estate:

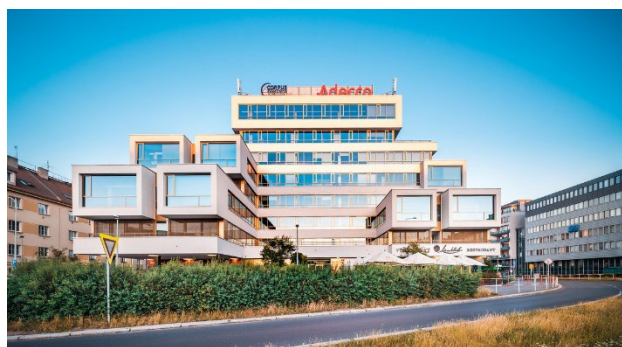
- Capital of Prague – public lighting administration
- PRE distribuce, a.s. – electric line

#### Pledges

- Real estate pledged in favour of Raiffeisenlandesbank Oberösterreich AG
- Real estate pledged in favour of ČS nemovitostní fond (second pledge in order), acting on the account of ČS nemovitostní fond, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s.

#### Information on the real estate's valuation

The real estate was valued by Savills CZ, s.r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.



Quibix administrative building, Prague, Czech Republic

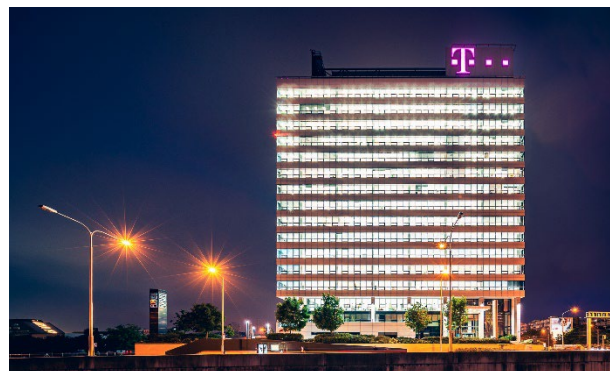
### Forum BC I s. r. o., a real estate company

On 29 December 2015, the Fund acquired a 100% ownership interest in Forum BC I s. r. o., with its registered office at Laurinská 18, Bratislava, post code 811 01, Slovakia, identification number 36 796 743.

### Forum Business Center

#### Identification of the real estate

The real estate is located at Bajkalská 28, Bratislava II, Ružinov, postal code 817 62. Cadastral area name: Nivy; District: Bratislava II, Bratislava, Slovakia; Ownership certificate: 4521.



Administrative building Forum BC I, Bratislava, Slovakia

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

Forum Business Center is an office building located in Bratislava, Slovakia. It is in a very good location in the extended city centre on the Bajkalská Street that is part of the main commercial part of the city, Bratislava-Ružinov. The area has great accessibility for transport, the D1/E58 motorway being only 700 m from the building and the international M.R.Štefánik Airport being 10 minutes away from the building by car. The real estate was built in 2013 by HB Reavis Management, s.r.o. It is a multifunctional real estate, consisting primarily of office premises and holding the top level of the BREEAM Excellent certification. The main lessee of Forum Business Center is Slovak Telekom, a.s., the major Slovak telecommunications company owned by the German-based company Deutsche Telekom. At present, Slovak Telekom, a.s. leases approximately 83% of the leasable area and the remaining portion has been leased to some smaller lessees, among them the GTH catering chain. Cash flows connected with the real estate are stable and no changes are expected. The real estate suffers neither any legal mistakes nor any significant technical defects.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by CBRE s.r.o. Identification No.: 35819804, with its registered office at Staromestská 3, Bratislava 81103, Slovakia, based on a contract for administration.

Rights encumbering the building (excluding lease relations)

#### Easements

In favour of the real estate:

- Sewerage connection
- STL Gas pipeline
- Infiltration system

Encumbering the real estate:

- Optical fibre cable

### Pledges

- Real estate pledged in favour of Československá obchodná banka, a.s.
- Real estate pledged in favour of ČS nemovitostní fond (second pledge in order), acting on the account of ČS nemovitostní fond, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s.

### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Topas REAL spol. s r.o., a real estate company

On 28 April 2016, the Fund acquired a 100% ownership interest in Topas REAL spol. s r.o., with its registered office at Antala Staška 2027/79, Praha 4 - Krč, postal code 140 00, Czech Republic, identification number: 602 02 653.

### Rohan Business Center

#### Identification of the real estate

The real estate is located at Rohanské nábřeží 671/15, post code 186 00, Praha 8. Cadastral area code: 730 955 Karlín; District: CZ0100 Capital of Prague; Municipality: 554782 Praha; Ownership certificate: 2317.



Rohan Business Center administrative building, Prague, Czech Republic

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

Rohan Business Center is an office building located at Rohanské nábřeží in Praha-Karlín, one of the main office areas (the so-called office hubs) in Prague. The building has great accessibility by transport both in terms of city public transport and personal transport, primarily thanks to its proximity to metro B line station Křižíkova, tram stops in the Sokolovská Street, and junction streets to the Prague main thoroughfares. The real estate is a 10-storey administrative building, consisting mainly of office premises (eight above ground floors and two underground floors). The real estate was built in 2012 under the architectonic design of the architecture studio Architekti Hrůša & Spol., Ateliér Brno. Rohan Business Center has 100 parking spaces in 2 underground floors. The real estate suffers neither any legal mistakes nor any significant technical defects.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by Savills CZ s.r.o., Identification No.: 055 61 281, Praha 1, Na Florenci 2116/15, post code 110 00, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

- ČSAD Praha Holding – hot-water pipeline and communication cable
- ČSAD Praha Holding – public lighting, cable line
- Pražská plynárenská distribuce – gas pipeline connection
- GTS Czech – communication networks
- ČSAD Praha Holding – light-alarm device
- ČSAD Praha Holding – sewerage
- ČSAD Praha Holding – water main
- PRE distribuce, a.s. – transformer station, cable lines
- T-Mobile Czech Republic a.s. - utilities network
- Dial Telecom a.s. (underground services)
- Pražská teplárenská – lines in the pavement

##### Pledges

Real estate pledged in favour of ČS nemovitostní fond (second pledge in order), acting on the account of ČS nemovitostní fond, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s.

### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## CITY TOWER, a.s. a real estate company

On 27 September 2016, the Fund acquired a 100% ownership interest in the real estate company CITY TOWER, a.s., with its registered office at Antala Staška 2027/79, Praha 4 - Krč, postal code 140 00, Czech Republic, identification number: 271 03 251.

### City Tower

#### Identification of the real estate

The real estate is located at Hvězdova 1716/2b, post code 140 78, Praha 4. Cadastral area code: 728 161 Nusle; District: CZ0100 Capital of Prague, Municipality: 554782 Praha; Ownership certificate: 6635.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

City Tower is situated in the exclusive location of the extended city centre at Pankrác, together with the neighbouring area around Budějovická Street belonging to the main office areas (the so-called office hubs) in Prague. Many important multinational companies have their registered offices here. The building has great accessibility by transport both in terms of city public transport and personal transport, primarily thanks to its proximity

to metro C line station Pankrác, access to several bus lines, tram stops at Pražského Povstání and the nearby D1 motorway.

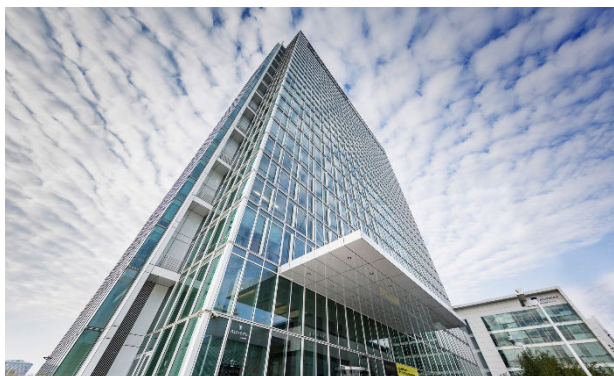






City Tower is a 30-storey administrative building, consisting mainly of office premises (27 above ground floors and three underground floors), offering 781 parking spaces in three underground floors.

The major lessee of City Tower is Raiffeisen Bank. Other lessees include for example the international consultancy firm AC Nielsen and law firms Císař, Češka, Smutný and AVANT investiční společnost.



City Tower administrative building, Prague, Czech Republic

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by CBRE s.r.o. Identification No.: 257 59 604, with its registered office at nám. Republiky 1a, post code 110 00, Praha 1, Czech Republic, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

In favour of the real estate:

- Transformer station
- Distribution station
- Fire extinguishing equipment distribution system
- Main water feed
- Light current and optical fibre connection
- Air conditioning engine room and diesel
- Sewerage connection
- Emergency escape route from underground parking
- Underground parking entry and exit, warehouses and parking spaces
- Storm-water drainage

Encumbering the real estate:

- Air conditioning inlet/outlet for parking
- Fire emergency system
- EPS system for parking
- Use of earthing by City Point
- Pražská teplotárenská a.s. – heat pipeline
- Česká telekomunikační infrastruktura a.s. – communication networks

##### Pledges

- Real estate pledged in favour of Raiffeisenbank a.s.

#### Information on the real estate's valuation

The valuation of the real estate is carried out by Savills CZ, s.r.o. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

#### Park One Bratislava, s. r. o. a real estate company

On 3 February 2017, the Fund acquired a 100% ownership interest in Park One Bratislava, s. r. o., with its registered office at Laurinská 18, Bratislava, postal code 811 01, Slovakia, identification number: 36 796 298.

The real estate company's assets include one real estate as defined in Government Regulation No. 243/2013 Coll.

#### Park One

##### Identification of the real estate

The real estate is located at Náměstí 1. mája 18, post code 811 06, Bratislava. Ownership certificate: 7777 KN: Bratislava I; Name of municipality: BA-m.č. Staré Mesto; District: Staré Mesto, Slovakia.



Administrative building Park One, Bratislava, Slovakia

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

Park One is situated in an exclusive location in the centre of the Old Town in Bratislava (Staré mesto) at Náměstí 1. mája, one of the main office hubs of Bratislava. The building has great accessibility by transport both in terms of city public transport and personal transport, primarily thanks to the close access to several bus and trolleybus lines and the D1 motorway that runs ca. 3 kilometres from the building. The real estate is a 13-storey administrative building, consisting mainly of office premises (nine above ground floors and four underground floors). Park One has 167 parking places on four underground floors. The main tenant of the Park One building is the Slovak Government Office, which currently leases approximately 73% of the total leasable area, the rest of the space is leased to smaller tenants, the largest part of which is occupied by the leading Slovak gas supplier Probugas, a.s. and the Ministry of Interior of the Slovak Republic.

The real estate was built in 2007 under the design of the renowned Czech architecture studio SIAL established in 1968 by architect Karel Hubáček. Its projects include e.g., the hotel and television transmitter situated on the Ještěd Mountain, the head

office of Hypobanka at náměstí Republiky in Prague and the administrative centre at Karlovo náměstí in Prague.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by CBRE s.r.o. Identification No.: 35 819 804, with its registered office at Staromestská 3, Bratislava 81103, Slovakia, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

In favour of the real estate:

- Overlap of the building and related construction works
- Water main and sewerage connection

Encumbering the real estate:

- Gas pipeline – SPP distribúcia

##### Pledges

- Real estate pledged in favour of Všeobecná úverová Banka a.s.

#### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Proximo One sp. z o. o., a real estate company

On 9 August 2017, the Fund acquired a 100% ownership interest in the legal title to the real estate Proximo One. The registered office of the real estate company is located at Przyokopowa 33, 01-208 Warsaw, Poland.

### Proximo I

#### Identification of the real estate

The real estate is located at Prosta 68, 00-838 Warsaw, Poland, Mazovian Voivodeship, district Warsaw, municipality Warsaw. Cadastral area code 6-04-06. The land is administered by the city of Warsaw, KW number WA4M/00437480/5.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

The Proximo I office building is located in Warsaw, Poland. It is situated in the Wola city quarter, the main and rapidly developing business district in the city centre. The real estate is a 16-storey administrative building, consisting mainly of office premises (13 above ground floors and three underground floors). The total leasable area of the real estate is approximately 29 200 m<sup>2</sup>. It has 428 parking places in three underground floors. Proximo I has great accessibility by transport both in terms of city public transport and personal transport, primarily thanks to its proximity to metro station Rondo Daszyńskiego and to several tram and bus lines. The international Frederyk Chopin Airport is about 20 minutes away from the building by car. The major lessees of the

building include multinational Stanley Black & Decker, MMC and the local Grupa Pracuj.

The real estate was built in 2016 under the design of the British architecture office Rolfe Judd. The developer of the building was Hines and the general supplier of the construction was Hochtief Polska S.A. The lobby and the interior vestibule were designed by Italian-based Pininfarina. The building received the BREEAM Excellent environmental certification. The real estate suffers neither any legal mistakes nor any significant technical defects.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by Cushman & Wakefield Trading Polska sp. z o. o., Rondo Daszyńskiego 2B, 00-843 Warsaw, Poland, based on a contract for administration.



Administrative building Proximo I, Warsaw, Poland

#### Rights encumbering the building (excluding lease relations)

##### Easements

- Land servitude of entry and entryway for any perpetual user of land No. 40.
- Easement – the right of use for Stołeczny Zakład Energetyczny S.A.
- Land servitude of entry and entryway in favour of every owner or perpetual user of land lots No. 35 and 36.
- Land servitude of entry and entryway, including the entryway for fire brigades, in favour of every owner or perpetual user of land lot No. 40/2.
- Land servitude of entry and entryway in favour of every owner or perpetual user of land lots No. 39, 40/1 and 37/3.
- Land servitude of access to technical equipment for the purpose of operation, repairs, maintenance, modernisation and extension of existing technical equipment in favour of every owner or perpetual user of land lots No. 39, 40/1, and 37/3.
- The right to lease the existing, temporary and target parking places in favour of Bank BPH S.A.
- Servitude of transmission, entry for the purpose of establishing and operating energy equipment lines and all-day entry of maintenance services in favour of RWE Stoen Operator Sp. z o.o.
- Land servitude of entry and entryway in favour of every owner or perpetual user of land lots No. 35 and 36 as well



as unlimited entry from the Warsaw Uprising Museum (Muzeum Powstania Warszawskiego)

- Servitude of transmission, installation, operation, control, maintenance and repairs of the hot water service pipe and the right of access and entryway to the service pipe in favour of Veolia Energia Warszawa S.A.
- Servitude of transmission, entry for the purpose of establishing and operating energy equipment lines and using a room to install energy equipment of the electricity supply system and all-day entry of maintenance services in favour of RWE Stoen Operator Sp. z o.o.
- The right to lease office premises in favour of Black & Decker S. à r. l. Sp. z o.o.
- Land servitude of entry and common use of the real estate, maintenance and repairs, in favour of every owner or perpetual user of the real estate located on land lots No. 37/4 and 47.
- Land servitude – the right to establish equipment, network and infrastructure on the encumbered real estate (above it and below it) and to use this equipment, network and infrastructure necessary for the functioning of the real estate located on land lot No. 47 in favour of Proximo II Sp. z o.o. Sp.k.
- Land servitude of entry, entryway, parking and maintenance and repairs of the internal road and parking place in favour of every owner or perpetual user of the real estate located on land lots No. 37/4 and 47.
- Land servitude – the right to establish a wall between Proximo I and Proximo II in favour of every owner or perpetual user of the real estate located on land lots No. 37/4 and 47.
- Land servitude of entry and use of the real estate for the purpose of construction of Proximo II in favour of every owner or perpetual user of the real estate located on land lots No. 37/4 and 47.

#### Pledges

Real estate pledged in favour of Deutsche Pfandbriefbank AG

#### Information on the real estate's valuation

The real estate was valued by Savills Sp. z o.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

### Śloneczna Radom sp. z o. o., a real estate company.

On 27 September 2016, the Fund acquired a 100% ownership interest in the real estate company Śloneczna Radom sp. z o.o. The registered office of the real estate company is located at Zajecza street 2B, 00-351 Warsaw.

#### Galeria Śloneczna shopping centre

##### Identification of the real estate

The real estate is located at Bolesława Chrobrego 1, 26 – 600, Radom, Poland. Land lot No. 25/16, KW No. RA1R/00140304/8 and 25/14, RA1R/00144453/5, Mazovian Voivodeship, district Radom, municipality Radom, cadaster Obozisko.

##### Description, age, utilisation and purpose of acquisition of the real estate and other information

Galeria Śloneczna is a shopping centre located in Radom, Poland, at excellent location on the crossroad of, B.Chrobrego and A.Struga streets, in the city centre, thus benefiting from very good visibility. Galeria Śloneczna is a two-story shopping centre with 164 retail units. It has 1 180 parking places located on the underground floor of the shopping centre and in a separate four-story parking house. The building has great accessibility by transport both in terms of city public transport and personal transport, primarily thanks to access to eleven bus lines and easy access by car from all catchment areas of the Mazovian region. The shopping centre is also an 8-minute walk from the Radom main square. The real estate was built by Porr in 2011. The developer was the local branch of American-based AIG/Lincoln (the name was later changed to White Star) which is known in the Czech Republic primarily for the development of The Park in Praha-Chodov, a large administrative complex, and Campus Square in Brno. The real estate suffers neither any legal mistakes nor any significant technical defects.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

##### Real estate administration

The administration of the real estate is carried out by White Star Real Estate sp. z o.o., Zajecza 2B, 00-351 Warsaw, Poland, based on a contract for administration.



Galeria Śloneczna shopping centre, Radom, Poland

##### Rights encumbering the building (excluding lease relations)

##### Easements

- Servitude of transfer – the right to use the real estate and to place gasworks equipment there with the right of entry for the purpose of operation, repairs, maintenance, renovation and inspection in favour of Mazowiecki Operator Systemu Dystrybucyjnego Sp. z o.o. w Warszawie, Oddział Zakład Gazowniczy Radom.
- Servitude of transfer – the right to use the real estate for the purpose of operation, inspection, maintenance and repairs of the hot water service pipe and the right of access to the service pipe in favour of Radomskie Przedsiębiorstwo Energetyki Ciepłej S. A. „RADPEC”.
- Land servitude of entry and entryway for the purpose of establishing and operating energy equipment lines of the electricity supply system in favour of Zakłady Energetyczne Okręgu Radomsko-Kieleckiego Dystrybucja Sp. z o.o.

- Land servitude of entry and the right to use a part of the land lot for the purpose of establishment and placement, operation, maintenance and repairs of telecommunications installation in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00144454/2.
- Land servitude of entry and the right to use a part of the land lot for the purpose of establishing and operating energy equipment lines of the electricity supply system in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00156128/5.
- Land servitude of entry and the right to use a part of the land lot for the purpose of establishing and operating energy equipment lines of the electricity supply system in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00123379/9.
- Land servitude of entry and the right to use a part of the land lot for the purpose of establishment and placement, operation, maintenance and repairs of telecommunications installation in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00156128/5.
- Land servitude of entry and the right to use a part of the land lot for the purpose of establishment and placement, operation, maintenance and repairs of telecommunications installation in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00123379/9.
- Land servitude of entry and the right to use a part of the land lot for the purpose of establishment and placement, operation, maintenance and repairs of telecommunications installation in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00117535/6.
- Land servitude of entry and the right to use a part of the land lot for the purpose of establishment and placement, operation, maintenance and repairs of telecommunications installation in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00156128/5.
- Land servitude of entry and the right to use a part of the land lot for the purpose of establishment and placement, operation, maintenance and repairs of telecommunications installation in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00123379/9.
- Land servitude of entry and the right to use a part of the land lot for the purpose of establishment and placement, operation, maintenance and repairs of telecommunications installation in favour of every owner or perpetual user of the real estate located on land lot entered in the land register under No. KW RA1R/00156130/2.

#### Pledges

- Real estate pledged in favour of Helaba Landesbank Hessen-Thüringen Girozentrale

#### Information on the real estate's valuation

The real estate was valued by Savills Sp. z o.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at

13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Industrial Park Dubnica I, s. r. o., a real estate company

On 20 March 2018, the Fund acquired a 100% ownership interest in Industrial Park Dubnica I, s. r. o., with its registered office at Laurinská 18, Bratislava, post code 811 01, Slovakia, identification number: 50 038 907.

### Industrial Park Dubnica

#### Identification of the real estate

The real estate is located at Dubnica nad Váhom, Slovakia, post code 018 41. Cadastral area name: Dubnica nad Váhom; District: Ilava, municipality Dubnica nad Váhom; Region Trenčianský, Ownership certificate: 6670.



Industrial park Dubnica, Dubnica/Váhom, Slovakia

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

Industrial Park Dubnica is located in Western Slovakia region, which, together with the Bratislava region, comprises 86% of all industrial areas in the country and is established as the most significant logistic centre in Slovakia. It is situated next to an exit from the D1 motorway, the major thoroughfare in Slovakia, connecting the two largest cities in the country, Bratislava and Košice.

The major lessee is German-based Continental, a renowned global tire manufacturer and supplier of technical solutions for the automotive industry. Continental has been leasing approximately three-fourths of the leasable area. Other important lessees are the Swiss transportation and logistics company Kuehne+Nagel, the Lidl food chain and the Dutch brewery group Heineken.

It has 29 parking places. The real estate was built in 2016 by Goldbeck and it was developed by SEE RE One s.r.o.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by CBRE s.r.o. Identification No.: 35 819 804, registered office: Staromestská 3, Bratislava 81103, Slovakia, based on a contract for administration.

Rights encumbering the building (excluding lease relations)

#### Easements

- HTMAS – electrical energy equipment and high-voltage switchboard
- Považská vodárenská společnost – water conduit

#### Pledges

- Real estate pledged in favour of Raiffeisen Bank International AG

#### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Metronom BC s.r.o., a real estate company

On 14 June 2018, the Fund acquired a 100% ownership interest in METRONOM BC s.r.o., with its registered office at Antala Staška 2027/79, 140 00 Praha 4, identification number: 289 39 794.



Metronom Business Center administrative building, Prague, Czech Republic

### Metronom

#### Identification of the real estate

The real estate is located at Bucharova 2817/9-13, Nové Butovice, Praha, postal code 158 00. Cadastral area code: 755 541 Stodůlky; District: CZ0100 Capital of Prague, Municipality: 554782 Praha, Ownership certificate: 2080.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

The Metronom Business Center administrative building is located in the Prague office quarter Nové Butovice, next to the metro A line station and very close to a bus station and a local shopping centre. The Prague Ring is a 5-minute ride by car from the real estate, with international Václav Havel Airport a 15-minute car ride away.

The main lessee of the building is German-based SAP operating in the field of information systems. Other lessees include BMW, Abbvie, DAZ Group and Rossmann.

Metronom Business Center is a modern 10-story office building built in 2015 by the Slovak development company HB Reavis. With its total area of almost 34 000 m<sup>2</sup> and 528 parking places, it

is one of the largest buildings in the Nové Butovice office quarter. The real estate was awarded with an 'Excellent' BREEAM environmental certification.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by White Star Real Estate s.r.o., Identification Number: 251 49 521, Praha 4 Chodov, V parku 2343/24, Postal code 148 00, based on a contract for administration.

Rights encumbering the building (excluding lease relations)

#### Easements

- Capital city of Prague – light-alarm device including cable distribution systems
- Capital city of Prague - collector
- Česká telekomunikační infrastruktura a.s. – underground communication lines
- Dial Telecom – cable lines
- T-Mobile – utilities network
- PRE distribuce – high-voltage switchboard

#### Pledges

- Real estate pledged in favour of Berlin Hyp AG
- Real properties pledged in favour of REICO investiční společnost České spořitelny, a.s. (second pledge in order).

#### Information on the real estate's valuation

The real estate was valued by Savills CZ, s.r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Proximo Two sp. z o.o., a real estate company

On 31 May 2018, the Fund acquired a 100% ownership interest in the legal title to the real estate Proximo Two. The registered office of the real estate company is located at Przyokopowa 33, 01-208 Warsaw, Poland.



Proximo II administrative building, Warsaw, Poland



**Proximo II****Identification of the real estate**

The real estate is located at Przyokopowa 26, 00-838 Warsaw, Poland, Mazovian Voivodeship, district Warsaw, municipality Warsaw. Cadastral area code 6-04-06. The land is administered by the city of Warsaw, KW number WA4M/00450423/5.



#### Description, age, utilisation and purpose of acquisition of the real estate and other information

Proximo II is located immediately next to Proximo I in the Western part of Warsaw's central business district. The Spire, the tallest building in Warsaw, is also located in this quarter, which is one of the most dynamic office districts in Central Europe.

Proximo II is a modern 10-story building, consisting mainly of office premises. The total leasable area of the real estate is more than 20 000 m<sup>2</sup>. It has 207 parking places on two underground floors and 12 parking places in an above ground parking structure.

The key lessees of Proximo II are global advisory companies Accenture, Ernst & Young, and Six, which have leased most of the leasable areas. Other significant lessees are for example Storck and Avenge IT Professionals.

The real estate was built in 2018 under the design of the British architecture office Rolfe Judd. The building received the BREEAM Excellent environmental certification.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by Cushman & Wakefield Trading Polska sp. z o. o., Rondo Daszyńskiego 2B, 00-843 Warsaw, Poland, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

- Land servitude of entry and entryway for any perpetual user of land No. 40.
- Land servitude of entry and entryway in favour of every owner or perpetual user of land lots No. 35 and 36.
- Land servitude of entry and entryway in favour of every owner or perpetual user of land lots No. 40/2
- Land servitude of entry and entryway, including the entryway for fire brigades, in favour of every owner or perpetual user of land lot No. 40/2.
- Land servitude of entry and entryway in favour of every owner or perpetual user of land lots No. 39, 40/1 and 37/3.
- Land servitude of access to technical equipment for the purpose of operation, repairs, maintenance, modernisation and extension of existing technical equipment in favour of every owner or perpetual user of land lots No. 39, 40/1, and 37/3.
- Land servitude of entry and entryway in favour of every owner or perpetual user of land lots No. 35 and 36 as well as unlimited entry from the Warsaw Uprising Museum (Muzeum Powstania Warszawskiego).
- Servitude of transmission, installation, operation, control, maintenance and repairs of the hot water service pipe and the right of access and entryway to the service pipe in favour of Veolia Energia Warszawa S.A.
- Servitude of transmission, entry for the purpose of establishing and operating energy equipment lines and all-day entry of maintenance services in favour of RWE Stoen Operator Sp. z o.o.

- Servitude of transmission, entry for the purpose of establishing and operating energy equipment lines and using a room to install energy equipment of the electricity supply system and all-day entry of maintenance services in favour of RWE Stoen Operator Sp. z o.o.
- The right to lease offices in favour of Accenture Services Sp. z o.o.
- Land servitude of entry and common use of the real estate, maintenance and repairs, in favour of every owner or perpetual user of the real estate located on land lots No. 46.
- Land servitude – the right of common use of water main connections, sewerage, maintenance and repairs of the water supply and sewerage systems and the right of unlimited entry in favour of every owner or perpetual user of the real estate located on land lot No. 46.
- Land servitude of entry, entryway, parking and maintenance and repairs of the internal road and parking place in favour of every owner or perpetual user of the real estate located on land lot No. 46.
- Land servitude - the right to establish a wall between Proximo I and Proximo II in favour of every owner or perpetual user of the real estate located on land lot No. 46.
- The right to lease offices and parking places in favour of EY GTH Poland Sp. z o.o.

#### Pledges

- Real estate pledged in favour of Deutsche Pfandbriefbank AG

#### Information on the real estate's valuation

The real estate was valued by Savills Sp. z o.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

### New Karolina Shopping Center Development, s.r.o., a real estate company.

On 5 December 2018, the Fund acquired a 100% ownership interest in New Karolina Shopping Center Development, s r.o., with its registered office at Antala Staška 2027/79, 140 00 Praha 4, identification number: 281 83 011.

#### Forum Nová Karolina shopping centre

##### Identification of the real estate

The real estate is located at Jantarová 4, 702 00 Moravská Ostrava Cadastral area code: 713 520 Moravská Ostrava; District: CZ0806 Ostrava – mesto, Municipality: 1 Ostrava, Ownership certificate: 11312

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

Forum Nová Karolina is a shopping and entertainment centre in Ostrava, attracting customers from the entire Moravian-Silesian Region. Thanks to its position in the city centre it offers comfortable access to both pedestrians and car passengers. Pedestrian access is provided via a modern footbridge leading from the bus station and crossing Místecká Street and the railway corridor.



The real estate comprises 276 retail units and more than 58 thousand m<sup>2</sup> of leasable areas. It offers a broad range of shops, such as Albert hypermarket, Marks & Spencer, Peek & Cloppenburg, Reserved, Cinema City, H&M, Intersport and other. 1500 parking places are available for the visitors of the shopping centre.

Forum Nová Karolina was finished in March 2012 under the design of the renowned Dutch architect Remo Koolhaas. The building was developed by Dutch-based Multi. Forum Nová Karolina holds the BREEAM Very Good environmental certification.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.



Shopping centre Forum Nová Karolina, Ostrava, Czech Republic

#### Real estate administration

The real estate administration is provided by Active Retail Asset Management s.r.o. Identification No.: 024 85 575, Praha 3, Laubova 1729/8, postcode 130 00, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

In favour of the real estate:

- Placement of an underground construction
- Placement of an above-ground construction
- Storm-water drainage
- Placement of a construction with the right of entry
- Water main connections
- Placement of underground and above ground construction of the northern entry ramp
- Storm-water drainage connections
- Establishment and operation of light current mains
- Waste-water drainage connections
- Placement of underground and above ground construction of the northern entry ramp
- Light current mains

Encumbering the real estate:

- St. m. Ostrava – use of the building's structure
- St. m. Ostrava – use of the building's communications corridor
- Veolia Energie – placement and operation of the distribution system – delivery station and connections for distribution of coolness

- Veolia Energie – distribution and operation of the distribution system - distribution of coolness
- Veolia Energie – placement and operation of the hot water service pipe and the technological equipment of the delivery station
- Veolia Energie – distribution and operation of the hot water service pipe for the purpose of distribution

##### Pledges

- Real estate pledged in favour of Helaba Landesbank Hessen-Thüringen Girozentrale

#### Information on the real estate's valuation

The real estate was valued by Savills CZ, s.r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Industrial Park Dubnica II, s.r.o., a real estate company

On 27 November 2019, the Fund acquired a 100% ownership interest in Industrial Park Dubnica II, s.r.o., with its registered office at Laurinská 18, Bratislava, post code 811 01, Slovakia, identification number: 50 175 149.



Industrial park Dubnica II, Dubnica/Váhom, Slovakia

#### Industrial Park Dubnica II

##### Identification of the real estate

The real estate is located at Dubnica nad Váhom, Slovakia, post code 018 41. Cadastral area name: Dubnica nad Váhom; District: Ilava, municipality Dubnica nad Váhom; Region Trenčianský, Ownership certificate: 6631.

##### Description, age, utilisation and purpose of acquisition of the real estate and other information

Industrial Park Dubnica II is located in Western Slovakia region, which, together with the Bratislava region, comprises 86% of all industrial areas in the country, and is established as the most significant logistic centre in Slovakia. It is a second part of a complex; the first part has been in the Fund's portfolio since March 2018. Industrial Park Dubnica II is close to an exit on the D1 highway, which is the arterial highway in Slovakia, connecting the two largest cities: Bratislava and Košice.

The building comprises warehouse, technical and administrative spaces with the total leasable area of 16 600 m<sup>2</sup> and is fully leased. Its lessees include the Lidl foodstore chain, and LEONI, a

subcontractor for the automotive industry, which delivers energy solutions.

The real estate was constructed in 2018 by Goldbeck, Development of the building was carried out by SEE RE Two, which belongs in the Invest4SEE Investment Holding GmbH.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by CBRE s.r.o. Identification No.: 35 819 804, registered office: Staromestská 3, Bratislava 81103, Slovakia, based on a contract for administration.

Rights encumbering the building (excluding lease relations)

#### Easements

- Považská vodárenská spoločnosť – sewerage
- SEE RE Three – utilities network
- Establishment, use and operation of the STL gas pipeline

#### Pledges

- There are no pledges related to the building.

#### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Sereď Logistics and Industry 1, s.r.o. a real estate company

On 13 May 2020, the Fund acquired a 100% ownership interest in Sereď Logistics and Industry 1, s.r.o., with its registered office at Laurinská 18, Bratislava, post code 811 01, Slovakia, identification number: 52 586 031.

### Industrial Park Sereď DC31

#### Identification of the real estate

The real estate is located at Sereď, Slovakia, postcode 926 01. Cadastral area name: Sereď; District: Galanta, Municipality Sereď; Region Trnavský, Ownership Certificate: 6573.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

The Industrial Park Sereď DC31 lies in an attractive locality of south-west Slovakia, which together with the Bratislava region concentrates over 80% of industrial areas in the country. The Industrial Park Sereď DC31 has great accessibility by transport from the D1 motorway, and strategic position in the middle of major economic area between Bratislava, Trnava and Nitra.

The main lessee of the Industrial Park Sereď DC31 is the German WEGU, producer of plastic components for the automotive industry.

The property was built in 2018 by Goldbeck, the building's development was carried out by PNK Group. The building

comprises mostly warehouses, production and office premises. It has received the BREEAM environmental certification.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by CBRE s.r.o. Identification No.: 35 819 804, registered office: Staromestská 3, Bratislava 81103, Slovakia, based on a contract for administration.



Industrial Park Sereď DC31, Sereď, SR

Rights encumbering the building (excluding lease relations)

#### Easements

In favour of the real estate:

- Use of road
- Suffering the placement of utilities network – cable distribution systems / switchgear units / water connection / fire extinguishing equipment distribution system, fire alarm system

#### Pledges

- There are no pledges related to the building.

#### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Sereď Logistics and Industry 2 s.r.o. a real estate company

On 16 May 2020, the Fund acquired a 100% ownership interest in Sereď Logistics and Industry 2, s.r.o., with its registered office at Laurinská 18, Bratislava, post code 811 01, Slovakia, identification number: 52 586 031.

### Industrial Park Sereď DC32

#### Identification of the real estate

The real estate is located at Sereď, Slovakia, postcode 926 01. Cadastral area name: Sereď; District: Galanta, Municipality Sereď; Region Trnavský, Ownership Certificate: 6574.

Description, age, utilisation and purpose of acquisition of the real estate and other information

The second stage of the Industrial Park Sered' DC32 lies in an attractive locality of south-west Slovakia, which together with the Bratislava region concentrates over 80% of industrial areas in the country. The Industrial Park Sered' DC31 has great accessibility by transport from the D1 motorway, and strategic position in the middle of major economic area between Bratislava, Trnava and Nitra. The main lessee of the Industrial Park Sered' DC32 is a Polish clothes company LPP S.A., using the leased area for online sale support. The company includes fashion brands such as Reserved, Cropp, House, Mohito and Sinsay.

The property was built in 2018 by Goldbeck, the building's development was carried out by PNK Group. The building comprises mostly warehouses, production and office premises. It has received the BREEAM environmental certification.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by CBRE s.r.o. Identification No.: 35 819 804, registered office: Staromestská 3, Bratislava 81103, Slovakia, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

In favour of the real estate:

- Use of road
- Suffering the placement of utilities network – cable distribution systems / switchgear units / water connection / fire extinguishing equipment distribution system, fire alarm system

##### Pledges

- There are no pledges related to the building.



Industrial Park Sered' DC32, Sered', SR

#### Information on the real estate's valuation

The real estate was valued by Knight Frank, spol. s r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Tychy DC1 sp. z o.o., a real estate company

On 27 July 2021, the Fund acquired a 100% ownership interest in the real estate company PDC Industrial Center 96 Sp. z o.o. The registered office of the real estate company is located at Przyokopowa 33, 01-208 Warsaw, Poland.



Industrial Tychy DC1, Tychy, Poland

## Tychy DC1

#### Identification of the real estate

The real estate is located at Logistyczna 55, 431 50, Bieruń, Poland, Silesia Province, bieruńsko-lędziński region. Cadastral area name: Bieruń Stary; KW number KA1T/00078170/9, KA1T/00078552/1, KA1T/00006673/0, KA1T/00078548/0, KA1T/00078550/7, KA1T/00078560/0, KA1T/00078544/2, KA1T/00078542/8, KA1T/00078537/0, KA1T/00078535/6, KA1T/00078547/3, KA1T/00078551/4, KA1T/00078534/9, KA1T/00004550/8, KA1T/00078540/4, KA1T/00078546/6.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

The real estate is located in an attractive locale of the Polish Upper Silesia region, which is the second largest industrial and logistics area in Poland. Tychy DC1 is located two kilometres from the A44 highway connecting Krakow, Katowice and Wrocław with Cottbus in Germany. The building meets the BREEAM Good certification criteria.

The largest lessees of the logistics park comprise Denso multinational (producing AC units for cars), and HAVI (specialising in supplies for international food chains). The third largest lessee is Regesta, a Polish logistics and forwarding company.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by White Star Real Estate sp. z o.o., Zajezca 2B, 00-351 Warsaw, Poland, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

- Považská vodárenská spoločnosť – water conduit
- Klaudia Malgorzata Dyjas - HV connection



- Polska spolka gazownictwa – gas networks

#### Pledges

- Real estate pledged in favour of Deutsche Pfandbriefbank AG

#### Information on the real estate's valuation

The real estate was valued by Savills Sp. z o.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## Tychy DC2 sp. z o.o., a real estate company

On 21 December 2021, the Fund acquired a 100% ownership interest in the real estate company Sorreli Sp. z o.o. The registered office of the real estate company is located at Przyokopowa 33, 01-208 Warsaw, Poland.



Industrial Tychy DC2, Tychy, Poland

## Tychy DC2

#### Identification of the real estate

The real estate is located at Logistyczna 71, 431 50, Bieruń, Poland, Silesia Province, bieruńsko-lędziński region. Cadastral area name: Bieruń Stary; KW number KA1T/00008639/4, KA1T/00078776/7, KA1T/00004520/9, KA1T/00004519/9, KA1T/00004686/0, KA1T/00008371/1, KA1T/00007131/1, KA1T/00008658/3, KA1T/00008034/3, KA1T/00072591/4, KA1T/00000788/7, KA1T/00078541/1, KA1T/00078553/8, KA1T/00080319/3, KA1T/00078169/9, KA1T/00001170/9, KA1T/00057377/7, KA1T/00079540/1, KA1T/00081170/3, KA1T/00081169/3, KA1T/00078534/9, KA1T/00078551/4, KA1T/00078547/3, KA1T/00078548/0, KA1T/00078550/7, KA1T/00078560/0, KA1T/00078544/2, KA1T/00078542/8, KA1T/00078552/1, KA1T/00006673/0, KA1T/00078537/0, KA1T/00078535/6, KA1T/00078170/9.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

The real estate is located in an attractive locale of the Polish Upper Silesia region, which is the second largest industrial and logistics area in Poland. Panattoni Park Tychy DC2 is located two kilometres from the A44 highway which is connected to the A4 highway linking the Polish cities of Krakow, Katowice and Wrocław with Cottbus in Germany. The building will probably receive the BREEAM Excellent environmental certification.

The Panattoni Park Tychy DC2 logistics park is fully occupied by a single lessee, the international retail chain Action, which operates almost 1 700 retail stores across the European Union, primarily in France, Belgium, Netherlands, Germany, Austria, the Czech Republic and Poland.

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by White Star Real Estate sp. z o.o., Zajecza 2B, 00-351 Warsaw, Poland, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

- Považská vodárenská společnost – water conduit
- Tychy DC1 – HV connection
- Polska spolka gazownictwa – gas networks

##### Pledges

- Real estate pledged in favour of Deutsche Pfandbriefbank AG

#### Information on the real estate's valuation

The real estate was valued by Savills Sp. z o.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.

## BOŘISLAVKA OFFICE & SHOPPING CENTRE s.r.o., a real estate company

On 31 January 2022, the Fund acquired a 100% ownership interest in real estate company BOŘISLAVKA OFFICE & SHOPPING CENTRE s.r.o., with its registered office at Antala Staška 2027/79, 140 00 Praha 4, identification number: 274 57 621.

### Bořislavka Centrum Building

#### Identification of the real estate

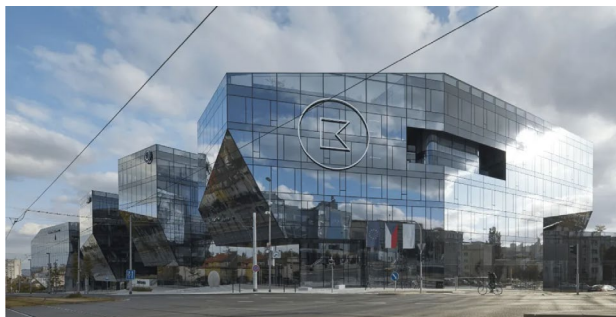
The real estate is located at Evropská 866/63, 866/65, 866/67, 866/69 and 866/71, Dejvice, Praha, postal code 160 00. Cadastral area code: 729418 Vokovice and 729 272 Stodůlky; District: CZ0100 Capital of Prague; Municipality: 554782 Praha; Ownership certificate: 3784 and 6878.

#### Description, age, utilisation and purpose of acquisition of the real estate and other information

The Bořislavka Centrum building is located in Prague's Evropská Street, in a strategic location between the city centre and Václav Havel International Airport. In the immediate vicinity there is a metro station A - Bořislavka. The entire complex was built based on a unique architectural design by renowned Czech architectural design firm AFA (Aulík Fišer Architekti), respecting the highest international standards. It is an extremely environmentally friendly building with intelligent management systems to control energy consumption, air exchange and recovery, including humidity control. Bořislavka Centrum aspires to high environmental certification LEED Gold and has also won the prestigious "Environmental Project of the Year" award in the Best of Realty competition. It also received an award for its four-crystal design in the international European Property Awards competition.

The building is almost fully occupied, with major tenants including private investment company KKCG, lottery company Sazka, MND corporation, and financial company Škofin.

Bořislavka Centrum is a new multifunctional complex consisting of four interconnected buildings, which was fully completed in the second quarter of 2021. It includes office and retail premises with a total leasable area of over 40 000 m<sup>2</sup>.



Bořislavka Centrum multifunctional building, Prague, Czech Republic

REICO ČS NEMOVITOSTNÍ has acquired the building to operate it. The purpose of the acquisition has not changed.

#### Real estate administration

The administration of the real estate is carried out by Savills CZ s.r.o., Identification No.: 055 61 281, Praha 1, Na Florenci 2116/15, post code 110 00, based on a contract for administration.

#### Rights encumbering the building (excluding lease relations)

##### Easements

In favour of the real estate:

- Water and sewage pipelines
- Storm-water drainage connection
- Sewerage pipelines
- Public communication network lines

Encumbering the real estate:

- PREdistribuce – cable lines/high voltage
- Karel Komárek Family Foundation – statue placement
- Veolia Energie Praha – water main and sewerage connection
- Quantcom – underground communication network
- Vodafone Czech Republic – underground communication network

##### Pledges

- Real estate pledged in favour of UniCredit Bank Czech Republic and Slovakia, a.s.

#### Information on the real estate's valuation

The real estate was valued by Savills CZ, s.r.o. using the income valuation method. The value of the real estate held by the real estate company was determined by the Expert Committee as at 13 December 2022. The market value of the real estate is stated in the real estate index which is part of the annual report.







## Other mandatory essentials of the annual report

### Data on the investment company managing and at the same time administering the mutual fund

Over its entire existence, the Fund was only managed/administered by REICO investiční společnost České spořitelny, a.s., with its registered office in Praha 4, Antala Staška 2027/79, post code 140 00, identification number: 275 67 117

### Data on all traders in securities carrying out trading in securities in relation to the mutual fund's assets

Over the entire existence of the Fund, only Česká spořitelna, a.s. carried out trading in securities for the Fund.

### Identification of assets if their value exceeds 1% of the value of the Fund's assets as at the date of valuation for the purpose of this report, stating the total acquisition cost and fair value at the end of the decisive period

The table shows the Fund's assets held in investment instruments and ownership interests in real estate companies as at 31 December 2022.

Title	Type of asset	Acquisition price (TCZK)	Market (fair) value (in TCZK)
REICO Investment ALFA, a.s.	Equity investment	384 491	222 265
REICO Investment BETA, s. r. o.	Equity investment	184 387	61 057
REICO Investment GAMA, a.s.	Equity investment	439 779	1 157 606
Trianon Building Prague s.r.o.	Equity investment	555 670	1 699 004
Qubix Building Prague s.r.o.	Equity investment	218 637	395 471
Forum BC I s. r. o.	Equity investment	70 650	403 945
Topas REAL spol. s r.o.	Equity investment	343 705	464 577
CITY TOWER, a.s.	Equity investment	2 702 542	3 494 947
Park One Bratislava, s.r.o.	Equity investment	584 880	742 830
Proximo One sp. z o.o.	Equity investment	1 409 780	2 085 672
Słoneczna Radom sp. z o.o.	Equity investment	2 009 035	2 051 109
Industrial Park Dubnica I, s. r. o.	Equity investment	328 373	851 802
METRONOM BC s.r.o.	Equity investment	687 994	1 151 787
PROXIMO Two sp. z o.o.	Equity investment	994 053	1 368 054
New Karolina Shopping Center Development, s.r.o.	Equity investment	2 030 509	2 778 974
Industrial Park Dubnica II, s.r.o.	Equity investment	125 897	193 448
Sered' Logistics and Industry 1, s.r.o.	Equity investment	168 597	193 362
Sered' Logistics and Industry 2, s.r.o.	Equity investment	341 192	406 178
Tychy DC1 sp. z o.o.	Equity investment	602 587	777 460
Tychy DC2 sp. z o.o.	Equity investment	779 070	678 226
BOŘISLAVKA OFFICE & SHOPPING CENTRE s.r.o.	Equity investment	1 847 221	2 022 669

ISIN:	Title	Type of asset	Acquisition price (TCZK)	Market (fair) value (in TCZK)
XS2333787047	INTL INVST BANK 1.5 04/26/24	debt securities	849 000	773 524
XS2349422472	VOLKSWAGEN FIN 1.707 06/03/24	debt securities	500 000	464 500

Other assets of the Fund are stated in the financial statements which are an integral part of the annual report.

### Information on litigations and arbitration proceedings concerning the Fund's assets or the claims of the Fund's unitholders where the value of the subject to the litigation or proceedings exceeds 5% of the value of the mutual fund's assets in the decisive period.

In 2022, the Fund was not involved in any litigations or arbitration proceedings the value of the subject of which would exceed 5% of the Fund's assets.

### Information on breaching loan or investment limits

On 24 February 2022, the Fund breached the 10% minimum liquidity limit when, due to a new acquisition, increased unit redemptions and the transfer of financial collateral, the Fund's liquidity dropped to 9.8%. The limit was met on 28 February 2022 due to the receipt of sufficient financial collateral from currency hedging derivatives.

On 4 March 2022, the Fund breached the 10% minimum liquidity limit, with the Fund's liquidity falling to 9.9% as a result of a new acquisition, increased unit redemptions and the transfer of financial collateral. The limit was met on 15 March 2022 due to the receipt of sufficient financial collateral from currency hedging derivatives.

On 24 March 2022, the Fund breached the 10% minimum liquidity limit, with the Fund's liquidity falling to 9.98% as a result of a new acquisition, increased unit redemptions and the transfer of financial collateral. The limit was met on 25 May 2022 due to the transfer of free liquidity from real estate companies to the Fund's bank accounts.

### Sustainability

REICO ČS NEMOVITOSTNÍ promotes environmental performance as defined in Article 8 of the SFDR. Information on the Fund's environmental performance is available in Annex 1.

### Information about the structure of and changes in the assets included in the Fund's portfolio

In the relevant period, the Fund acquired the Bořislavka Centrum multifunctional building, located on Evropská Street in Prague 6. The composition of the Fund's assets is presented in the Fund's balance sheet and in other parts of the annual report.

### Structure of liquid assets

Title	Type of asset	Market (fair) value (in TCZK)
Receivables from banks	receivables	2 126 770
International Investment Bank 1.5	debt securities	782 212
Volkswagen Fin 1.707	debt securities	469 434

### Information about consideration provided to the investment company for management and administration of the Fund's assets and consideration for the depository for the performance of the depository function

In 2022, a fee of TCZK 483 586 was paid to the investment company for the management and administration of the Fund's assets. In 2022, a depository fee of TCZK 44 570 was paid to the depository for the performance of its function. Other expenses of the Fund are stated in the financial statements which form an integral part of the annual report.

### Information on derivatives acquired into the Fund's assets

The mutual fund uses derivative instruments exclusively to hedge against currency risk. Exposure from these derivatives must always be fully covered by the Fund's assets so that the liabilities arising from these derivatives can always be met. As at 31 December 2022, the fund had 17 swaps with the total value of the underlying assets of EUR 421 million and 9 forwards with the total value of the underlying assets of EUR 405 million opened with Česká spořitelna, a.s., Komerční banka, a.s., Československá obchodní banka, a.s., and PPF banka a.s. As at 31 December 2022, these derivatives were measured at positive fair value of TCZK 1 060 385 and no negative value. At the end of the reporting period, the counterparty's risk was TCZK 1 060 385. Risk management methods are described in the notes to the financial statements which are an integral part of the annual report. Other information is presented in note 4.16 Risk management.

### Investment limits relating to derivatives

Counterparty	Limit	Computed value
Česká spořitelna, a.s..	10%	0.11%
Komerční banka, a.s.	10%	0.07%
PPF banka a.s.	10%	0.33%
ČSOB, a.s.	10%	0.05%

### Information about quantitative limitations and methods chosen to assess risks related to the techniques and tools to effectively manage an investment fund

Information about quantitative limitations and methods chosen to assess risks related to the techniques and tools to effectively manage an investment fund are presented in Note 4.16 Risk management.

### Information about significant changes in the data stated in the investment fund's statutes in 2022

In December 2022, requirements of Article 8 of the SFDR were implemented. In the same month, the wording of the statutes was amended and Annex 3 supplemented using the prescribed RTS SFDR template.

### Information about remuneration for the manager's employees for 2022

The average number of the Fund manager's employees in 2022 was 15 (among them, three directors).

The total fixed remuneration component of all employees was: TCZK 21 645.

Social security and health insurance expenses were:

TCZK 8 860, other social expenses were TCZK 1 168.

As the model of the investment company is based on the extensive outsourcing of services, all employees can be considered persons whose activity has a significant impact on the Fund's risk profile.

Bonuses for capital appreciation were not paid. Bonuses are paid based on having evaluated a number of criteria. The weight of the Fund's capital appreciation in the total bonus paid in 2022 was 10-30%, depending on the position of the employee within the management structure of the company.

### Information about all mutual fund's depositories in the decisive period

Over the entire existence of the fund, its depository has been Česká spořitelna, a.s., with its registered office in Praha 4, Olbrachtova 1929/62, post code 140 00, identification number: 45244782, registered in the Commercial Register maintained by the Municipal Court in Prague, section B, Insert 1171.

### Information about the entity charged with custody or another type of administration of the mutual fund's assets if this entity has been ensuring custody of or otherwise administering more than 1% of the mutual fund's assets

Česká spořitelna, a.s., the Fund's depository, has been ensuring the custodianship and other types of administration of the investment fund's assets. A custodian to which the depository can delegate the custody of investment instruments belonging to the mutual fund's assets can be a bank or a securities trader which adheres to prudence rules, including minimum capital requirements, and is subject to supervision by the authority of the country in which its registered office is located as well as to regular external audits that review whether the relevant investment instruments fall within its powers.

The depository currently uses the services of Clearstream Banking S.A. Luxembourg and Erste Group Bank AG to settle and clear foreign securities and the services of Centrální depozitář cenných papírů, a.s. (Central Securities Depository Prague, CSD Prague) to settle and clear exchange trades with securities traded on the Prague Stock Exchange, the CNB Short-Term Bond System for holding and settling transactions with book-entry securities with a maturity of up to 1 year issued, for example, by the Czech Republic or the CNB, as well as local custodians in respect of the Polish, Slovak, Hungarian, Romanian, Croatian, and Turkish markets. The cooperating entities can change over time, primarily in connection with entries to new markets.

### Information about Securities Financing Transactions (SFT) and swaps of all revenues as required under Regulation (EU) 2015/2365 of the European Parliament and of the Council, Article 13

In the accounting period, the Fund did not carry out any Securities Financing Transactions (SFT) or swaps of all revenues.

### Information about significant facts that have occurred after 31 December 2022

After the decisive date, REICO Investment BETA s.r.o. was sold from the Fund's portfolio. The company owns the Office Box building in Bratislava. With its parameters, especially its small size and technical standard, this building of type B does not fit into the composition of the Fund's real estate portfolio. Other significant facts are disclosed in the notes to the financial statements in note 4.22.

## List of members of the Expert Committee

### Otakar Langer

Position held from 18 February 2022. A graduate of the Czech Technical University, Faculty of Civil Engineering, and the Faculty of Science of Charles University. He has been working in real estate since 1995. In 2001-2004, he was the head of ING Real Estate Investment Management branch in Poland, then until 2007 he was a manager of the Central European portfolio at GE Real Estate Central & Eastern Europe, and since 2009 he has been the statutory representative of Artiga REIM. He has been a member of RICS since 2007.

### Michal Naskos

Position held from 18 February 2022; studied the Faculty of Education of Charles University. He has more than 20 years of experience in real estate valuation. He has been with Cushman & Wakefield since 2001 and has been a member of the Royal Institution of Chartered Surveyors (RICS) since 2011 and a member of the Value Registration Scheme (VRS) since 2014.

### Jaromír Smetana

Position held from 22 March 2022. He graduated from the Faculty of Electrical Engineering of the Czech Technical University, completed postgraduate studies in English at Charles University and the Institute of Property Valuation at the University of Economics. He has been involved in commercial real estate for 29 years. In 2007–2016, member of the Royal Institution of Chartered Surveyors (RICS). From 1994 to 2015, he held a number of executive and management positions at international consulting company DTZ, which he left after the global merger with Cushman & Wakefield in 2015. Since then, he has remained in the sector as a member and statutory representative of RealAd s.r.o.



## Information about the mutual fund's portfolio managers and members of the investment company's board of directors in the decisive period

### Tomáš Jandík, CFA, MRICS

Chairman of the board of directors

Portfolio manager of the real estate component since 1 May 2016

He graduated from the Humboldt University in Berlin and from the College of Estate Management in Reading, UK. He has held several advisory positions in financial audit, real estate valuation, investment advisory, transaction management, and asset management. Since 2010, he worked in the capital market department of the Prague branch of CBRE. He holds the CFA charter, is a member of the Czech CFA Society and the Royal Institution of Chartered Surveyors (MRICS). He has been a member of the board of directors of REICO investiční společnost České spořitelny, a.s. since May 2016, and in 2020 was appointed chairman of the Board of Directors.

### Ing. Miloš Novák, CSc.

Vice-chairman of the board of directors

Portfolio manager of the liquid component since 1 January 2020

Graduated from the University of Economics and Business in Prague and the Graduate School of Banking at Colorado, University of Colorado. He started his career as analyst in the

Prague, 28 April 2023



Tomáš Jandík, CFA, MRICS  
Chairman of the board of directors



Ing. Miloš Novák, CSc.  
Vice-chairman of the board of directors



JUDr. Darina Vaněčková  
Member of the board of directors

Economics Institute of the Academy of Sciences of the Czech Republic, and then lectured at the Faculty of Finance and Accounting of the University of Economics and Business in Prague. He has been a member of the Česká spořitelna Financial Group since 1994, heading Financial Planning and Strategy, Cost Controlling, Operating Controlling, and since 2014 Equity Investments and Investor Relations, where he was responsible for the management of subsidiaries and other equity investments, real estate funds management, and investor relations. In January 2020, he became a new member of the board of directors of REICO investiční společnosti, a.s., and in September 2020, he became vice-chairman of the board of directors.

### JUDr. Darina Vaněčková

Member of the board of directors

Responsible for risk management and compliance since 22 September 2020.

Graduated from the Faculty of Law of the Charles University. Started working in finance in the Czech National Bank, then moved to the internal audit of Komerční banka, and worked in compliance and risk management in Credit Suisse Asset Management or in ING Investment Management. Started in REICO investiční společnost České spořitelny, a.s. in 2015 as head of Legal & Compliance, and in September 2020 became member of the board of Directors of REICO.

## Appendix No. 1

Template for the regular publishing of information on financial products as stipulated in Article 8 (1, 2 and 2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Name of the product: REICO ČS Nemovitostní (RCSN)

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It carried out \_\_\_% of sustainable investments with an environmental objective

- ☐ in economic activities that qualify as environmentally sustainable under the EU taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU taxonomy

☐ It carried out \_\_\_% of sustainable investments with a social objective

☒ ☐ No

☐ It promoted environmental/social (E/S) characteristics, and although it did not observe a sustainable investment objective, it made \_\_\_% of sustainable investments consisting of

- ☐ investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU taxonomy
- ☐ investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU taxonomy
- ☐ investments with a social objective.

☒ It promoted E/S characteristics but **did not carry out any sustainable investments**

**Up to what degree were the environmental and/or social characteristics promoted by this financial product fulfilled?**

The Fund has been promoting a gradual reduction of the energy consumption of the real properties in its portfolio and the achievement of PENB C and better levels of energy-saving buildings. For this purpose, the Fund has been actively using the potential for reducing energy consumption, primarily in terms of the structure of the buildings and savings in its operation as well as the utilisation of renewable energy sources.

Furthermore, in accordance with the due care policy of REICO IS, the Fund has considered the adverse impact on the other sustainability factors while trying to prevent or mitigate them.

A referential value to achieve the environmental characteristics promoted by the financial product has not been determined.



The sustainability indicators measure how environmental or social characteristics promoted by the financial product are achieved.

● **What were the results of the sustainability indicators?**

KPI		2022
Energy consumption of buildings (class according to PENB), share in the market value of the portfolio (average of monthly values)	A	17%
	B	42.3%
	C	27.2%
	D	3.8%
	E	0.0%
	F	9.7%
	G	0.0%
Share of investments in energy-inefficient real properties	Share of market value of real properties on level PENB D or worse (average of monthly values)	13.5%
Share of consumption of energy from renewable and non-renewable sources	(average of monthly values)	59.4%
Share of production of energy from renewable and non-renewable sources	(average of monthly values)	0.43%



Main adverse effects are the major adverse effects of the investment decisions on the sustainability factors concerning environmental, social and employment issues, adherence to human rights, and the fight against corruption and bribery.

● **How did this financial product reflect the main adverse effects on the sustainability factors?**

This financial product reflects the main adverse effects on the sustainability factors. The major adverse effects of the Fund include the energy consumption of the real properties and consumption of energy connected with management of real properties. The following indicators concerning investment properties are monitored to reflect the main adverse effects of the Fund:

- Share of investments in assets having the form of real properties, which participate in mining, storage, transportation, or manufacture of fossil fuels – 0%
- Share of investments in energy-inefficient assets in the form of real properties (on level PENB D or worse) – 13.5%

*The EU taxonomy stipulates the do-no-significant-harm principle according to which investments which are in accord with the taxonomy should not significantly harm the taxonomy's objectives. The EU taxonomy is accompanied by specific EU criteria.*

The do-no-significant-harm principle only applies to those underlying investments of the financial product which meet the EU criteria for environmentally sustainable economic activities. The underlying investments of the remaining portion of this financial product do not adhere to the EU criteria for environmentally sustainable economic activities.

*The other sustainable investments also must not do any significant harm to any environmental or social objectives.*



A declaration on due care policy, which comprises an overview of all monitored PAI indicators, and an explanation of how the main adverse effects are assessed will be available on the web as at 30 June 2023.

[https://cdn0.erstegroup.com/content/dam/cz/csas/www\\_reico\\_cz/dokumenty/21222\\_politika\\_nalezite\\_pece.pdf](https://cdn0.erstegroup.com/content/dam/cz/csas/www_reico_cz/dokumenty/21222_politika_nalezite_pece.pdf)



## What were the major investments of this financial product?

The list comprises investments, which represent **the major share of investments** of the relevant financial product over the referential period, i.e.:

1/1/2022-31/12/2022

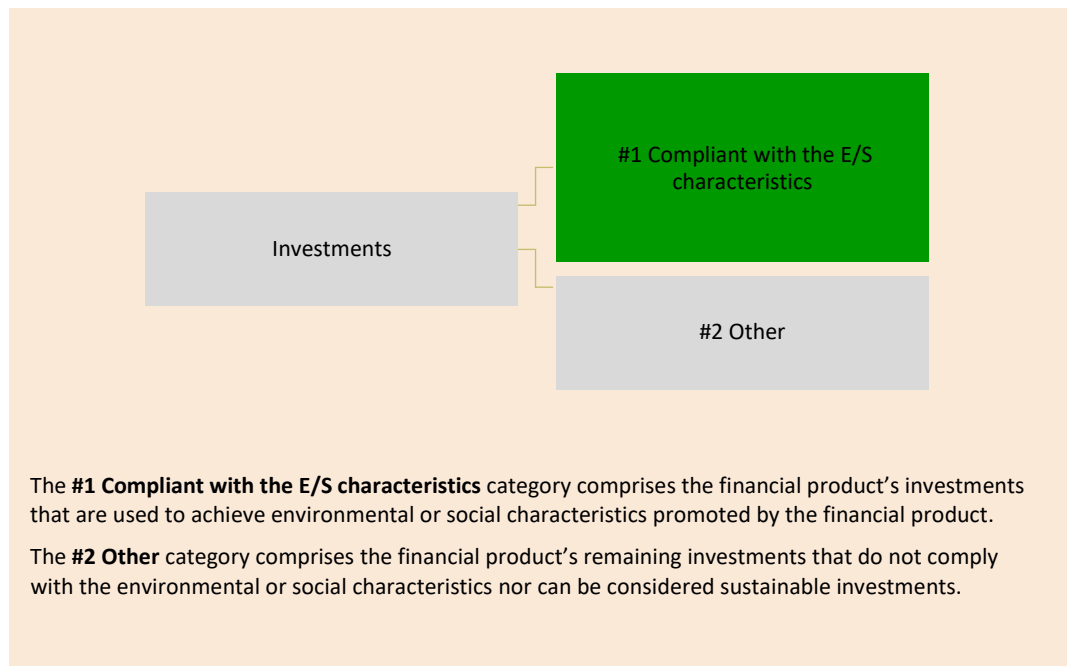
Major investments	Sector	Share of total assets in %	Country
FORUM NOVÁ KAROLINA	CZ-NACE: L68	13.7%	CZ
BOŘISLAVKA	CZ-NACE: L68	12.7%	CZ
CITY TOWER	CZ-NACE: L68	10.8%	CZ
SLONECZNA	CZ-NACE: L68	9.6%	PL
PROXIMO ONE	CZ-NACE: L68	8.4%	PL
METRONOM	CZ-NACE: L68	6.3%	CZ
PROXIMO TWO	CZ-NACE: L68	5.6%	PL
TRIANON	CZ-NACE: L68	4.9%	CZ
MELANTRICH	CZ-NACE: L68	3.8%	CZ
INDUSTRIAL PARK DUBNICA	CZ-NACE: L68	3.3%	SK
TYCHY 2	CZ-NACE: L68	3.3%	PL
FORUM BC	CZ-NACE: L68	3.3%	SK
TYCHY 1	CZ-NACE: L68	3.1%	PL
PARK ONE	CZ-NACE: L68	2.7%	SK
QUBIX	CZ-NACE: L68	2.5%	CZ



## What was the share of sustainability-related investments?

- Which was the allocation of assets?

**Allocation of assets** describes the share of investments in specific assets.



#### ● **Which sectors does the Fund invest in?**

In compliance with its investment policy, the RCSN fund only invests in real properties which it leases to lessees or resells. It invests into real properties from the following sectors

- 100% of the real estate component is invested in the CZ-NACE: L68 sector
- The financial product does not invest in real properties which participate in the mining, storage, transportation, or manufacture of fossil fuels.



#### **Which investments were included in the Other item, what was their purpose, and did they bear any minimum environmental or social guarantees?**

At least 10% of the Fund's funds are held in fast liquid financial assets to ensure the pay-out of the Fund's unitholders seeking redemption of their units. More than 64% of the Fund's liquid assets consist of receivables from banks (cash) and 36% of the Fund's assets consist of units and bonds issued by multinational corporations and states.

Investments in units and bonds of other companies form a minor portion of RČSN's assets. Due to their variability and a relatively small impact, in excess of the mandatory indicators RČSN further checks whether these companies have implemented the due care system identifying and solving significant adverse effects in accordance with the UN and OECD principles and whether they have set the greenhouse gas emission reduction objectives.



#### **What measures have been adopted to fulfil the environmental and/or social characteristics over the referential period?**

- The Fund has implemented the REICO IS CS Due care policy (available under [https://cdn0.erstegroup.com/content/dam/cz/csas/www\\_reico\\_cz/dokumenty/221222\\_politika\\_nalezite\\_pece.pdf](https://cdn0.erstegroup.com/content/dam/cz/csas/www_reico_cz/dokumenty/221222_politika_nalezite_pece.pdf)) based on which it identifies and assesses the main adverse effects on sustainability, which the RCSN fund has been facing.

- ensuring purchases of power from renewable sources across the portfolio where technically feasible
- CAPEX investments in raising the energy efficiency (e.g., installation of LED lighting, preparatory works on renovation of the MaR systems in selected buildings, etc.)





**KPMG Česká republika Audit, s.r.o.**

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This document is an unsigned English translation of the Czech auditor's report.  
Only the Czech version of the report is legally binding.

**Independent Auditor's Report to the Unitholders of  
REICO ČS NEMOVITOSTNÍ, otevřený podílový fond  
REICO investiční společnosti České spořitelny, a.s.**

***Opinion***

We have audited the accompanying financial statements of REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. ("the Fund"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Fund is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2022, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

***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, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those 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 Fund 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Other Information***

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body of REICO investiční společnost České spořitelny, a.s. ("the Company") is responsible for the 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 obtained in 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 applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those 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 matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

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

### ***Responsibilities of the Statutory Body for the Financial Statements***

The statutory body of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Fund 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Fund'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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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





**Statutory Auditor Responsible for the Engagement**

Veronika Strolená is the statutory auditor responsible for the audit of the financial statements of REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. as at 31 December 2022, based on which this independent auditor's report has been prepared.

Prague  
28 April 2023

*Signed by*

KPMG Česká republika Audit, s.r.o.  
Registration number 71

*Signed by*

Veronika Strolená  
Partner  
Registration number 2195

## Financial statements as at 31 December 2022

Balance sheet

Income statement

Notes to the financial statements

Ministry of Finance  
of the Czech Republic  
decree No. 501/2002 Coll.  
of 6 November 2002

Fund name:  
**REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti  
České spořitelny, a.s.**  
Registered office: Antala Staška 2027/79  
140 00 Praha 4

**BALANCE SHEET**  
**as at 31.12.2022**  
(translated from the Czech original)

Ident.	TEXT	Row number	Current period	Prior period
<i>a</i>	<i>b</i>	<i>c</i>	<i>1</i>	<i>2</i>
3	Receivables from banks and credit unions	01	2 126 770	3 364 177
	of which: a) repayable on demand	02	386 429	582 819
	b) other receivables	03	1 740 341	2 650 858
4	Receivables from non-banking entities	07	2 357 477	3 176 560
	of which: b) other receivables	09	2 357 477	3 176 560
5	Debt securities	10	1 251 646	1 942 809
	of which: a) issued by government institutions	11	782 212	1 466 475
	b) issued by other entities	12	469 434	476 334
6	Shares, units and other investments	13	0	504 750
8	Ownership interests with controlling influence	14	23 200 509	20 792 034
11	Other assets	15	1 062 081	157 185
13	Prepaid expenses and accrued income	21	1 001	1 663
	<b>TOTAL ASSETS</b>	<b>22</b>	<b>29 999 484</b>	<b>29 939 178</b>
1	Payables to banks and credit unions	23	983 337	122 236
	of which: b) other payables	26	983 337	122 236
4	Other liabilities	29	688 697	1 031 562
5	Deferred income and accrued expenses	34	45 306	48 807
	Net asset value attributable to unit holders	47	28 282 144	28 736 573
	<b>TOTAL LIABILITIES</b>	<b>48</b>	<b>29 999 484</b>	<b>29 939 178</b>
	<b>OFF-BALANCE SHEET ITEMS</b>	<b>50</b>		
4	Receivables from fixed term transactions	52	22 519 199	10 703 913
	b/ with currency instruments	54	22 519 199	10 703 913
7	Values placed into custody, administration and deposit	60	1 251 646	1 942 809
	of which: securities	61	1 251 646	1 942 809
8	Values placed under management		29 999 484	29 939 178
9	Commitments and guarantees received	62	200 000	0
10	Collaterals and pledges received	63	852 390	830 362
12	Liabilities from fixed term transactions	64	21 458 814	10 570 183
	b/ with currency instruments	66	21 458 814	10 570 183



Ministry of Finance  
of the Czech Republic  
decree No. 501/2002 Coll.  
of 6 November 2002

**Fund name:**  
**REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti**  
**České spořitelny, a.s.**  
**Registered office: Antala Staška 2027/79**  
**140 00 Praha 4**

**INCOME STATEMENT**  
**for the year ended 31 December 2022**  
(translated from the Czech original)

Ident.	TEXT	Row	Current	Prior
		number	period	period
<i>a</i>	<i>b</i>	<i>c</i>	<i>1</i>	<i>2</i>
1	Interest income and similar income	01	301 684	213 488
	of which: interest on debt securities	02	22 470	15 348
2	Interest expense and similar expense	06	18 781	345
3	Income from shares and ownership interests	09	0	147 631
	of which: b) income from ownership interests with controlling influence		0	147 631
5	Fee and commission expense	10	532 866	520 934
6	Gain or loss from financial operations	15	1 181 692	51 121
7	Other operating income	19	258	37
8	Other operating expenses	20	0	389
9	Administrative expenses	21	708	611
	of which: b) other administrative expenses	22	708	611
19	Current year profit (loss) from ordinary activities before tax	26	931 279	-110 002
23	Income tax	30	1 837	0
24	Net profit (loss) for the period	31	929 442	-110 002

# Notes to the financial statements

as at 31 December 2022

## 1. Description and principal activities

### Establishment and description of the Fund

REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. (the "Fund") is an entity without legal personality, established by REICO investiční společnost České spořitelny, a.s. (the "Investment Company") in accordance with Act No. 189/2004 Coll., on Collective Investment, which in 2013 was replaced by Act No. 240/2013 Coll., on Management Companies and Investment Funds (the "Act").

Based on a request of REICO investiční společnost České spořitelny, a.s., the Czech National Bank approved the establishment of a fund named REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. on 7 February 2007, with effect from 9 February 2007. The Fund started its operations on 27 February 2007.

Based on a concluded contract, Česká spořitelna, a.s. ("ČS, a.s.") is the Fund's depository.

The Fund is managed by the Investment Company. In compliance with the Act, the Investment Company is responsible for managing the assets in the Fund. Asset management means asset administration and disposal.

According to the Act, the Fund is a special fund investing into real estate.

### Registered office of the Investment Company

Praha 4 - Krč, Antala Staška 2027/79, post code 140 00

### Principal activities

The Investment Company collects funds by issuing units for the purpose of their collective investment on domestic and foreign financial markets. The number of issued units and the period for which the mutual fund is established are not limited.

The following three classes of Fund units are offered from 26 May 2020:

Class indication	Class description	Class code	ISIN
CZK C	CZK, retail-type of investors, reinvestment	CZKC	CZ0008472545
CZK DPM C	CZK, institutional investors, reinvestment	CZKDPMC	CZ0008475373
CZK CS C	CZK, institution-type of investors – shareholder of the manager	CZKCSC	CZ0008476132

The board of directors of REICO investiční společnost České spořitelny, a.s. decides on the commencement or termination of the issuance of units of a particular unit class.

Any investor that meets the general conditions for investing in mutual funds may become the owner of the CZK C class units, unless the distributor decides otherwise. Only investors that have concluded a contract for management of the customer's assets, which include an investment instrument, on a discretionary basis within the framework of a contractual arrangement with Česká spořitelna, a.s. ("the Contract for management of investment instruments") and only in frame of this contract, and further the Erste Asset Management GmbH investment company as well as the investment funds managed by this investment company or by other investment companies from the Erste Group Bank AG financial group may become owners of the CZK DPM C class units.

Only a shareholder of the fund's manager who meets the definition of professional clients according to Sections 2a and 2b of Act No. 256/2004 on Capital Market Undertakings may become the owner of the CZK CS C class units. The minimum amount of the investment of a unit holder investing in the CZK CS C class units corresponds to the amount of CZK 100 000 000. The total amount of the investment resulting from the conduct of the owner of the CZK CS C class units must not decrease below the minimum amount of the investment stipulated in the above sentence; the option of the owner of the CZK CS C class units to stop being a unit holder of the Mutual fund is not influenced by this fact.

### Focus of Fund

The objective of the Fund's investment policy is the appreciation of funds invested by unit holders in a conservative manner, with the proceeds from the operation of real estate forming the heart of the Fund's appreciation. The Fund's investments in real estate companies owning real estate are acquired and held specifically in order to achieve this objective. In excess of the Fund's income from interest on loans granted to real estate companies to fund real properties, in 2022 a significant source of income was also the income from financial operations. The gains from the Fund's portfolio will be reinvested in compliance with the investment objectives so that both the income potential and the level of the Fund's security are not downgraded.

In compliance with the Act, the Fund primarily invests in real estate and real estate companies. The Fund may also invest in residential projects, office buildings and centres, hotel complexes, multi-purpose centres, etc. In connection with the nature of the real estate assets it is necessary to note that they are not "quick" liquid assets when managed professionally. The acquisition of investments in real estate companies is usually financed through the Fund's own resources.

Within the authorised limits, the Fund may finance the purchase of investments in real estate companies or the purchase and development of real estate also by a loan, but only provided that such financing will increase the economic effect of the entire transaction.

In accordance with the Act, the Fund invests in ancillary liquid assets (deposits, fixed term deposits), treasury bills, bonds and similar securities. The Fund may use financial derivatives for effective asset management.

Based on a classification that is binding for the members of the Czech Capital Market Association ("Czech AKAT") as at the date of statutes approval, the term 'special real estate fund' may be used for the Fund.

The Fund's limits are complied with based on the Act, or they are set in the Fund's statutes in accordance with the Act.

### Rules of acquiring real estate and ownership interests in real estate companies

A real estate company is a joint stock company, a limited liability company or a comparable legal entity under foreign law, whose business activities primarily comprise the acquisition of real estate including its appurtenances, the administration of real estate, the transfer of ownership titles to real estate for consideration, to pursue financial gain. Adequately, property development companies are also considered real estate companies.

Real estate acquired into the assets of the mutual fund or into the assets of real estate companies in which the mutual fund has an ownership interest are used on a commercial basis, primarily in line with the purpose for which the real estate is used. The objective of acquiring real estate into assets is primarily long-term holding to generate regular revenue and subsequent adequate reinvestment of these revenues. A mutual fund may also purchase real estate for resale and undertake development real estate projects.

The Fund may acquire real estate in the Czech Republic and OECD member countries and countries where the Erste Bank AG Group ("other countries") is represented. The total limit for investments in real estate in Other Countries is 90% of the value of assets in the mutual fund.

The Fund always acquires and sells real estate and investments in real estate companies based on the appraisals of two independent experts in real estate measurement; the subject of the appraisal must also include third party encumbrances. A pledged real property can be acquired into the Fund's assets and liabilities only if the Fund also acquires the debt secured by the pledged real property. A real property encumbered by another absolute property right can only be acquired into the Fund's assets and liabilities if it does not substantially reduce its usability.

In case independent experts provide varying appraisals, the mutual fund must not acquire the real estate into its assets for a price that is higher by more than 10% of the average price of the experts' appraisals, or sell the real estate for a price that is lower by more than 10% of the average price of the experts' appraisals, unless it presents to the depositary economic justification of such acquisition or such sale and the depositary agrees to this.

The real estate owned by the mutual fund may be encumbered with the rights of third parties if the economic benefit of establishing these rights proves that such step is advantageous (this primarily concerns venality of this encumbrance, such as leases, payments for enjoying the rights of users, etc.).

The Fund may acquire and hold an ownership interest only in a real estate company that allows only cash contributions of shareholders or members, whose shareholders or members have fully paid their contributions, which invests only in real estate in the country of its registered office, which complies with the conditions of the Act and which invests exclusively in real estate or, apart from investment in real estate, invests in assets stipulated by the Act or by Government Decree No. 243/2013 Coll. for the purposes of ensuring liquidity of the mutual fund.



The Fund may acquire and hold an ownership interest in a real estate company if such ownership interest represents a majority of votes or capital necessary to change the real estate company's memorandum of association. Real estate that the real estate company acquires into its assets or sells from its assets is measured using the method stipulated by the Act for determining the value of assets of a special real estate fund and acquired and sold for a price determined based on the Act.

### Expert Committee

The Expert Committee is a special body established by the Investment Company.

The Expert Committee is obligated to determine the value of the following at least twice per year:

- real estate in the mutual fund's assets
  - real estate in the assets of a real estate company in which the mutual fund has an ownership interest
- and ensure the determination of the value of the mutual fund's ownership interest in the real estate company.

### Rules for indebteding the Fund

The Fund may receive a loan or a borrowing that is due within one year under standard terms, up to the amount of 20% of the value of the Fund's assets. The Fund may receive a mortgage only for the purpose of acquiring real estate into the Fund's assets or maintaining or enhancing its condition. Mortgages received by the Fund or real estate companies, in which this Fund has an ownership interest, must not exceed 70% of the value of this real estate. The maturity of such loans may exceed one year. The sum of all loans and borrowings received by the Fund must not exceed 100% of the value of the Fund's assets.

### Rules for granting loans from the Fund's assets

The mutual fund may grant a loan from its assets only to a real estate company in which it has an ownership interest. The loan must be secured and the loan agreement must stipulate that in case the ownership interest in the real estate company is disposed of, the loan is due within six months of the date the ownership interest is disposed of. The sum of all loans granted from the mutual fund's assets to one real estate company must not exceed 50% of the value of all real properties in the assets of this real estate company. The sum of all loans granted from the mutual fund's assets to real estate companies must not exceed 55% of the value of the mutual fund's assets.

### Rules for acquiring derivatives into the Fund's assets

The special fund may enter into contracts whose subject is a derivative, only for the purpose of effective asset management. This comprises conducting transactions to mitigate the risk, reduce costs or generate sufficient revenue for the mutual fund, provided that the risk incurred is in accordance with the Fund's risk profile. The exposures from these transactions must always be fully covered by the Fund's assets so that it is always possible to meet the liabilities arising from these transactions.

The special fund may invest in financial derivatives that are not received for trading on a regulated or a similar market provided that:

- a) The underlying asset represents only assets permissible under the Act and the statutes.
- b) The derivative has been concluded with the relevant counterparty which is subject to supervision by the Czech National Bank, the supervisory authority of another member state or another country,
- c) An OTC financial derivative must be measured daily using a reliable and verifiable method and the Fund has an option to sell or conclude the OTC derivative for its market value.

### Change in the Fund's statutes in 2022

4 January 2022

- Change in the maximum limit amount under Section 70(4) of Government regulation No. 243/2013 Coll. By having changed the regulation, the limit for the minimum ratio of the liquidity and real estate components of the Fund's portfolio was reduced. The Fund is newly obliged to keep only 10% of its assets in liquid assets.

1 March 2022

- Change in the name of the Fund and adding information on the Fund's performance and cost ratio for 2021 to the notes to the financial statements

4 April 2022

- Change in the composition of the Expert Committee

1 January 2023

- Adding the sustainability-related requirements in accordance with SFDR to the Fund's statutes
- Adding the performance scenarios of the Fund to the statutes

## 2. Basis of preparation

The financial statements have been prepared on the basis of accounts maintained in accordance with Act No. 563/1991 Coll., on Accounting, relevant effective regulations, decrees and internal standards in compliance with and in the extent stipulated by Decree of the Czech Ministry of Finance No. 500/2002 Coll., as amended, which regulates the layout and definition of the individual items of financial statements and the extent of disclosures for banks and certain financial institutions, and Czech Accounting Standards for financial institutions, stipulating basic accounting policies.

In Section 4a (1), the Decree stipulates that for the purposes of financial instruments recognition, measurement and disclosures on them in the notes to the financial statements the entities shall proceed in accordance with the International Financial Reporting Standards stipulated by directly applicable regulations of the European Union on applying the international accounting standards ("IFRS"). This obligation under Decree No. 442/2017 Coll. arose on 1 January 2021.

The financial statements are based on general accounting principles, in particular the accrual and matching principle, the prudence principle, and the going concern principle. Revenue and expenses are recognised on an accrual basis, i.e. in the period to which they relate in terms of substance and timing.

The financial statements comprise the balance sheet including off-balance sheet items, the income statement and the notes to the financial statements. The financial statements have been prepared as at 31 December 2022.

The Investment Company's financial statements cannot be prepared without using assumptions and estimates that may affect the reported amounts of assets and liabilities at the date of preparation of the financial statements and the recognised amounts of revenue and expenses for the relevant period. The Investment Company's management believes that the assumptions and estimates used will not differ significantly from the actual amounts in the following accounting periods. For more information, see note 3 of these notes to the financial statements.

These financial statements are non-consolidated.

All amounts in these financial statements and the related notes are reported in thousands of Czech crowns (TCZK), unless stated otherwise.

Assets and liabilities from the collective investment fund's investment activities are measured at fair value. To determine the fair value of assets and liabilities from the collective investment fund's investment activities, IFRS as adopted by the EU are applied. The method of determining the fair value of the collective investment fund's assets and liabilities in cases that are not provided for by specific accounting legislation (Act No. 563/1991 Coll., on Accounting, as amended, including implementing provisions, in particular Decree No. 501/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for business entities that are banks and other financial institutions) and the method of determining the current value of the collective investment fund's unit are established by the implementing legislation relating to the Act, which is Decree No. 244/2013 Coll., Detailing Certain Rules of the Act on Management Companies and Investment Funds.

The Investment Company accounts for the balance and movement of assets and other assets, liabilities and other liabilities, expenses and revenue and the asset management results in the mutual fund separately from its object of accounting and other mutual funds' object of accounting. In compliance with the accounting policies that are based on specific accounting legislation, the Investment Company accounts for the object of accounting in account books that are maintained separately for individual mutual funds whose assets it manages; it thus allows the Investment Company to prepare financial statements for each mutual fund. The mutual fund's financial statements must be audited.

The measurement of assets in the mutual fund for the purposes of determining the current value of the fund's unit is carried out on a daily basis. The measurement is performed in compliance with the legislation.

### 3. Significant accounting policies

#### Transaction date

The transaction date is the date a receivable or liability arises, changes or extinguishes, and other events arise that form the object of accounting and have occurred.

The Fund accounts for the sale and purchase of securities at the moment a contract is concluded (the "Trade Date") in case the period between the contract conclusion and its settlement is not longer than normal period. Otherwise, such contract is accounted for as a derivative until the time the liability is performed.

In respect of derivative contracts, the transaction date is:

- a) the moment the relevant contract was concluded
- b) the moment the fair value of a derivative changed
- c) the moment when fulfilment of a relevant contract occurred.

#### Financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at:

- amortised cost (AC)
- fair value through other comprehensive income (FVOCI)
- fair value through profit and loss (FVPL); the transaction costs, which relate to the acquisition of this asset, do not represent a part of the acquisition cost and they are directly expensed.

A financial asset is measured at amortised cost (AC) if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the so-called „SPPI test“ - single payment of principal and interest).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the so-called „SPPI test“).

At initial recognition of an equity investment that is not held for trading, the entity may irrevocably elect to present subsequent changes in fair value in FVOCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVPL. Financial assets that are held for trading and financial assets whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

In addition, the entity may, at initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVPL if doing so eliminates or significantly reduces a measurement or accounting mismatch that would otherwise arise.

The entity has assessed that it has only one business model which comprises all assets including receivables from banks, ownership interests in unlisted companies and derivatives. Financial assets are managed and assessed based on fair values. The Fund's manager makes decisions based on the fair value of assets and manages these assets with the objective to realise the fair value. It further monitors primarily the development of the fair values of the Fund's assets and liabilities because of the daily calculation and disclosure of the net asset value per unit. As for this reason, such financial assets are measured at fair value through profit or loss (FVPL) except for the ownership interests in unlisted companies, which are irrevocably classified as measured at fair value through other comprehensive income (FVOCI) based on the entity's decision.



### Fair value measurement

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the entity has access at that date (“the exit price”).

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the entity on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments (e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure) are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a liability reflects its non-performance risk. Non-performance risk includes, but may not be limited to, an entity's own credit risk. The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

For details see note 4.16 (Risk management - Fair value).

### Securities

Financial instruments at FVPL are initially recognised at fair value. At initial recognition, the fair value is best proven by the transaction price. Profit or loss on initial recognition is recognised only if there is a difference between the fair value and the transaction price.

#### Equity securities

Equity securities recognised in the balance sheet item “Shares, units and other investments” include equity securities mandatorily measured at fair value through profit or loss (FVPL). A change in fair value is immediately recognised in profit or loss.

#### Debt securities

Debt securities recognised in the balance sheet item “Debt securities” include debt securities mandatorily measured at fair value through profit or loss (FVPL). A change in fair value is immediately recognised in profit or loss.

Gains and losses which are presented in the income statement are recognised in “Gain or loss from financial operations”.

### Ownership interests in real estate companies

#### Measurement of real estate in the assets of real estate companies controlled by the Fund

To monitor and determine the value of real estate in the assets of real estate companies, the Expert Committee uses the acquisition cost of the real estate or the latest expert's appraisal. The methods for determining the values that the Expert Committee will use must be based on relevant legislation, primarily Act No. 240/2013 Coll., on Management Companies and Investment Funds, and Government regulation No. 243/2013 Coll., on Investments Made by Investment Funds and Ways of their Management.

Real estate held for the purpose of its operation is measured using the revenue method. The fair value of real estate ascertained using the revenue method represents the net present value of sustainable lease income less costs of real estate management and considered risk of rental loss. The discount factor is the market required rate of return.

Real estate held for the purpose of its resale is measured using the method of comparison.

#### Measurement of ownership interests in real estate companies

The Expert Committee determines the fair value of ownership interests in real estate companies at least twice per year, or it ensures its determination otherwise.

At initial measurement, the acquisition cost of real estate is used as a basis for determining the fair value of ownership interests in real estate companies. The subsequent measurement of ownership interests in real estate companies is carried out based on the measurement of real estate using an expert's appraisal. Before the initial determination of fair value of ownership interests in real estate companies, the fair value is the acquisition cost of ownership interests.

When measuring ownership interests, the so called net asset value method is used, i.e. fair values of other assets and liabilities of these companies that are recognised as at the measurement date are added to or subtracted from the fair value of real estate in the assets of the real estate company.

### Use of estimates

Assumptions and estimates used in measuring real estate in the assets of real estate companies controlled by the Fund and in measuring the Fund's ownership interests in these real estate companies are based on information available as at the measurement date. The estimated parameters entering the measurement include the estimated future cash flows arising from real estate, i.e. in particular the estimated sustainable lease income and the related expenses, the estimated risk of rental loss or the estimated market required rate of return, i.e. the discount factor entering the revenue measurement method.

As a result of the increased volatility, the Fund may be exposed to higher risk, primarily in relation to uncertainty connected with possible asset impairment and future market development. The financial statements have been prepared based on current best estimates using all information relevant and available as at the date of preparation of the financial statements.

### Recognition of ownership interests in real estate companies

Initially, ownership interests in a real estate company are recognised at the acquisition cost, which represents the fair value.

Ownership interests in real estate companies are subsequently recognised at fair value. Remeasurement of ownership interests including foreign currency translation is recognised under revaluation gains (losses) in "Net asset value attributable to unit holders" in the Fund's liabilities, net of the relevant value of deferred tax.

### Escrow accounts

A portion of the purchase price of real estate companies is usually deposited on an escrow account until suspensive conditions are fulfilled. If an escrow account is held in the mutual fund's name, the account balance is accounted for as cash on the fund's accounts and recognised in "Receivables from banks and credit unions" with the account balance recognised separately in the notes to the financial statements. In case an escrow account is held in a third party's name or located at third parties (a bank different from the bank in which the Fund's accounts are held; notarial custody), this account balance is accounted for as a receivable and recorded in "Other assets". In the notes to the financial statements it is recognised separately.

At the same time, the Fund accounts for a liability to pay the entire purchase price to a real estate company, i.e. for a liability in the amount equal to the escrow account balance, until the moment the original purchase price of the real estate company is reduced based on an agreement with the buyer, or the suspensive conditions are fulfilled and the cash is paid out from the escrow account, i.e. the original purchase price of the real estate company is paid.

### Contributions in the registered capital of real estate companies

The contribution in the registered capital of a real estate company increases the net fair value of the real estate company's assets. This increase is recognised directly if the contribution is carried out within six months of the acquisition date or the last remeasurement of the real estate company. If this condition is not met, the Fund will remeasure the ownership interest in the real estate company as approved by the Expert Committee. This remeasurement will take into account the contribution made in the registered capital.

### Expenses relating to the acquisition of real estate companies

Expenses directly related to the acquisition of real estate companies include expenses incurred on legal, tax and technical due diligence, legal and tax advisory in structuring acquisition transaction, bank fees connected with the acquisition debt financing, expenses incurred on real estate measurement and the audit of financial statements of real estate companies.

The amount and allocation of expenses related to the acquisition of real estate companies is approved by the board of directors at initial recognition of the real estate company in the Fund's accounts at cost with the Expert Committee acknowledging this decision.

### Loans, borrowings and interest income

At initial recognition, loans and borrowings are recognised at nominal value and subsequently, they are remeasured at fair value. Deferred/accrued interest relating to the loans and borrowings granted is included in total balances of these assets. Loans are granted solely to the controlled companies and their terms and conditions are set in such manner that it is possible to keep the classification at FVPL and it is not necessary to establish loss allowances under IFRS 9 (the expected credit loss model - ECL).

### Derivatives

From an accounting perspective, derivatives may be classified as trading or hedging derivatives.

The fair value of financial derivatives is the present value of expected cash flows from these transactions. To determine the fair value, common models accepted on the market are used. These valuation models are subsequently supplied with parameters ascertained on the active market, such as foreign exchange rates, yield curves, volatilities of relevant financial instruments, etc. All financial derivatives are recognised as assets in "Other assets" in case of positive fair value, and as liabilities in "Other liabilities" in case of negative fair value.

A change in the fair value of trading derivatives is recognised as expense or income in “Gain or loss from financial operations”. The nominal value of derivatives is recognised off-balance sheet.

### Other receivables

The Fund accounts for receivables incurred in trading with securities and other operating receivables and these receivables are measured at fair value through profit or loss (FVPL).

### Other liabilities

Trade payables are recognised at nominal value that presents their fair value due to the maturity of these payables. The Fund accounts for liabilities that arise in trading with securities and for other liabilities.

### Income tax

#### Current tax

The tax base for income tax is calculated from the profit/loss for the current period before tax by adding non-tax deductible expenses and subtracting revenues that are not subject to income tax, and other items adjusting the tax base. The tax base also includes gains/losses from sale of ownership interests, which are directly recognised in equity in the year the sale is realised. Current tax liability is calculated at the end of the taxable period in accordance with Act No. 586/1992 Coll., on Income Taxes, as amended. The tax rate for 2022 is 5%.

#### Deferred tax

A deferred tax liability or asset is calculated from all temporary differences between the recognised carrying amount of assets and liabilities and their measurement for taxation purposes and from tax losses. Deferred tax is calculated based on the liability method using the balance sheet approach.

Deferred tax is ascertained from all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. A deferred tax asset or a deferred tax liability is ascertained as a product of the resulting difference and the rate valid for the period in which the tax asset will be realised or the deferred tax liability settled. A deferred tax asset is recognised only if there are no doubts that it will be utilised in future accounting periods.

Deferred tax is recorded in the income statement, except where it relates to items reported directly in equity. In such cases, the related deferred tax is included in equity.

Deferred tax assets and liabilities are mutually offset and are reported in the balance sheet in their net amount, except where certain partial deferred tax assets cannot be offset against certain partial deferred tax liabilities.

### Foreign currency translation

Transactions denominated in foreign currencies are translated based on the Czech National Bank official rate prevailing on the transaction date. As at the balance sheet date, assets and liabilities of monetary value denominated in foreign currency are translated at the exchange rate valid as at the balance sheet date.

Foreign exchange differences arising on the remeasurement of assets and liabilities recognised in foreign currencies are recorded in expenses or income, except for foreign exchange differences that arose from the translation of foreign currency ownership interests in real estate companies, which are recognised together with the remeasurement of these ownership interests on-balance-sheet in revaluation gains (losses) under “Net asset value attributable to unit holders”.

### Units issued by the Fund

The current value of a unit of each class on day D is determined on day D+1 as a proportion of the fund capital value of each class as at day D and the sum of all nominal values of issued units of each class in circulation as at day D, rounded to four decimal places.

The current value of a unit of each class is determined daily. In justified cases, the Investment Company may determine the current value of a unit that is valid for more days.

### Net asset value attributable to unit holders

The Fund does not report any registered capital. The nominal value of one unit is CZK 1.

Because of the different conditions valid for the individual classes of the Fund, the issued units are classified as financial liabilities as they do not meet the conditions of Article 11 of IAS 32 including the applicable exceptions from the definition of a financial liability under Article 16 of IAS 32.



As for this reason, since 1 January 2021 the values attributable to unit holders, i.e. the Fund's fund capital, have been presented under "Net asset value attributable to unit holders" in the balance sheet. This item further includes other sub-items, which were reported in equity until 2020, such as capital funds, share premium, revaluation gains/losses, retained earnings, and additions to/disposals of net assets attributable to unit holders on ordinary activities after tax – formerly profit or loss for the accounting period.

The share premium from the difference between the nominal and the sales value of units was recognised separately until the end of 2020. Since 1 January 2021, share premium has been recorded in "Net asset value attributable to unit holders" both upon the sale of units as well as on their redemption.

The balance sheet item "Net asset value attributable to unit holders" differs from the nature of names of the balance sheet items as defined in Attachment No. 1 to Decree No. 501/2002 in order to maintain a true and fair view in compliance with Section 7 of Act No. 563/1991, on Accounting.

### Corrections of significant errors and changes in accounting policies

Items from another accounting period than to which they belong in terms of accounting and changes in accounting policies are accounted for as revenues or expenses in the income statement for the current period, with the exception of corrections of accounting for revenues and expenses for the prior periods, which are recognised in retained earnings in the Fund's balance sheet. In 2022 and 2021, the Fund did not account for any corrections of prior period errors.

## 4. Additional information on the financial statements

### 4.1. Receivables from banks

Receivables from banks	31/12/2022	31/12/2021
Current accounts	385 947	539 100
Fixed term deposits and margins posted	1 740 341	2 781 358
Escrow accounts	482	43 719
<b>Total</b>	<b>2 126 770</b>	<b>3 364 177</b>

All receivables from banks as at 31 December 2022 are mandatorily measured at fair value through profit or loss (FVPL).

Receivables from banks are due from Česká spořitelna, a.s., Raiffeisenbank a.s., UniCredit Bank Czech Republic and Slovakia, a.s., Komerční banka, a.s., and Santander Bank Polska S.A.

### 4.2. Receivables from non-banking entities

Receivables from non-banking entities are loans granted to real estate companies controlled by the Fund. All receivables from non-banking entities are mandatorily measured at FVPL under IFRS 9.

31/12/2022

Receivables from non-banking entities denominated in CZK		31/12/2022
Company	Interest rate	Amount
REICO Investment ALFA, a.s.	9.90%	112 000
REICO Investment GAMA, a.s.	8.50%	80 479
Qubix Building Prague s.r.o.	7.00%	299 072
Topas REAL spol. s r.o.	7.00%	164 500
METRONOM BC s.r.o.	7.00%	253 886
Bořislavka Office & Shopping Centre s.r.o.	8.00%	419 283
<b>Total</b>		<b>1 329 220</b>

Due to unpaid interest on the loan granted to Qubix Building Prague s.r.o. for January to September 2022, the loan was capitalised to the principal by the total amount of TCZK 15 061 over the year based on the Fund's decision.

In January 2023, the loan will be capitalised to the principal by TCZK 5 256, i.e. the unpaid interest for October to December 2022 on the granted loan.

Receivables from non-banking institutions denominated in EUR			31/12/2022
Company	Interest rate	Amount in EUR	Amount in CZK
REICO Investment BETA, s. r. o.	9.00%	1 947	46 940
FORUM BC I s. r. o.	8.00%	12 539	302 384
Topas REAL spol. s r.o.	7.00%	6 355	153 250
Industrial Park Dubnica I, s. r. o.	7.00%	3 723	89 788
Industrial Park Dubnica II, s.r.o.	7.00%	4 700	113 341
Sered' Logistics and Industry 1, s.r.o.	7.00%	4 308	103 873
Sered' Logistics and Industry 2, s.r.o.	7.00%	9 068	218 681
<b>Total</b>			<b>1 028 257</b>

31/12/2021

Receivables from non-banking entities denominated in CZK			31/12/2021
Company	Interest rate	Amount	
REICO Investment ALFA, a.s.	9.90%	112 000	
REICO Investment GAMA, a.s.	8.50%	78 768	
Qubix Building Prague s.r.o.	7.00%	278 755	
Topas REAL spol. s r.o.	7.00%	164 500	
METRONOM BC s.r.o.	7.00%	360 839	
<b>Total</b>		<b>994 862</b>	

Due to unpaid interest on the loan granted to Qubix Building Prague s.r.o. for January to September 2021, the loan was capitalised to the principal by the total amount of TCZK 14 038 during the year based on the Fund's decision.

In January 2022, the loan will be capitalised to the principal by TCZK 4 899, i.e. the unpaid interest for October to December 2021 on the granted loan.

Receivables from non-banking entities denominated in EUR			31/12/2021
Company	Interest rate	Amount in EUR	Amount in CZK
REICO Investment BETA, s. r. o.	9.00%	1 778	44 186
FORUM BC I s. r. o.	8.00%	12 539	311 726
Topas REAL spol. s r.o.	7.00%	6 355	157 985
Industrial Park Dubnica I, s. r. o.	7.00%	3 723	92 561
Industrial Park Dubnica II, s.r.o.	7.00%	4 700	116 842
Sered' Logistics and Industry 1, s.r.o.	7.00%	4 307	107 082
Sered' Logistics and Industry 2, s.r.o.	7.00%	9 068	225 437
Tychy DC1 sp. z o.o.	7.00%	18 748	466 075
Tychy DC2 sp. z o.o.	7.00%	26 541	659 804
<b>Total</b>			<b>2 181 698</b>

### 4.3. Ownership interests with controlling influence

As at 31 December 2022, the Fund owned investments in twenty two real estate companies. Nine of them operate in the Czech Republic, seven in Slovakia and six in Poland.

Company name	Registered office	Ownership in %	Registered capital recorded in the Commercial Register	Other components of equity*	Acquisition date
REICO Investment ALFA, a.s.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 2 000	TCZK 112 633	7/12/2007
REICO Investment BETA, s. r. o.	Laurinská 18, 811 01, Bratislava	100%	TEUR 1 978	TEUR 287	12/5/2008
REICO Investment GAMA, a.s.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 1 000	TCZK 153 883	11/11/2010
Trianon Building Prague s.r.o.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 150 000	TCZK 1 335 177	27/3/2013
Qubix Building Prague s.r.o.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 270	TCZK 35 703	27/3/2014
FORUM BC I s. r. o.	Laurinská 18, 811 01, Bratislava	100%	TEUR 5	TEUR 819	15/12/2015
Topas REAL spol. s r.o.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 100	TCZK 98 738	28/4/2016
CITY TOWER, a.s.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 637 000	TCZK 1 128 748	27/9/2016
Park One Bratislava, s.r.o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 16 513	TEUR -1 150	3/2/2017
PROXIMO ONE sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 2 305	TPLN 241 085	25/4/2017
Słoneczna Radom sp. z o.o.	ul. Zajączka 2B 00-351 Warsaw	100%	TPLN 15 300	TPLN -34 634	26/9/2017
Industrial Park Dubnica I, s. r. o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 5	TEUR 5 271	20/3/2018
PROXIMO TWO sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 7 813	TPLN 161 863	29/5/2018
METRONOM BC s.r.o.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 300	TCZK 220 578	14/6/2018
New Karolina Shopping Center Development, s.r.o.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 50 000	TCZK 650 244	5/12/2018
Industrial Park Dubnica II, s.r.o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 5	TEUR 2 270	28/11/2019
Sereď Logistics and Industry 1, s.r.o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 1 400	TEUR 2 694	13/5/2020
Sereď Logistics and Industry 2, s.r.o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 3 900	TEUR 4 956	13/5/2020
Tychy DC1 sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 483	TPLN 37 512	27/7/2021
Tychy DC2 sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 211	TPLN 36 622	21/12/2021
Bořislavka Office & Shopping centre s.r.o.	Antala Staška 2027/79, 140 00, Praha 4	100%	TCZK 300 000	TCZK 469 337	31/1/2022
Gorado sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 5	TPLN -1	30/11/2022

\* information based on unaudited financial statements as at 31 December 2022

Voting rights in % correspond with ownership interests.

## Market value of ownership interests

Company name	Market value of ownership interests at 31/12/2021	Change due to the acquisition of a real estate company	Increase/decrease in the company's equity	Change due to a decrease in acquisition cost	Change in market valuation	Market value of ownership interests at 31/12/2022
<b>Domestic ownership interests:</b>						
Trianon Building Prague s.r.o.	1 649 097	-	-	-	49 907	1 699 004
Qubix Building Prague s.r.o.	407 746	-	-	-	-12 275	395 471
Topas REAL spol. s r.o.	502 656	-	-	-	-38 079	464 577
REICO Investment ALFA, a.s.	189 266	-	-	-	32 999	222 265
REICO Investment GAMA, a.s.	1 136 451	-	-	-	21 155	1 157 606
CITY TOWER, a.s.	3 542 252	-	-	-	-47 305	3 494 947
METRONOM BC s.r.o.	973 479	-	-	-	178 308	1 151 787
New Karolina Shopping Center Development, s.r.o.	3 062 814	-	-389 000	-	105 160	2 778 974
Bořislavka Office & Shopping centre s.r.o.	-	1 827 703	19 518	-	175 448	2 022 669
<b>Total domestic ownership interests:</b>	<b>11 463 761</b>	<b>1 827 703</b>	<b>-369 482</b>	<b>-</b>	<b>465 318</b>	<b>13 387 300</b>
<b>Foreign ownership interests:</b>						
REICO Investment BETA, s. r. o.	66 586	-	-	-	-5 529	61 057
FORUM BC I s. r. o.	367 951	-	-	-	35 994	403 945
Park One Bratislava, s.r.o.	690 711	-	-	-	52 119	742 830
PROXIMO ONE sp. z o.o.	2 126 825	-	-	-	-41 153	2 085 672
Sloneczna Radom sp. z o.o.	1 987 380	-	-	-	63 729	2 051 109
Industrial Park Dubnica I, s.r.o.	790 763	-	-	-	61 039	851 802
PROXIMO TWO sp. z o.o.	1 359 230	-	-	-	8 824	1 368 054
Industrial Park Dubnica II, s.r.o.	185 688	-	-	-	7 760	193 448
Sered' Logistics and Industry 1, s.r.o.	177 325	-	-	-	16 037	193 362
Sered' Logistics and Industry 2, s.r.o.	387 212	-	-	-	18 966	406 178
Tychy DC1 sp. z o.o.	597 489	-	-	-11 420	191 391	777 460
Tychy DC2 sp. z o.o.	591 113	-	181 300	-	-94 187	678 226
Gorado sp. z o.o.	-	66	-	-	-	66
<b>Total foreign ownership interests:</b>	<b>9 328 273</b>	<b>66</b>	<b>181 300</b>	<b>-11 420</b>	<b>314 990</b>	<b>9 813 209</b>
<b>Total:</b>	<b>20 792 034</b>	<b>1 827 769</b>	<b>-188 182</b>	<b>-11 421</b>	<b>780 309</b>	<b>23 200 509</b>



#### 4.4. Debt securities and units

##### a) Debt securities by type

in TCZK	31/12/2022	31/12/2021
Bonds issued by financial institutions	469 434	476 334
Bonds issued by government sector	782 212	1 466 475
<b>Net carrying amount</b>	<b>1 251 646</b>	<b>1 942 809</b>

Analysis of debt securities mandatorily measured at fair value through profit or loss (FVPL)

in TCZK	31/12/2022	31/12/2021
<b>Issued by financial institutions</b>		
- listed on a recognised CR exchange	-	-
- listed elsewhere	469 434	476 334
- unlisted	-	-
<b>Subtotal</b>	<b>469 434</b>	<b>476 334</b>
<b>Issued by government sector</b>		
- listed on a recognised CR exchange	-	662 699
- listed elsewhere	782 212	803 776
- unlisted	-	-
<b>Subtotal</b>	<b>782 212</b>	<b>1 466 475</b>
<b>Total</b>	<b>1 251 646</b>	<b>1 942 809</b>

##### b) Equity securities

in TCZK	31/12/2022	31/12/2021
<b>Shares, units and other investments by type</b>		
- Domestic units	-	504 750
<b>Net carrying amount</b>	<b>-</b>	<b>504 750</b>

Analysis of shares, units and other investments mandatorily measured at fair value through profit or loss (FVPL)

in TCZK	31/12/2022	31/12/2021
<b>Issued by financial institutions</b>		
- listed on a recognised CR exchange	-	-
- listed elsewhere	-	504 750
- unlisted	-	-
<b>Total</b>	<b>-</b>	<b>504 750</b>

The amount of TCZK 504 750 recognised as at 31 December 2021 represented the fair value of the purchased units.

#### 4.5. Other assets

Other assets	31/12/2022	31/12/2021
Positive fair value of derivatives	1 060 385	157 185
Other assets	1 696	-
<b>Total</b>	<b>1 062 081</b>	<b>157 185</b>

#### 4.6. Other liabilities

Other liabilities	31/12/2022	31/12/2021
Deferred tax liability	319 569	280 554
Liabilities from unit holders' contributions	360 243	660 760
Negative fair value of derivatives	-	23 455
Other liabilities	8 885	66 793
<b>Total</b>	<b>688 697</b>	<b>1 031 562</b>

In 2022, other liabilities represented in particular unpaid invoices for the 2022 audit, an unpaid fee for ČS a.s. for the sale of units in December 2022 and settlement with the state budget.

#### 4.7. Deferred income and accrued expenses

Deferred income and accrued expenses of TCZK 45 306 as at 31 December 2022 (as at 31 December 2021: TCZK 48 807) mainly represent an uninvoyed depositary fee for December 2022 of TCZK 3 804 (as at 31 December 2021: TCZK 7 493) and an uninvoyed management fee for December 2022 of TCZK 41 502 (as at 31 December 2021: TCZK 41 314).

#### 4.8. Net asset value attributable to unit holders

The Fund does not report any registered capital. Because of the different conditions valid for the individual classes of the Fund the issued units are classified as financial liabilities as they do not meet the conditions of Article 11 of IAS 32 including the applicable exceptions from the definition of a financial liability under Article 16 of IAS 32.

As for this reason, the values attributable to unit holders, i.e. the Fund's fund capital, are presented under "Net asset value attributable to unit holders" in the balance sheet. This item further includes other sub-items, which were reported in equity until 2020, such as capital funds, share premium, revaluation gains/losses, retained earnings, and additions to of net assets attributable to unit holders on ordinary activities after tax – formerly profit or loss for the accounting period.

in TCZK	31/12/2022	31/12/2021
<b>Net asset value attributable to unit holders</b>		
<i>of which:</i>		
- share premium	1 992 114	2 476 500
- capital funds	19 288 767	21 021 534
- revaluation gains (losses)	6 071 821	5 330 528
- retained earnings	-	18 013
- Additions to/Disposals of net assets	929 442	-110 002
<b>Total</b>	<b>28 282 144</b>	<b>28 736 573</b>

The nominal value of one unit is CZK 1. The share premium of each class from the difference between the nominal and the sales value of units of each class is recognised separately. The Fund accounts for the share premium in each class on the sale of units as well as on their redemption.

The sales price of a unit of each class is determined as a proportion of the net asset value attributable to unit holders/the fund capital value of each class and the sum of all nominal values of issued units of each class in circulation, rounded to four decimal places.

As at 31 December 2022, the value of a unit for the CZK C class was CZK 1.3784 (2021: CZK 1.2996) and CZK 1.2765 (2021: CZK 1.1944) for the CZK DPM C class.

The mutual fund is a growth fund, i.e. it does not use the increment in the net asset value attributable to unit holders (the result of operations for the current year) to pay profit shares to unit holders but the entire increment is reinvested as part of the mutual fund's management.

Based on the Fund's statutes, the profit for 2022 of TCZK 929 442 will be transferred to capital funds as follows:

- the profit of TCZK 879 881 for the CZK C class will be transferred to the capital fund;
- the profit of TCZK 49 561 for the CZK DPM C class will be transferred to the capital fund;
- the result of operations for the CZK CS C class equalled to zero.

Based on the Fund's statutes, the loss for 2021 of TCZK 110 002 was transferred to capital funds as follows:

- the loss of TCZK 116 913 for the CZK C class was transferred to the capital fund;
- the profit of TCZK 6 911 for the CZK DPM C class was transferred to the capital fund;
- the result of operations for the CZK CS C class equalled to zero.

## Overview of changes in the net asset value attributable to unit holders - capital funds for the CZK C class

	Number of units (in pieces)	Nominal value of units	Use of the fund to cover the loss	Transfer of retained profits	Total capital funds
<b>Balance as at 31/12/2020</b>	<b>20 118 834 863</b>	<b>20 118 834</b>	<b>-889 312</b>	<b>-</b>	<b>19 229 522</b>
Units sold	3 012 902 447	3 012 903	-	-	3 012 903
Units redeemed	-2 245 254 096	-2 245 254	-	-	-2 245 254
Use of capital fund	-	-	-298 554	-	-298 554
<b>Balance as at 31/12/2021</b>	<b>20 886 483 214</b>	<b>20 886 483</b>	<b>-1 187 866</b>	<b>-</b>	<b>19 698 617</b>
Units sold	1 616 844 913	1 616 845	-	-	1 616 845
Units redeemed	-2 747 550 956	-2 747 551	-	-	-2 747 551
Use of capital fund	-	-	-116 913	-	-116 913
Transfer of retained profits	-	-	-	16 660	16 660
<b>Balance as at 31/12/2022</b>	<b>19 755 777 171</b>	<b>19 755 777</b>	<b>-1 304 779</b>	<b>16 660</b>	<b>18 467 658</b>

## Overview of changes in the net asset value attributable to unit holders - capital funds for the CZK DPM C class

	Number of units (in pieces)	Nominal value of units	Use of the fund to cover the loss/transfer the profit	Transfer from the reinvestment fund	Transfer of retained profits	Total capital funds
<b>Balance as at 31/12/2020</b>	<b>1 838 681 014</b>	<b>1 838 681</b>	<b>-15 367</b>	<b>-</b>	<b>-</b>	<b>1 823 314</b>
Units sold	88 923 794	88 923	-	-	-	88 923
Units redeemed	-593 888 313	-593 888	-	-	-	-593 888
Use of capital fund	-	-	-10 538	-	-	-10 538
Transfer from the reinvestment fund	-	-	-	15 106	-	15 106
<b>Balance as at 31/12/2021</b>	<b>1 333 716 495</b>	<b>1 333 716</b>	<b>-25 905</b>	<b>15 106</b>	<b>-</b>	<b>1 322 917</b>
Units sold	6 675 577	6 676	-	-	-	6 676
Units redeemed	-516 748 573	-516 748	-	-	-	-516 748
Transfer of profit	-	-	6 911	-	-	6 911
Transfer of retained profits	-	-	-	-	1 353	1 353
<b>Balance as at 31/12/2022</b>	<b>823 643 499</b>	<b>823 644</b>	<b>-18 994</b>	<b>15 106</b>	<b>1 353</b>	<b>821 109</b>

#### Overview of changes in the net asset value attributable to unit holders - capital funds for the CZK CS C class

No units were issued in 2022.

#### Revaluation gains (losses)

Revaluation gains (losses) for the CZK C class	31/12/2022	31/12/2021
On translation of ownership interests	6 014 484	5 275 441
Deferred tax liability	-300 724	-263 772
<b>Total</b>	<b>5 713 760</b>	<b>5 011 669</b>

Revaluation gains (losses) for the DPM C class	31/12/2022	31/12/2021
On translation of ownership interests	376 906	335 641
Deferred tax liability	-18 845	-16 782
<b>Total</b>	<b>358 061</b>	<b>318 859</b>

The revaluation gains (losses) on translation of ownership interests in 2022 (or 2021) represented the difference between the acquisition cost of ownership interests in real estate companies and the last measurement of ownership interests in real estate companies at fair value determined by ASB Czech Republic, s.r.o., an external company, and approved by the Expert Committee on 15 December 2022 (or on 14 December 2021).

The value of ownership interests in respect of foreign ownership interests also includes the foreign exchange difference.

#### 4.9. Interest income and similar income

	2022	2021
Interest on deposits with banks	66 627	18 266
Interest on loans granted to real estate companies	208 964	174 920
Revenue from composite and received margins	3 623	517
Revenue from repo transactions	-	4 437
Revenue from interest on securities	22 470	15 348
<b>Total</b>	<b>301 684</b>	<b>213 488</b>

#### 4.10. Fee and commission expense

	2022	2021
Management fee	483 586	474 307
Depository fee	44 570	38 249
Other commissions and fees	4 710	8 378
<b>Total</b>	<b>532 866</b>	<b>520 934</b>

The fee for managing the Fund's assets is 1.75% for the CZK C class and 0.85% for the CZK DPM C class from the average annual value of equity or the net asset value attributable to unit holders.

The payment for discharging the duties of a depository is 0.13% (the rate is identical for both classes, CZK C and CZK DPM C) from the average annual value of the Fund's fund capital or the net asset value attributable to unit holders.

#### 4.11. Gain or loss from financial transactions

	2022	2021
Gain/loss from transactions with securities	-58 189	-106 050
Gain/ loss from foreign exchange differences	-49 739	-92 792
Gain/loss from fixed term transactions and options	1 289 620	249 963
<b>Total</b>	<b>1 181 692</b>	<b>51 121</b>

Gains and losses on financial transactions arise from financial assets and financial liabilities measured at fair value through profit or loss.



#### 4.12. Breakdown of income and expense items by geographical area

Geographical area

2022	Interest income and similar income	Fee and commission expense	Gain or loss from financial transactions
Czech Republic	182 911	532 866	1 153 227
European Union excl. Czech Republic	118 773	-	28 465
<b>Total</b>	<b>301 684</b>	<b>532 866</b>	<b>1 181 692</b>

2021	Interest income and similar income	Fee and commission expense	Gain or loss from financial transactions
Czech Republic	115 457	520 934	51 121
European Union excl. Czech Republic	98 031	-	-
<b>Total</b>	<b>213 488</b>	<b>520 934</b>	<b>51 121</b>

#### 4.13. Administrative expenses

	2022	2021
Audit costs	708	611
<b>Total administrative expenses</b>	<b>708</b>	<b>611</b>

#### 4.14. Income tax

Current tax - tax analysis

	2022	2021
Profit (loss) before tax	931 279	-110 002
Non-deductible items	-	131
Tax-deductible items	-	-
Tax base	931 279	-109 871
Utilisation of tax loss	-894 547	-
Tax based after adjustment	36 732	-109 871
Tax (5%) from tax base	1 837	-
<b>Total tax</b>	<b>1 837</b>	<b>-</b>

Recognised deferred tax asset/liability

	31/12/2022	31/12/2021
Deferred tax assets		
Tax loss carried forward	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Deferred tax liabilities		
Unrealised gains from the remeasurement of ownership interests with controlling influence	6 391 390	5 611 082
<b>Total</b>	<b>6 391 390</b>	<b>5 611 082</b>
<b>Total balance of temporary differences</b>	<b>-6 391 390</b>	<b>-5 611 082</b>
Tax rate	5%	5%
<b>Net deferred tax asset (+)/liability (-)</b>	<b>-319 569</b>	<b>-280 554</b>

In accordance with the prudence principle, the Fund does not account for a deferred tax asset in respect of tax losses. As at 31 December 2022, the Fund has no unutilised tax losses (as at 31 December 2021: TCZK 894 547).

#### 4.15. Related party relations

Erste Group Bank AG, Česká spořitelna, a.s., REICO investiční společnost České spořitelny, a.s., and real estate companies in which the Fund holds an ownership interest are considered related parties.

Receivables from related parties	31/12/2022	31/12/2021
Current accounts – Česká spořitelna, a.s.	203 863	289 863
Fixed-term deposits – Česká spořitelna, a.s.	1 040 160	1 000 375
Loans granted to real estate companies:		
REICO Investment ALFA, a.s.	112 000	112 000
REICO Investment GAMA, a.s.	80 479	78 768
Qubix Building Prague s.r.o.	299 072	278 755
Topas REAL spol. s r.o.	164 500	164 500
METRONOM BC s.r.o.	253 886	360 839
REICO Investment BETA, s. r. o.	46 940	44 186
FORUM BC I s. r. o.	302 384	311 726
Topas REAL spol. s r.o.	153 250	157 985
Industrial Park Dubnica I, s.r.o.	89 788	92 561
Industrial Park Dubnica II, s.r.o.	113 341	116 842
Sereď Logistics and Industry 1, s.r.o.	103 873	107 082
Sereď Logistics and Industry 2, s.r.o.	218 681	225 437
Tychy DC1 sp. z. o.o.	-	466 075
Tychy DC2 sp. z. o.o.	-	659 804
Bořislavka Office & Shopping Centre s.r.o.	419 283	-
<b>Total receivables from related parties</b>	<b>3 601 500</b>	<b>4 466 798</b>
<b>Payables to related parties</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Uninvoiced depositary fee - Česká spořitelna, a.s.	3 804	7 493
Uninvoiced management fee - the Investment Company	41 502	41 314
Fees for the sale of units for December - Česká spořitelna, a.s.	-	2 446
Other payables - Česká spořitelna, a.s.	-	52
Other payables - REICO investiční společnost České spořitelny, a. s.	303	524
<b>Total payables to related parties</b>	<b>45 609</b>	<b>51 829</b>
<b>Expenses charged to the Fund by related parties</b>	<b>2022</b>	<b>2021</b>
Depositary fee - Česká spořitelna, a.s.	44 570	38 249
Fee for maintaining asset accounts of securities, ownership interests and custody of securities - Česká spořitelna, a.s.	498	619
Fee for maintaining short-term bonds - Česká spořitelna, a.s.	1	2
Fee - central depositary - Česká spořitelna, a.s.	27	27
Bank fees - Česká spořitelna, a.s.	2 648	3 071
<b>Total expenses charged to the Fund by Česká spořitelna, a.s.</b>	<b>47 744</b>	<b>41 968</b>
Management fee - the Investment Company	483 586	474 307
<b>Total expenses charged to the Fund by related parties</b>	<b>531 330</b>	<b>516 275</b>

Revenues from related parties recognised by the Fund	2022	2021
Interest on deposits with banks - Česká spořitelna, a.s.	45 065	8 405
<i>Revenues from Česká spořitelna, a.s. recognised by the Fund</i>	<i>45 065</i>	<i>8 405</i>
Interest on loan - JRA, s.r.o.	-	4 678
Interest on loan - REICO Investment ALFA, a.s.	11 242	11 242
Interest on loan - REICO Investment BETA, s. r. o.	4 149	3 960
Interest on loan REICO Investment GAMA, a.s.	6 788	6 788
Interest on loan - Qubix Building Prague s.r.o.	20 317	18 936
Interest on loan - FORUM BC I s. r. o.	24 929	25 915
Interest on loan - Topas REAL spol. s r.o.	22 727	23 237
Interest on loan - Industrial Park Dubnica I, s.r.o.	6 477	6 777
Interest on loan METRONOM BC s.r.o.	19 267	25 609
Interest on loan – Industrial Park Dubnica II, s.r.o.	8 175	8 557
Interest on loan - Sered' Logistics and Industry 1, s.r.o.	7 488	7 837
Interest on loan - Sered' Logistics and Industry 2, s.r.o.	15 765	16 498
Interest on loan - Tychy DC1 sp. z. o.o.	12 364	13 623
Interest on loan - Tychy DC 2 sp. z. o.o.	18 156	1 263
Interest on loan - Bořislavka Office & Shopping Centre s.r.o.	31 120	-
<i>Revenues from real estate companies recognised by the Fund</i>	<i>208 964</i>	<i>174 920</i>
<b>Total revenues from related parties recognised by the Fund</b>	<b>254 029</b>	<b>183 325</b>

#### 4.16. Risk management

##### Credit risk

In compliance with the statutes and its investment strategy, the Investment Company sets the rules and procedures to select investment instruments so that the total credit profile of allocated investments corresponds with the Fund's nature. New types of instruments are assessed individually and if considered appropriate, they are approved by the risk management department, which also specifies limits for positions in such instruments. Emphasis is put on an appropriate rating structure and portfolio diversification, in particular for interest rate portfolios, or the interest rate portion of the Fund's portfolio.

##### Receivables from banks and credit unions

The Fund keeps cash and establishes fixed-term deposits at renowned banking institutions in the Czech Republic and abroad. All these institutions have an investment grade rating and therefore the credit risk resulting from these receivables is low. They include Česká spořitelna, a.s., Raiffeisenbank a.s., UniCredit Bank Czech Republic and Slovakia, a.s., Komerční banka, a.s., and Santander Bank Polska S.A.

##### Receivables from non-banking entities

The Fund has granted loans to real estate companies in which it holds a 100% ownership interest totalling TCZK 2 357 477 as at 31 December 2022 (as at 31 December 2021: TCZK 3 176 560). The credit ability depends on the financial performance of the relevant real estate company. The Fund monitors the financial performance and financial position of the real estate companies on a monthly basis. It actively participates in the strategic, financial and operational management of the real estate companies and where necessary flexibly responds to both external and internal events, which influence the financial performance.

##### Debt securities

As at 31 December 2022, the Fund held two corporate bonds totalling TCZK 1 251 646 in its portfolio. Both bonds have been denominated in CZK and have the following external rating (allocated by the Standard & Poor's agency):

in TCZK	2022	2022 %
BBB+	469 434	37.5%
BBB-	782 212	62.5%
<b>As at 31 December</b>	<b>1 251 646</b>	<b>100.0%</b>

As at 31 December 2021, the Fund held two government bonds totalling TCZK 1 466 475 and one corporate bond of TCZK 476 334 in its portfolio. All bonds have been denominated in CZK and have the following external rating (allocated by the Standard & Poor's agency):

in TCZK	2021	2021 %
AA-	662 699	34.1%
A-	803 776	41.4%
BBB+	476 334	24.5%
<b>As at 31 December</b>	<b>1 942 809</b>	<b>100.0%</b>

## Concentration by location as at 31 December 2022

Basic structure of assets		Total	Czech Republic	European Union excl. Czech Republic
<b>Total assets</b>		<b>29 999 484</b>	<b>18 059 140</b>	<b>11 940 344</b>
Receivables from banks	1	2 126 770	2 126 288	482
*current accounts		385 947	385 947	-
*fixed term deposits and margins posted		1 740 341	1 740 341	-
*escrow accounts		482	-	482
Receivables from non-banking entities	2	2 357 477	1 482 470	875 007
Debt securities	3	1 251 646	-	1 251 646
Ownership interests with controlling influence	5	23 200 509	13 387 300	9 813 209
Financial derivatives - positive fair value	6	1 060 385	1 060 385	-
Other assets	7	1 696	1 696	-
Prepaid expenses and accrued income	8	1 001	1 001	-

Basic structure of liabilities		Total	Czech Republic	European Union excl. Czech Republic
<b>Total liabilities</b>		<b>29 999 484</b>	<b>29 999 484</b>	<b>-</b>
Payables to banks *received margins	1	983 337	983 337	-
Other liabilities	2	734 003	734 003	-
*Financial derivatives - negative fair value		-	-	-
*Other liabilities		734 003	734 003	-
Net asset value attributable to unit holders	3	28 282 144	28 282 144	-

Concentration by location as at 31 December 2021		Total	Czech Republic	European Union excl. Czech Republic
<b>Total assets</b>		<b>29 939 178</b>	<b>17 263 363</b>	<b>12 675 815</b>
Receivables from banks	1	3 364 177	3 320 458	43 719
*current accounts		539 100	539 100	-
*fixed term deposits and margins posted		2 781 358	2 781 358	-
*escrow accounts		43 719	-	43 719
Receivables from non-banking entities	2	3 176 560	1 152 847	2 023 713
Debt securities	3	1 942 809	662 699	1 280 110
Shares, units and other investments	4	504 750	504 750	-
Ownership interests with controlling influence	5	20 792 034	11 463 761	9 328 273
Financial derivatives - positive fair value	6	157 185	157 185	-
Prepaid expenses and accrued income	8	1 663	1 663	-

Basic structure of liabilities as at 31 December 2021		Total	Czech Republic	European Union excl. Czech Republic
<b>Total liabilities</b>		<b>29 939 178</b>	<b>29 939 178</b>	<b>56 474</b>
Payables to banks *received margins	1	122 236	122 236	-
Other liabilities	2	1 080 369	1 023 895	56 474
*Financial derivatives - negative fair value		23 455	23 455	-
*Other liabilities		1 056 914	1 000 440	56 474
Net asset value attributable to unit holders	3	28 736 573	28 736 573	-

## Market risk

The most significant risk the Fund is exposed to is the fluctuation in the fair value of investments in real estate companies, see note 3 "Ownership interests in real estate companies". Risk management is described in note 1 "Rules of acquiring real estate and ownership interests in real estate companies".

The Fund uses a number of instruments to mitigate the portfolio's risk exposure and considerable attention is given to market risks. Apart from statutory limitations, the Fund is subject to a set of internal limits that directly impact foreign currency risk exposure, interest rate risk



exposure (modified duration zone in which the Fund moves), or allocation of shares on individual markets based on their volatility, portfolio rating structure (see above), or other features of the Fund.

When instruments of a new type are purchased, they are analysed in advance not only in terms of the above credit risk, but also in terms of market risk they can bring to the portfolio, or help eliminate from the portfolio; based on this their appropriateness, or a reasonable share in the portfolio, is assessed.

Market risks related to the Fund's security portfolio is measured using value at risk (VaR). The VaR indicator is calculated using the historical simulation method in the KVaR system. VaR is a value calculated for one day period at a confidence level of 99% based on a 500 day history. VaR for a one month holding period is recalculated using the following approximation:

$$\text{VaR (1 month)} = \sqrt{22} * \text{VaR (1 day)}$$

	31/12/2022	Average for 2022
Global VaR	2.83%	0.97%
FX VaR	0.13%	0.15%
Interest rate VaR	2.84%	0.95%
Equity VaR	0.00%	0.08%

	31/12/2021	Average for 2021
Global VaR	0.83%	0.63%
FX VaR	0.09%	0.07%
Interest rate VaR	0.79%	0.55%
Equity VaR	0.40%	0.20%

The VaR value is the ratio of the VaR absolute value to the Fund's portfolio value.

The global risk exposure and the risk exposure broken down to the FX, interest rate and equity VaR is monitored. Based on this breakdown, it is possible to identify critical risk segments and this identification then in return affects the reinvestment process. Limits determine the maximum permitted value of VaR for the Fund.

Complying with all the above limits is monitored on an ongoing basis. At the same time, the efficiency of their set-up is evaluated and in case of need, the limits are revised.

The risk in the development of foreign exchange rates, interest rates, or other market variables that could be unfavourable for the portfolio is hedged through financial derivatives to an appropriate extent. Financial derivatives are traded on the OTC market, because contracts and parameters corresponding exactly with the hedging needs can be traded there.

### Liquidity risk

Another risk that is monitored is liquidity risk. It is the risk that the Fund will not have enough emergency resources to fulfil its liabilities that arise from financial contracts. Liquidity is monitored and managed based on the expected cash flows and in connection with this the portfolio structure of securities and fixed term deposits is adjusted.

In accordance with the Act, the Fund is obligated to redeem a unit without undue delay, however at the latest within one month of the date on which a request for redemption is received through an administrator, unless the redemption of units has been suspended.

The mutual fund may suspend the issuance or redemption of units for a period of up to two years, if it is necessary in order to safeguard the rights or legally protected interests of unit holders.

The board of directors of the Investment Company decides about suspending the issuance or redemption of units; it is obligated to prepare a written report on its decision. The report includes the date and exact time of the decision on suspension, the reasons for suspension and the period for which the issuance or redemption of units is suspended. More detailed conditions are provided for by the Act. In such case, the Investment Company will immediately deliver the written report on suspending the issuance and redemption of units of an open mutual fund to the Czech National Bank.

The table below shows the residual maturity of assets and liabilities broken down according to the most significant types. As all securities are traded on public markets, it is possible to carry out the sales of these securities within three months. The liabilities presented below represent contractual undiscounted cash flows.

As at 31 December 2022	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Not specified	Total
Receivables from banks	2 126 770	-	-	-	-	2 126 770
Receivables from non-banking entities	6 967	-	-	2 246 514	103 996	2 357 477
Debt securities	-	-	1 251 646	-	-	1 251 646
Shares and units	-	-	-	-	-	-
Ownership interests with controlling influence	-	-	-	-	23 200 509	23 200 509
Other financial assets - derivatives	256 388	572 634	231 363	-	-	1 060 385
Other assets	-	1 696	-	-	-	1 696
Prepaid expenses and accrued income	-	1 001	-	-	-	1 001
<b>Total assets</b>	<b>2 390 125</b>	<b>575 331</b>	<b>1 483 009</b>	<b>2 246 514</b>	<b>23 304 505</b>	<b>29 999 484</b>
Other liabilities	-362 658	-6 470	-	-	-319 569	-688 697
Deferred income and accrued expenses	-45 306	-	-	-	-	-45 306
Payables to banks	-983 337	-	-	-	-	-983 337
Net asset value attributable to unit holders	-28 282 144	-	-	-	-	-28 282 144
<b>Total liabilities</b>	<b>-29 673 445</b>	<b>-6 470</b>	<b>-</b>	<b>-</b>	<b>-319 569</b>	<b>29 999 484</b>
<b>Net foreign currency position</b>	<b>-27 283 320</b>	<b>568 861</b>	<b>1 483 009</b>	<b>2 246 514</b>	<b>22 984 936</b>	<b>-</b>

As at 31 December 2021	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Not specified	Total
Receivables from banks	3 364 177	-	-	-	-	3 364 177
Receivables from non-banking entities	19 785	-	-	3 075 995	80 780	3 176 560
Debt securities	-	-	1 942 809	-	-	1 942 809
Shares and units	-	-	-	-	504 750	504 750
Ownership interests with controlling influence	-	-	-	-	20 792 034	20 792 034
Other financial assets - derivatives	16 423	111 868	28 894	-	-	157 185
Prepaid expenses and accrued income	-	1 663	-	-	-	1 663
<b>Total assets</b>	<b>3 400 385</b>	<b>113 531</b>	<b>1 971 703</b>	<b>3 075 995</b>	<b>21 377 564</b>	<b>29 939 178</b>
Other liabilities	-675 243	-50 049	-2 261	-	-280 554	-1 008 107
Other financial liabilities - derivatives	-	-	-23 455	-	-	-23 455
Deferred income and accrued expenses	-48 807	-	-	-	-	-48 807
Payables to banks	-122 236	-	-	-	-	-122 236
Net asset value attributable to unit holders	-28 736 573	-	-	-	-	-28 736 573
<b>Total liabilities</b>	<b>-29 582 859</b>	<b>-50 049</b>	<b>-25 716</b>	<b>-</b>	<b>-280 554</b>	<b>-29 939 178</b>
<b>Net foreign currency position</b>	<b>-26 182 474</b>	<b>63 482</b>	<b>1 945 987</b>	<b>3 075 995</b>	<b>21 097 010</b>	<b>-</b>

## Fair value

### Valuation techniques

When one is available, the entity determines the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

### Fair value hierarchy

The entity measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Level 2 inputs are inputs other than quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices) for the asset or liability. This category includes instruments valued using:

- quoted market prices in active markets for similar instruments;
- quoted prices for identical or similar instruments in markets that are considered less than active;

- or other measurement techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Level 3 inputs are unobservable inputs. This category includes all instruments for which the measurement technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's measurement. This category includes instruments that are measured based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Every type of measurement used for the daily recalculation of the fair value of the individual financial instruments is allocated to the relevant level in accordance with the above definition.

#### Financial instruments measured at fair value

The following table sets out individual fair value levels of financial assets recognised at fair value in the Entity's balance sheet:

31/12/2022	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Receivables from banks	2 126 770	-	2 126 770	-
Receivables from non-banking entities	2 357 477	-	2 357 477	-
Debt securities	1 251 646	-	1 251 646	-
Shares, units and other investments	-	-	-	-
Ownership interests with controlling influence	23 200 509	-	-	23 200 509
Other financial assets - derivatives	1 060 385	-	1 060 385	-
Other assets	1 696	-	1 696	-
Prepaid expenses and accrued income	1 001	-	1 001	-
<b>Total</b>	<b>29 999 484</b>	<b>1 251 646</b>	<b>5 547 329</b>	<b>23 200 509</b>

The Fund uses the following measurement techniques and inputs to determine the fair value:

#### Receivables from banks

Due to the short maturity of these receivables, the carrying amount approximates their fair value. These financial assets have been categorised as Level 2 in the fair value hierarchy. In the current accounting period, the measurement techniques and inputs used did not change.

#### Receivables from non-banking entities

The estimated fair value of granted loans is based on discounted expected future cash flows, using an interest rate as a discount rate valid for loans connected with similar credit risk, interest rate risk, and similar maturity. In respect of impaired credits, the estimated fair value is based on the present value of expected future cash flows, including the expected income from the potential realisation of the collateral.

In determining the estimated cash flows used for discounting, assumptions are used and the expected repayment course of a particular loan or loan group is considered.

These financial assets have been categorised as Level 2 in the fair value hierarchy. In the current accounting period, the measurement techniques and inputs used did not change.

#### Securities

Prices listed on an active market for the identical instrument are used in determining the fair value of securities.

#### Ownership interests with controlling influence

The most important component of assets are ownership interests with controlling influence. As the companies in which the Fund holds a 100% ownership interest are not listed in any market, these ownership interests are allocated to Level 3 of the fair value hierarchy. The measurement of the company prepared by the Expert Committee at least twice a year is updated always at the 15th day of every month by the authorised company (see the Fund's statutes). This approach enables the Fund to reflect the current value of the companies in its portfolio (accounting data as at the end of the preceding month) in the real estate companies' fair value recorded in the Fund's accounting records, thus eliminating the impact of other possible inputs (unobservable inputs) on this fair value.

As the Fund holds ownership interests in real estate companies, the so called net asset value method was used to determine the fair value of the ownership interests, i.e. fair values of other assets and liabilities of these companies that are recognised as at the measurement date are added to or subtracted from the fair value of the real estate owned by the real estate company. In the current accounting period, the measurement techniques and inputs used did not change.

## 2022

The following table illustrates the sensitivity of the market value of real properties held in the Fund's portfolio to changes in income from lease determined by the appointed appraiser and in the rate of return of the real property. In the event of a constant rate of return and an increase in income from lease of 2.5%, or if appropriate 5.0%, the market value of the portfolio will increase by MCZK 933 to MCZK 38 263, or if appropriate by MCZK 1 867 to MCZK 39 197. Upon decrease in income, the value of assets would decrease by the same amount.

In the event of an increase in the rate of return of 0.25%, or if appropriate 0.50%, and a constant level of income from lease, the market value of the portfolio will decrease by MCZK 1 477 to MCZK 35 853, or if appropriate by MCZK 2 841 to MCZK 34 489. A decrease in the rate of return would have the opposite effect in accordance with a higher value of assets.

A combination of changes in income from lease and changes in the rate of return as at 31 December 2022 is presented in the table below.

Portfolio sensitivity analysis (market value in TCZK)					
	Income from lease determined by an appraiser in TCZK p.a.				
Income	2 153 057 -5.00%	2 209 717 -2.50%	2 266 376 0.00%	2 323 035 2.50%	2 379 695 5.00%
-0.50%	38 646 322	39 663 331	40 680 339	41 697 348	42 714 356
-0.25%	36 986 594	37 959 926	38 933 257	39 906 588	40 879 920
0.00%	35 463 555	36 396 807	37 330 058	38 263 309	39 196 561
0.25%	34 060 987	34 957 329	35 853 671	36 750 012	37 646 354
0.50%	32 765 140	33 627 381	34 489 621	35 351 862	36 214 102

- Note: Market value = Income from lease determined by an appraiser / Rate of return of real estate

## 2021

The following table illustrates the sensitivity of the market value of real properties held in the Fund's portfolio to changes in income from lease determined by the appointed appraiser and in the rate of return of the real property. In the event of a constant rate of return and an increase in income from lease of 2.5%, or if appropriate 5.0%, the market value of the portfolio will increase by MCZK 827 to MCZK 33 907, or if appropriate by MCZK 1 654 to MCZK 34 734. Upon decrease in income, the value of assets would decrease by the same amount.

In the event of an increase in the rate of return of 0.25%, or if appropriate 0.50%, and a constant level of income from lease, the market value of the portfolio will decrease by MCZK 1 270 to MCZK 31 810, or if appropriate by MCZK 2 446 to MCZK 30 634. A decrease in the rate of return would have the opposite effect in accordance with a higher value of assets.

A combination of changes in income from lease and changes in the rate of return as at 31 December 2021 is presented in the table below.

Portfolio sensitivity analysis (market value in TCZK)					
	Income from lease determined by an appraiser in TCZK p.a.				
Change in the rate of return	1 968 084 -5.00%	2 019 875 -2.50%	2 071 667 0.00%	2 123 459 2.50%	2 175 250 5.00%
-0.50%	34 153 092	35 051 858	35 950 624	36 849 389	37 748 155
-0.25%	32 733 013	33 594 409	34 455 804	35 317 199	36 178 594
0.00%	31 426 314	32 253 322	33 080 330	33 907 338	34 734 347
0.25%	30 219 935	31 015 197	31 810 458	32 605 720	33 400 981
0.50%	29 102 753	29 868 615	30 634 477	31 400 339	32 166 201

- Note: Market value = Income from lease determined by an appraiser / Rate of return of real estate

## Fund's liabilities

We do not report the level of fair value in respect of liabilities as more than 95% of all liabilities represent the net asset value attributable to unit holders (fund capital). The major items of other liabilities include redemption of units (postponed outpayment) and deferred tax liability. These liabilities are reported in their carrying amount, which best reflects their fair value.



31/12/2021	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Receivables from banks	3 364 177	-	3 364 177	-
Receivables from non-banking entities	3 176 560	-	3 176 560	-
Debt securities	1 942 809	1 942 809	-	-
Shares, units and other investments	504 750	504 750	-	-
Ownership interests with controlling influence	20 792 034	-	-	20 792 034
Other financial assets - derivatives	157 185	-	157 185	-
Prepaid expenses and accrued income	1 663	-	1 663	-
<b>Total</b>	<b>29 939 178</b>	<b>2 447 559</b>	<b>6 699 585</b>	<b>20 792 034</b>

#### 4.17. Received commitments and guarantees recognised in off-balance sheet accounts

As at 31 December 2022, commitments and guarantees received of TCZK 200 000 (as at 31 December 2021: TCZK 0) are recognised in the Fund's off-balance sheet accounts.

#### 4.18. Received collaterals and pledges recognised in off-balance sheet accounts

As at 31 December 2022, collaterals and pledges received of TCZK 852 390 (as at 31 December 2021: TCZK 830 362) are recognised in the Fund's off-balance sheet accounts.

The collaterals and pledges received include mortgage over real estate to secure loans granted to real estate companies.

#### 4.19. Receivables and liabilities recognised in off-balance sheet accounts

Receivables and liabilities from fixed-term transactions are recognised in the Fund's off-balance sheet accounts. The difference between them is recognised in assets in case of positive fair value and in liabilities in case of negative fair value.

Off-balance sheet accounts	31/12/2022	31/12/2021
Receivables from fixed-term transactions with foreign exchange instruments	22 519 199	10 703 913
Payables from fixed-term transactions with foreign exchange instruments	21 458 814	10 570 183

Balance sheet	31/12/2022	31/12/2021
Positive fair value of derivatives	1 060 385	157 185
Negative fair value of derivatives	-	23 455
<b>Result</b>	<b>1 060 385</b>	<b>133 730</b>

#### 4.20. Values placed under management recognised in off-balance sheet accounts

The Fund's assets as at the reporting date were managed by the Investment Company. As at 31 December 2022, total assets managed by the Investment Company amounted to CZK 29 999 484 (as at 31 December 2021: TCZK 29 939 178), of which securities handed over into administration amounted to CZK 1 251 646 (as at 31 December 2021: TCZK 1 942 809).

#### 4.21. Contingencies and commitments

The Fund has no assets and liabilities that are not recognised in the balance sheet or in off-balance sheet accounts.

#### 4.22. Subsequent events

On 28 February 2023, REICO Investment BETA, s.r.o. was sold. As a result of the sanctions imposed by the United States of America on the top representatives of International Investment Bank, on 12 April 2023 the bond issued by this bank was devalued. The bond is part of the Fund's liquidity component and its value has been decreased to 32% of its nominal value.

The Investment Company's management is not aware of any other material subsequent events that would require adjustments to the Fund's financial statements as at 31 December 2022.

Prepared on:

28 April 2023

**Signature of the authorised  
representative:**



Tomáš Jandík  
Chairman of the board of directors



Miloš Novák  
Vice-chair of the board of directors



Darina Vaněčková  
Member of the board of directors



**REICO ČS NEMOVITOSTNÍ, otevřený podílový fond  
REICO investiční společnosti České spořitelny, a.s.**

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**Annual report 2022**

**Material for the public**

