

REICO ČS NEMOVITOSTNÍ  
**2021 Annual Report**

MARKS & SPENCER

RESTAURANT

APARTMENTS

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## Basic information

### Basic information on the Fund as at 31 December 2021

#### Fund identification:

#### Fund manager and administrator:

#### Depository:

#### Auditor:

#### Date of establishment of the Fund:

#### Frequency of valuation and trading:

#### Recommended investment horizon:

#### First and every subsequent investment:

#### Fund bank account number:

#### ISIN:

#### Currency of the Fund:

#### Sale fee:

#### Management fee:

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

REICO ČS NEMOVITOSTNÍ, open-ended mutual fund

REICO investiční společnost České spořitelny a.s.

Česká spořitelna, a.s.\*

KPMG Česká republika Audit, s.r.o.

9 February 2007

daily

min. 5 years

min. CZK 300

35-2001349369/0800

CZ0008472545

CZK

did not exceed 1.5% in 2021

1.75 %

### Selected key financial information as at 31 December 2021

REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. (ČS real estate fund, open-ended mutual fund of REICO investment company of Česká spořitelna)

Key financial indicators for the accounting period	TCZK
<b>Total assets</b>	<b>29 939 178</b>
<b>Total value of real estate (market valuation)</b>	<b>33 080 330</b>
- owned directly by the Fund	0
- owned through a real estate company	33 080 330
<b>Number of real estate</b>	<b>20</b>
- owned directly by the Fund	0
- owned through a real estate company	20
<b>Occupancy rate of real estate</b>	<b>93.0 %</b>
<b>Changes in the real estate portfolio in 2021:</b>	
<b>Purchases of real estate</b>	<b>2</b>
- owned directly by the Fund	0
- owned through a real estate company	2
<b>Sales of real estate</b>	<b>1</b>
- owned directly by the Fund	0
- owned through a real estate company	1
<b>Performance of the Fund in the period from 1 January 2021 to 31 December 2021</b>	<b>2.45 %</b>
<b>Net value of assets attributable to unitholders</b>	<b>28 736 573</b>
<b>Net value of assets attributable to unitholders per unit (CZK C class)</b>	<b>1.2996</b>
<b>Net value of assets attributable to unitholders per unit (CZK DPM class)</b>	<b>1.1944</b>
<b>Revenue paid to unitholders</b>	<b>0<sup>1</sup></b>

<sup>1</sup> REICO nemovitostní fond 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,

I would like to present to you the annual report of REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. for 2021.

Throughout the year, the investment environment had to face turbulent changes. The start of the year was marked by stringent anti-pandemic measures, including lockdowns with a negative impact on retail. The end of the year with the new Omicron wave was also difficult, even without any further physical lockdowns of shopping centres. In the first half of the year, we had to face zero deposit account rates. In the second half of the year, the Czech National Bank increased its rates, which led to improved returns from our cash equivalents but also to an inevitable decrease in the value of our bond portfolio with duration up to three-years. The CZK/EUR exchange rate was also very volatile, especially towards the end of the year. In general, the Fund consumed the strengthening of CZK to EUR by more than 5%. The inflationary environment grew stronger during the year, with major pressure not only on building materials. A notable regulatory change was the reduction of the minimum mandatory liquidity limit from 20% to 10% of the Fund's net asset value at the beginning of 2022.

Real estate markets naturally reacted to this dynamic development. At the end of the year, mood in the property investment markets noted a significant improvement. While industrial prime yields in Prague dropped close to 4%, prime office yields stabilised in Prague (4.25%) and Warsaw (4.50%). Bratislava managed to convince investors of a yield compression of close to 5%. Developments in the investment markets reflected the improving situation on the leasing markets. Despite an increased vacancy rate of office space in Prague (7.8%) and Warsaw (12.7%), development pipeline decreased, which led to an improved landlord market at the end of the year, mainly in Warsaw, as it can better address international requirements. The retail segment was burdened by the pandemic, but consumer behaviour confirmed that the shopping centres segment is and will remain an inherent part of the retail chains, independently of temporary lockdowns or long-term e-commerce growth. Logistics

demand broke all records and the mentioned compression of logistics prime yields inherently assumes rental growth, especially around large urban centres in major industrial areas.

Despite the volatile environment, REICO ČS NEMOVITOSTNÍ reported its twelfth year of stable positive performance (at 2.45%) in 2021. The ten-year average dropped to 2.85% p.a., but the Fund managed to improve its revenue basis for future years significantly, principally through capital and lease transactions.

In June, we sold the Platinum building in Brno, which did not correspond to the Fund's strategy of acquiring and owning only prime real estate because of its age and technical specifications. Throughout the year, we acquired the Panattoni Park Tychy DC1 and DC2 buildings in the Upper Silesia region in two subsequent transactions totalling CZK 2.5 billion. These premium properties increased the allocation in the industrial real estate segment to 14% and will allow us to source external financing at advantageous terms which can be further reinvested. In leasing transactions, we should mention (i) the expansion of the Government Office of the Slovak Republic in the Park One building; (ii) new leases to Half Price and Eobuwie in the Galeria Sloneczna; and (iii) extending the lease of the Albert supermarket in the Forum Nová Karolína building. The occupancy rate of our real estate portfolio at the end of 2021 was still high at 93%, with a 4-year average term for the average lease.

Thus, the Fund is in great condition to generate long-term conservative returns of 3% p.a. with maximum liquidity and minimum risk in the future. We want to thank our 100 000+ clients for their trust, which we consider our obligation for future developments.

Tomáš Jandík, CFA, MRICS

Chairman of the board of directors

REICO investiční společnost České spořitelny a.s.

## Macroeconomic overview

In 2021, the Czech economy's GDP grew by 3.3%, supported principally by household consumption, which recovered already in the spring after the pandemic situation began to improve, and stayed strong through the rest of the year, although towards year end, growing energy prices began to have an adverse effect. Household consumption was positively impacted by a strong labour market and high household savings from 2020. The Czech economy's growth in 2021 was further supported by strong investment activity of businesses due to a positive development of fixed investments and the renewal of inventories. On the other hand, foreign trade was slowing the economy down. Although the demand for Czech exports renewed significantly, in the second half of the year, many exporters faced problems with international supply chains due to the lack of material and components. The largest issues occurred in the automotive industry, where companies had to temporarily shut down part of their production due to lack of semiconductors.

Average inflation in 2021 was 3.8%. It began low at the start of 2021, reflecting subdued economic activities due to the ongoing pandemic. In spring, with the economic renewal, inflation pressure began to grow, with price increases supported by several factors. On the one hand, there were demand factors, with strong domestic demand, positive labour market developments and expansive fiscal policy. On the other hand, there were several external factors, the strongest being high energy prices and issues with international supplier chains and logistics. At the end of the year, food prices grew as well, and y-o-y inflation reached 6%.

At the beginning of 2021, economic development was slow due to the pandemic, but the labour market was not affected much, and its development remained positive. Throughout the year, both domestic and foreign demand increased, and the labour market improved, with a lower unemployment rate and growing real wages. At the end of the year, the situation deteriorated a little. Although the unemployment rate further dropped due to high demand for new employees, high inflation exceeded the nominal growth of wages, leading to real wages decreasing in the fourth quarter. The average unemployment rate was 2.9%, and real wages in 2021 increased by 2.2%.

Monetary policy in 2021 reacted to inflation developments. At the beginning of the year, with low inflation, the CNB left very low interest rates and did not tighten monetary policy. In the spring, following a renewal in demand, inflation began to grow and the CNB increased its rates in June for the first time in 2021. In the second half of the year, with inflation picking up speed, the CNB began to further increase its interest rates. At the December meeting, the main CNB interest rate reached 3.75%. Throughout the year, the CZK/EUR exchange rate was significantly impacted by the overall market sentiment, which reflected the risks relating to the coronavirus pandemic, problems with a lack of semiconductors, and, at the end of the year, the risk of an energy crisis in Europe. Thus, the Czech crown remained rather weak during the year. Against this, in the second half of the year, the CNB began to tighten its monetary policy, with the growing interest differential towards the Eurozone either dampening down the pressure on CZK devaluation due to increasing global economy risks, or strengthening the CZK against the EUR when the market sentiment remained unchanged.

The price growth of residential real estate was markedly steeper in the second half of 2021, with the average growth of realised prices of older apartments increasing by almost 20% in 2021, and exceeding 25% in the fourth quarter. The causes of this strong growth in real estate prices in 2021 are similar to those for previous years. The main factor remains the favourable labour market situation, with low unemployment rates and real wages growth increasing household demand for residential real estate. Strong household savings also supported this trend. Low interest rates of the CNB represent another factor, which enabled the relatively cheap funding of real estate purchases. The gradual increasing of CNB interest rates further supported real estate price growth in the second half of the year, with households expecting further rate growth in the future and deciding to invest in real estate sooner rather than later. The third key factor was the relatively low supply of vacant and available apartments, which has been affecting prices in the Czech economy for some time.



## Developments in real estate markets

At the end of 2021, REICO ČS NEMOVITOSTNÍ had invested in the office space segment on the Czech, Slovak and Polish markets, in the retail segment on the Czech and Polish markets, and in logistics on the Slovak market and newly on the Polish market. In the second half of the year, the Fund managed to enter the Polish logistics market through two new acquisitions. The first half of 2021 was affected by the negative impact of the COVID-19 outbreak, with extensive lockdowns, while the second half of the year brought optimism to the market, supported by extensive vaccinations. Thus, the second half of the year went without further blanket lockdowns. This directly affected the retail segment, and after easing the restrictive measures and reopening, sales often exceeded the levels of 2019 before the pandemic. However, attendance remains lower despite higher turnover. Meanwhile, the office sector is still reeling from the home office regime and is looking for a balance between work from home and work in the office. Nevertheless, the first worries about surplus office space and complete transfers to home office regimes were not confirmed. The industrial real estate sector is currently experiencing a real boom. In some regions, demand has climbed to historic maximums. Although developers of new industrial projects reacted to the new development almost immediately and the volume of construction reached a new high, the vacancy rate has shown a significant decline.

At the end of the year, the real estate segment had to face fast growth of energy prices, as well as lack of building materials. High prices of new projects combined with their lack resulted in a major pressure to increase rent in the office and industrial sectors, which can be expected to continue in 2022.

### Commercial real estate investment market in Central Europe

The commercial real estate investment market in Central Europe reported a decrease in investments of 1% compared to the previous year, i.e., investments totalled EUR 9.45 billion in 2021 compared to EUR 9.54 billion in 2020. However, compared to the total investment volume of 2020 net of the exceptional Czech transaction concerning the sale of the Residomo residential portfolio totalling EUR 1.3 billion, 2021 ended with y-o-y growth of almost 15%. Traditionally, the biggest market was again Poland (EUR 5.74 billion, a y-o-y growth of 9%), followed by the Czech Republic (EUR 1.88 billion, a y-o-y drop of 31%). Despite an improving environment, Hungary also reported a drop of 16% y-o-y (EUR 1.10 billion). On the other hand, Slovakia recorded significant growth y-o-y of 41% (EUR 730 million).

The largest transaction in the Czech Republic was carried out in the last quarter of 2021 by Generali Real Estate on behalf of one of its funds, which acquired into its portfolio the Prague office of Generali Česká pojišťovna in Prague – Pankrác totalling EUR 100 million from CPI Group. The sale of the Proton Centre in Prague represents another major transaction. The building, originally owned by Immorent (Erste Group), was purchased by Raiffeisen Leasing for EUR 96 million. Another major transaction was the sale of the Parkview office building, purchased by Deka Immobilien from Skanska developer for EUR 77.5 million. In the second half

of the year, the market was dominated by logistics sector investments, and the three largest investments of this kind were concluded in this period. These comprised the European APEX portfolio of P3 which was purchased by CNIC (CGL Investment Holdings), in which the Czech portion of the portfolio represented about EUR 85 million, and two subsequent transactions between Consens/J&T and EQT Exeter totalling EUR 150 million. The first included the Nošovice logistics park, and the second the Ostrava Airport Multimodal Park, both in the Moravia-Silesia region. Trigea carried out a major retail transaction, purchasing two retail parks in Ostrava and Olomouc from Aberdeen/Standard Life totalling EUR 40 million.

In 2021, the Slovak market was mostly marked by investments into the retail sector which totalled to 44% of the total volume. The largest transaction was the acquisition of the Aupark shopping centre in Bratislava by WOOD & Company, which will gradually become part of its retail sub-fund portfolio. In May 2021, the first instalment of EUR 270 million was paid, i.e., a 60% share in the shopping centre. The last stage of the transaction should occur in 2024 when the last portion of the total acquisition price of EUR 450 million will be paid. The major transaction in the logistics segment was the acquisition carried out by CTP, namely the purchase of the Námestovo industrial park for over EUR 100 million from Accentis. In office space, a major transaction was carried out by the new Erste Realitná Renta od Slovenské sporiteľny fund, which purchased the Zuckermandel office building in Bratislava for EUR 56 million from JTRE.

In Poland, most investments went to the logistics sector (52%), with investment volumes increasing again compared to 2020 (EUR 2.965 billion, y-o-y +13%). 2021 was also marked by the sale of large international portfolios. The largest Polish transaction in 2021 was carried out by EQT Exeter, which sold its international portfolio, of which the Polish part was the largest, for EUR 3 billion. This transaction was probably among the largest European logistics transaction of the past years in terms of volume. Another major acquisition, totalling EUR 520 million, was another European logistics portfolio, sold by Macquarie Capital Principal Finance (Australia) and Elite Partners Capital (Singapore) to Blackstone. The Polish part of the portfolio comprised the Mszczonów and Gdańsk industrial parks. Another major logistics transaction was carried out by REICO, which purchased two buildings in the Tychy Industrial Park for ČS nemovitostní fond for a total price of EUR 97 million from Panattoni/Griffin. The main retail transaction was the acquisition of four retail parks under the name Power Parks. The acquisition was carried out by EPP and totalled EUR 106 million. The largest office space transaction represented the sale of the Metropolitan building by DWS, at EUR 240 million. The new owner of this building is Morgan Stanley.

At the end of 2021, the prime yield in the Czech Republic amounted to 4.25% in respect of offices, 5.75% in respect of retail, 4.25% in respect of Prague's main shopping streets, and 4.00% in respect of the prime logistic facilities. Yields from logistics reported a significant change in 2021, decreasing by 100 b.p., while in other segments the prime yields remained stable. The development of yields was similar in Poland, the only difference was in the office space segment, where yields decreased y-o-y from 4.60% to



4.50%. Logistics yields in Poland reported an even sharper decline than in the Czech Republic, by 115 b.p. to 4.35%. Retail yields reported stable levels of 2020, at 5.75%. The same trend was reported for Slovak prime yields. Office yields continued their decrease from 2020 and at the end of 2021 dropped to 5.25%. Industrial premium yields decreased y-o-y by 85 b.p. to 5.30%. Retail yields remained unchanged at 6.00% throughout the year.

## Commercial real estate market in the Czech Republic

In 2021, the Prague office market grew by 56 400 m<sup>2</sup> of new premises, which is an over 62% year-on-year decrease compared to the previous year and the lowest volume of newly completed premises since 2016 (58% less than the ten-year average). Net absorption in 2021 was 19 700 m<sup>2</sup>, which is the lowest since 2010. As a result, the vacancy rate showed an increase and came to 7.8% in Prague at the end of 2020 (+84 bps year-on-year). As expected, prime rents in Prague grew to a new maximum, primarily due to the rising costs of new construction and low accessibility of prime office premises on the market. At the end of the year, the highest rent was between EUR 23.50 and 24.00/m<sup>2</sup>/month, which represents a 7% increase compared to the end of 2020. The largest lease transaction in 2021 was the re-negotiation of the contract of Novartis in the Gemini B office project, totalling 14 300 m<sup>2</sup>; the largest new transaction was the pre-lease by Direct insurance company of building A in the new Port 7 project totalling 4 200 m<sup>2</sup>.

Compared to 2020, 2021 started with closed-down restaurants and non-essential retail shops. A massive drop in sales was reported in the first four months of the year, which significantly affected the overall results for the year, leading to a drop of 20%, although from May to December, sales were comparable to 2019. The total retail area at the end of 2021 in the Czech Republic totalled 2.5 million m<sup>2</sup>, which is a 30 700 m<sup>2</sup> increase compared to 2020 (+1.8% y-o-y). The largest completed project was the renovation of the Řepy business centre in Prague, comprising 14 500 m<sup>2</sup> of modern premises. Another long-expected project was the Bořislavka multifunctional centre, offering office space as well as 9 600 m<sup>2</sup> of retail premises. Top rent rates in Prague shopping centres decreased year-on-year by EUR 5/m<sup>2</sup>/month to EUR 140/m<sup>2</sup>/month, and rent rates in the prime shopping streets decreased by EUR 25/m<sup>2</sup>/month to EUR 205/m<sup>2</sup>/month. Outside of Prague, prime rents remained at 2021 levels, i.e., EUR 65/m<sup>2</sup>/month.

## Commercial real estate market in Poland

In 2021, 325 500 m<sup>2</sup> (a year-on-year increase of +3.7%) of new office areas were completed in Warsaw, and the overall size of

office areas thus exceeded 6 million m<sup>2</sup>. Due to the large volume of newly completed premises, the vacancy rate rose significantly in 2021, by 276 b.p., i.e., 12.7%. However, we expect this trend to revert in 2022. This expectation is supported by only 330 000 m<sup>2</sup> being under construction at the end of 2021, instead of the usual volume of about 700 000–800 000 m<sup>2</sup>. Net absorption thus reached only 43 300 m<sup>2</sup> (-75.3% y-o-y). Similar to the Czech office market, rising prices of building materials led to a growth of the top rent rates, which reached EUR 25.5/m<sup>2</sup>/month in the centre of Warsaw, i.e., EUR 0.5/m<sup>2</sup>/month more than in the previous year. The largest lease transaction in 2021 was the re-negotiation of the contract of the expansion of Astra Zeneca office in the Postep 14 building, totalling 20 800 m<sup>2</sup>; the largest new transaction was the pre-lease by an undisclosed lessee in the IT segment in the Varso Tower project of 15 000 m<sup>2</sup>.

In 2021, a total of 295 000 m<sup>2</sup> new retail spaces were completed. A further 300 000 m<sup>2</sup> are under construction, to be completed in 2022. The major projects which are to be opened in 2022 include Galeria Karuzela Kołobrzeg in Kołobrzeg (30 000 m<sup>2</sup>), Galeria Bawelniank in Bełchatów (23 000 m<sup>2</sup>), or Leroy Merlin Polczynska Warszawa (30 000 m<sup>2</sup>). Top rent rates remained stable compared to 2020, at EUR 100–130/m<sup>2</sup>/month in Warsaw, and EUR 40–60/m<sup>2</sup>/month in regional cities.

The Polish logistics real estate market for lease comprises almost 23.8 million m<sup>2</sup> and in the prior year grew by more than 3 million m<sup>2</sup>, which represents a y-o-y growth of an unbelievable 16% of the total volume. Currently, there is a record volume of 4.6 million m<sup>2</sup> of new industrial areas under construction, 55% of which have already been pre-leased. Net absorption compared to last year increased by 48% to over 3 million m<sup>2</sup>. Due to an extremely strong absorption, the vacancy rate decreased to a historic low of 3.7% in 2021. The average rent increased by 5% y-o-y, and at the end of 2021 reached EUR 4.2/m<sup>2</sup>/month.

## Commercial real estate market in Slovakia

The office building market in Bratislava consists of approx. 1.99 million m<sup>2</sup> of modern office areas. In 2021, 63 300 m<sup>2</sup> of new office areas were completed; the overall area of office premises thus increasing year-on-year by 3.5%. Market net absorption reached 49 800 m<sup>2</sup>. Despite the growth of 80.9% compared to 2020, the vacancy rate on the Bratislava market at the end of 2021 increased to 11.7% (+57 b.p. y-o-y). Over 138 000 m<sup>2</sup> of office space are under construction in Bratislava. Due to rising inflation and building prices together with a lack of materials, it is expected that many projects' completion will be postponed to 2023. The rent rates in prime office buildings in Bratislava remain stable at EUR 17 /m<sup>2</sup>/month.



## Information for investors

### Objective and strategy of the Fund

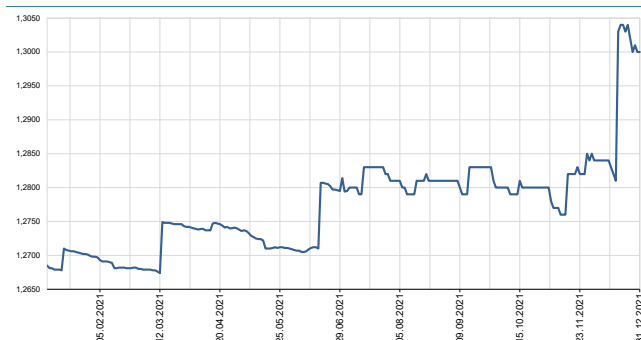
The Fund's objective is to achieve stable long-term appreciation of the funds invested in by the unitholders. The Fund primarily focuses on investments in commercial real estate (administrative buildings, shopping centres and logistic parks), selecting those which generate or have the potential to generate 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

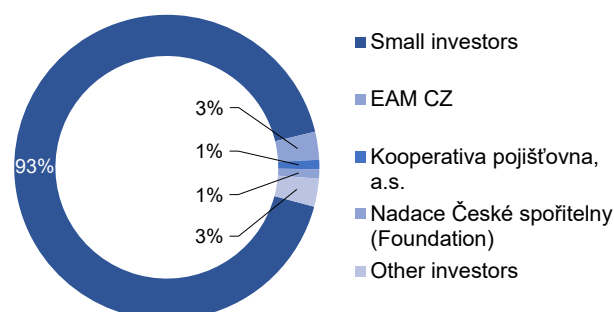
The liquid component of the Fund is valued daily. The real estate component is valued at least twice a year. The steps visible on the chart of the Fund's performance have been caused by reflecting the valuation of the real estate component in the Fund's assets. Once a month, the Fund accounts for an 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 more accurate 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 2021 – 31 Dec 2021



#### 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 2019	25 796 366	1.2414	1.1205
31 Dec 2020	27 644 843	1.2685	1.1554
31 Dec 2021	28 736 573	1.2996	1.1944

#### Number of issued units

As at 31 December 2021, the number of units was 20 886 483 214 in the CZK C class, and 1 133 716 495 in the CZK DPM class.

#### Number of issued units in the period from 1 January 2021 to 31 December 2021

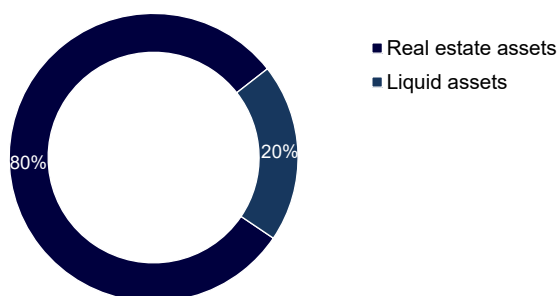
Issued and redeemed units	CZK C class	CZK DPM class
Number of units issued by the Fund	3 012 902 447	88 923 794
Amount collected into the Fund's assets for issued units in CZK	3 845 558 132	103 955 293
Number of units redeemed by the Fund	2 245 254 096	593 888 313
Amount paid from the Fund's assets for redeemed units in CZK	2 867 619 640	688 046 732

## Real estate portfolio

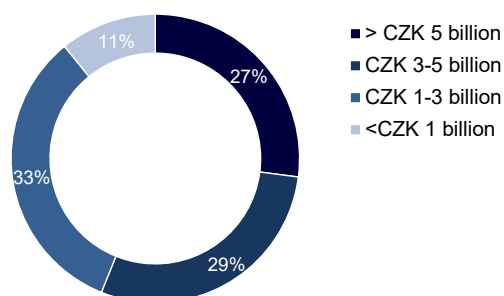
### Brief overview

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

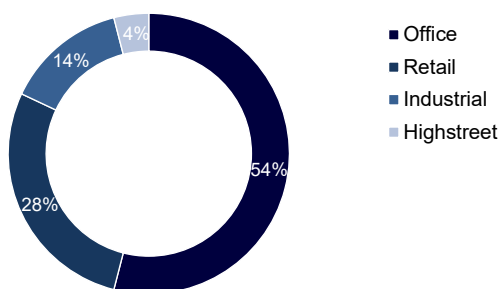


Real estate assets: values of the ownership interests in the real estate companies and values of loans provided by the Fund to the real estate companies.

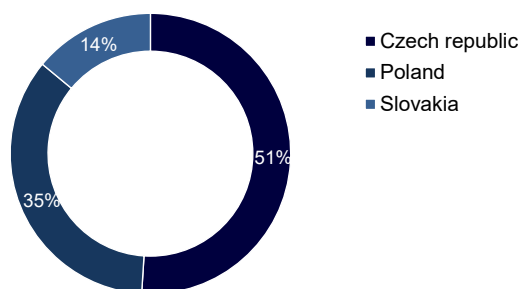
### Potential of portfolio utilisation

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 2021, 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 the Fund's portfolio recognised as at the relevant date. Parking spaces are not included into the vacancy rate calculation.

## Financial information as at 31 December 2021

Summary of assets	Value of assets (in TCZK)
<b>I. Real estate part of the Fund</b>	<b>23 968 594</b>
<b>I.I Tangible fixed assets</b>	<b>0</b>
- land and buildings (directly owned real estate)	0
<b>I.II Equity investments with controlling influence</b>	<b>20 792 034</b>
- real estate companies in the Czech Republic (real estate held through real estate companies)	11 463 761
- real estate companies outside the Czech Republic (real estate held through real estate companies)	9 328 273
<b>II. Receivables from customers</b>	<b>3 176 560</b>
- loans granted to real estate companies	3 176 560
<b>III. Liquid portion of the fund</b>	<b>5 811 736</b>
<b>III.I Receivables from banks</b>	<b>3 364 177</b>
- current accounts	582 819
- fixed-term deposits	2 650 858
- compound margins	130 500
<b>III.II Debt securities</b>	<b>1 942 809</b>
- issued by government institutions	1 466 475
- issued by other entities	476 334
<b>III.III Shares, units and other investments</b>	<b>504 750</b>
- shares, units and other investments	504 750
<b>IV. Other assets</b>	<b>157 185</b>
- other assets	157 185
<b>V. Deferred revenues and expenses</b>	<b>1 663</b>
- deferred revenues and expenses	1 663
<b>TOTAL ASSETS</b>	<b>29 939 178</b>

## Bank loans and overdrafts

As at 31 December 2021, REICO ČS NEMOVITOSTNÍ recognised indirect liabilities of approx. CZK 11.7 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 20 real estate were owned through 20 real estate companies in 2021.

- 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.	- Sereď Logistics and Industry 1, s.r.o.
- CITY TOWER, a.s.	- Sereď Logistics and Industry 2, s.r.o.
- Park One Bratislava, s.r.o.	- Tychy DC1 sp. z o.o.
- Sloneczna Radom sp. z o.o.	- Tychy DC2 sp. z o.o.

Some real estate companies are financed through bank loans provided by various banks and having various maturity dates. As at 31 December 2021, the ratio of the value of the loans to the market values of the financed real estate was 43.91%.

## Overview of bank loans

Bank loans	Overall loans (directly owned real estate) in TCZK	Overall loans (indirectly owned real estate) in TCZK	Remaining period of duration of the loan agreement In % of the total volume of loans			
			Under 1 year	1-2 years	2-5 years	5+ years
CZK-denominated loans in the Czech Republic	0	248 250	2.13 %	0.00 %	0.00 %	0.00 %
EUR-denominated loans in the Czech Republic	0	5 163 929	0.00 %	41.99 %	2.27 %	0.00 %
EUR-denominated loans outside the Czech Republic	0	6 255 764	13.46 %	8.70 %	28.31 %	3.14 %
<b>Total</b>	<b>0</b>	<b>11 667 943</b>	<b>15.59 %</b>	<b>50.69 %</b>	<b>30.58 %</b>	<b>3.14 %</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 MCZK 600 with a 5-year maturity, issued in December 2018. As at 31 December 2021, this represents a 32.09 % ratio of the bonds to the value of the Trianon real estate.

As at 31 December 2021, 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 37.09%.







## REAL ESTATE INDEX

as at 31 December 2021

Number	Percentage of 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	Size of property (land) in sqm	Parking spaces (no.)	Legal title of ownership (land)	Rental area	Features	Market value in TCZK	Share of real estate assets in %	Outstanding Senior Loan in TCZK	Borrowing ratio as % of market value (LTV)	Vacancy rate as % based on rental area	Weighted average lease term in years	Actual Rental Income 2021 in TCZK	Budgeted rental income 2021 in TCZK	Appraiser assessed rent in TCZK p.a.
1	100%	Platinum * sold 15.6.2021	CR	JRA s.r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Ownership interest: Shareholder loan: 0 mil. CZK 0 mil. CZK	Offices	O (88.5%) C ( 5.0%) X ( 6.5%)	1.8.2007	2005	4,371	165	n/a	9,340	n/a	0	0.0%	0	0.0%	0.0%	0.0	17,160	17,381	0
2	100%	Čtyři Dvory	CR	REICO investment ALFA a.s. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Ownership interest: Shareholder loan: 189 mil. CZK 112 mil. CZK	Shopping centres	C (99.5%) X ( 0.5%)	7.12.2007	2002	22,437	300	F	10,540	AC, D PL	290,000	0.9%	0	0.0%	90.2%	3.5	23,933	23,267	25,336
3	100%	Office Box	SR	REICO investment BETA s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Ownership interest: Shareholder loan: 66 mil. CZK 44 mil. CZK	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	99,440	0.3%	0	0.0%	59.3%	3.7	5,432	6,983	11,871
4	100%	Melantrich	CR	REICO investment GAMA a.s. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Ownership interest: Shareholder loan: 1 141 mil. CZK 79 mil. CZK	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	1,427,000	4.3%	248,250	17.4%	100.0%	5.2	57,833	53,698	66,023
5	100%	Trianon	CR	Trianon Building Prague, s.r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Ownership interest: Shareholder loan: 1 655 mil. CZK 0 mil. CZK <sup>2)</sup>	Offices	O (86.2%) C ( 5.3%) X ( 8.5%)	2.3.2013	2009	7,581	298	F	20,805	AC, SL PL	1,870,000	5.7%	600,000	32.1%	100.0%	4.2	122,484	122,383	106,595
6	100%	Qubix	CR	Qubix Building Prague s.r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Ownership interest: Shareholder loan: 389 mil. CZK 274 mil. CZK	Offices	O (81.8%) C (14.1%) X ( 4.1%)	2.3.2014	2012	3,185	108	F	13,914	AC, SL PL	942,194	2.8%	264,826	28.1%	83.4%	2.1	47,063	50,831	58,640
7	100%	Forum BC	SR	FORUM BC I s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Ownership interest: Shareholder loan: 370 mil. CZK 305 mil. CZK	Offices	O (84.7%) C ( 3.4%) X (11.9%)	2.12.2015	2013	5,992	391	F	19,356	AC, SL PL	1,233,056	3.7%	653,445	53.0%	86.9%	8.2	66,528	72,523	88,967
8	100%	Rohan BC	CR	Topas REAL spol. s r.o. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Ownership interest: Shareholder loan: 485 mil. CZK 322 mil. CZK	Offices	O (85.0%) C ( 8.3%) X ( 6.7%)	28.4.2016	2012	4,135	100	F	9,435	AC, PL	738,342	2.2%	0	0.0%	85.5%	4.4	34,379	35,322	43,512
9	100%	City Tower	CR	CITY TOWER, a.s. Antala Staška 2027/79 140 00 Praha 4 Czech Republic	Ownership interest: Shareholder loan: 3 466 mil. CZK 0 mil. CZK	Offices	O (89.8%) C ( 5.5%) X ( 4.7%)	27.9.2016	1993 2007 <sup>1)</sup>	9,891	793	F	48,673	AC, SL PL, D	4,178,966	12.6%	1,029,020	24.6%	86.9%	3.1	207,459	221,943	241,587
10	100%	Park One	SR	Park One Bratislava, s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Ownership interest: Shareholder loan: 694 mil. CZK 0 mil. CZK	Offices	O (89.8%) C ( 8.0%) X ( 2.2%)	3.2.2017	2007	1,800	167	F	13,216	AC, PL D	979,484	3.0%	366,064	37.4%	79.3%	4.2	43,026	42,573	63,746
11	100%	Proximo One	PL	Proximo One sp. z o.o. ul.Przokopowa 33, 01-208 Warszawa Poland	Ownership interest: Shareholder loan: 2 138 mil. CZK 0 mil. CZK	Offices	O (92.7%) C ( 4.8%) X ( 2.7%)	9.8.2017	2016	8,394	428	RPU	29,194	AC, D SL, PL	3,259,146	9.9%	1,571,028	48.2%	94.6%	2.7	171,614	175,686	178,445
12	100%	Galeria Słoneczna	PL	Słoneczna Radom sp. z o.o. ul. Zajęcza 2B 00-351 Warsaw Poland	Ownership interest: Shareholder loan: 1 999 mil. CZK 0 mil. CZK	Shopping centres	O (1.5%) C (97.0%) X (1.5%)	26.9.2017	2011	49,778	1,161	RPU	42,731	AC, E, D SL, PL	3,691,710	11.2%	2,189,371	59.3%	91.8%	2.8	185,608	231,935	248,297
13	100%	Industrial Park Dubnica	SR	Industrial Park Dubnica I, s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Ownership interest: Shareholder loan: 791 mil. CZK 92 mil. CZK	Logistics	W (95.7%) O (2.2%) X (2.1%)	17.3.2018	2016	152,790	29	F	89,259	AC	1,233,056	3.7%	460,327	37.3%	100.0%	4.7	76,198	79,857	86,503
14	100%	Metronom BC	CR	METRONOM BC s.r.o. Antala Staška 2027/79, 140 00 Praha 4 Czech Republic	Ownership interest: Shareholder loan: 946 mil. CZK 361 mil. CZK	Offices	O (90.0%) C (8.3%) X (1.7%)	14.6.2018	2015	11,553	528	F	35,649	AC, PL, D	2,264,746	6.8%	1,134,859	50.1%	97.2%	2.6	141,374	148,994	149,099
15	100%	Proximo Two	PL	Proximo Two sp. z o.o. ul.Przokopowa 33, 01-208 Warszawa Poland	Ownership interest: Shareholder loan: 1 367 mil. CZK 0 mil. CZK	Offices	O (96.4%) C (3.4%) X (0.2%)	12.9.2018	2018	4,917	219	RPU	20,703	AC, D, SL, PL	2,170,278	6.6%	1,015,531	46.8%	99.8%	2.1	118,621	122,348	120,551

## REAL ESTATE INDEX

as at 31 December 2021

Number	Percentage of 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	Size of property (land) in sqm	Parking spaces (no.)	Legal title of ownership (land)	Rental area	Features	Market value in TCZK	Share of real estate assets in %	Outstanding Senior Loan in TCZK	Borrowing ratio as % of market value (LTV)	Vacancy rate as % based on rental area	Weighted average lease term in years	Actual Rental income 2021 in TCZK	Budgeted rental income 2021 in TCZK	Appraiser assessed rent in TCZK p.a.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
16	100%	Forum Nová Karolina	CR	New Karolina Shopping Center Development, s.r.o., Antala Staška 2027/79, Krč, 140 00 Praha 4, Czech Republic	Ownership interest: 3 004 mil. CZK Shareholder loan: 0 mil. CZK	Shopping centres	O (0,37%) C (96,5%) X (3,1%)	5.12.2018	2012	29,377	1,500	F	58,516	SL, PL, E, D	5,195,740	15.7%	2,735,222	52.6%	93.5%	3.0	316,247	348,306	378,704
17	100%	Industrial Park Dubnica 2	SR	Industrial Park Dubnica II, s.r.o. Laurinská 18, 811 01 Bratislava Slovak Republic	Ownership interest: 186 mil. CZK Shareholder loan: 117 mil. CZK	Logistics	W (93.9%) O (5.2%) X (0.9%)	27.11.2019	2018	39,678	0	F	16,629	AC	280,918	0.8%	0	0.0%	100.0%	2.8	19,157	18,543	18,880
18	100%	Industrial Park Sereď I	SR	Sereď Logistics and Industry 1, s.r.o. Laurinská 18, 811 01 Bratislava Slovak Republic	Ownership interest: 170 mil. CZK Shareholder loan: 106 mil. CZK	Logistics	W (93.9%) O (6.1%) X (0.0%)	13.5.2020	2019	28,318	0	F	11,971	AC	258,544	0.8%	0	0.0%	100.0%	8.1	16,626	17,385	16,480
19	100%	Industrial Park Sereď II	SR	Sereď Logistics and Industry 2, s.r.o. Laurinská 18 811 01 Bratislava Slovak Republic	Ownership interest: 389 mil. CZK Shareholder loan: 224 mil. CZK	Logistics	W (94.7%) O (5.1%) X (0.2%)	16.5.2020	2019	70,001	0	F	33,181	AC	566,808	1.7%	0	0.0%	100.0%	8.9	32,843	34,245	37,546
20	100%	Industrial Park Tychy - DC1	PL	TYCHY DC1 Sp.z.o.o. Przyokopowa 33 01-208 Warszawa Poland	Ownership interest: 597 mil. CZK Shareholder loan: 452 mil. CZK	Logistics	W (94.4%) O (5.4%) X (2.6%)	27.7.2021	2019	103,363	0	F	54,884	AC	1,042,740	3.2%	0	0.0%	74.6%	5.5	18 418 <sup>3)</sup>	20 638 <sup>3)</sup>	63,816
21	100%	Industrial Park Tychy - DC2	PL	TYCHY DC2 Sp.z.o.o. Przyokopowa 33 01-208 Warszawa Poland	Ownership interest: 591 mil. CZK Shareholder loan: 659 mil. CZK	Logistics	W (68.4%) O (4.2%) X (27.4%)	21.12.2021	2021	114,185	0	F	60,776	AC	1,358,162	4.1%	0	0.0%	100.0%	11.8	0 <sup>3)</sup>	0 <sup>3)</sup>	67,070
Total real estate assets											6,161		604,887		33,080,330	100%	12,267,943	37.09%	93.06%	3.95	1,722,003	1,844,841	2,071,667

<sup>1)</sup> Date of real estate renovation

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

<sup>3)</sup> Industrial Park Tychy DC1 and DC2 - the revenue on lease and the planned revenue for 2021 are calculated proportionally since the acquisition.

Note: The values for real properties valued in EUR are translated using the exchange rate valid as at 31.12.2021.





Explanation of the terms relating to the real estate index:

7	<b>Type of use</b>	The allocation of the type of use is calculated according to the rental value (notwithstanding the current rental income) as at the date of the latest valuation of the property prepared by an independent valuer and agreed by the Committee of Experts;  Abbreviations: O ... Office; C ... Commercial (retail); W ... Warehouse (logistics), R... Residence; X ... Other;
8	<b>Date of purchase</b>	MM/YYYY ... Closing date of transaction;
9	<b>Year of construction</b>	YYYY ... Original date of completion or latest refurbishment date;
10	<b>Land plot area</b>	Area according to the Land Register;
12	<b>Legal title of ownership (land)</b>	Abbreviations: F ... Freehold/Title in fee; L ... Leasehold/Title in lease; RPU ... Right of perpetual usufruct;
13	<b>Rental area</b>	The leasable area in a commercial property designed for the exclusive use of a tenant in sq m;
14	<b>Features</b>	Abbreviations: AC ... Air conditioning; SL ... Service lift; PL ... Passenger lift; E ... Escalator; D ... District heating;
15	<b>Market value in TCZK</b>	Market value as of the date of the last expert opinion prepared by independent expert and approved by the Committee of Experts (in thousands of CZK);
19	<b>Vacancy rate as % based on rental area</b>	Percentage of vacancy by gross leasable area;
20	<b>Weighted average lease term in years</b>	It is given in years and is calculated according to the current rental value. The leases contracted for indefinite term are counted for a period of two years;
21	<b>Actual Rental income 2021 in TCZK</b>	Actual income for the year (excluding VAT and service charges);
22	<b>Budgeted rental income 2021 in TCZK</b>	Budgeted annual rental income (excluding VAT and service charges) ;
23	<b>Appraiser assessed rent in TCZK p.a.</b>	Annual rental income assuming full occupancy as of the date of the last valuation of the property prepared by an approved independent valuer and agreed by the Committee of Experts; Foreign currency exchange rates are calculated at the exchange rate as of the date determined by the Committee of Experts.







## 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.

### JRA, s.r.o., a real estate company

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

#### Platinum

The real estate was sold as at 15 June 2021. The sales price was slightly higher than the estimates of independent expert opinions used to evaluate the buildings in the Fund's portfolio.

### 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 administration of the real estate is carried out by Active Retail Asset Management s.r.o. ID 024 85 575, Praha 3, Laubova 1729/8, postal code: 130 00 Czech Republic, 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 14 December 2021. 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 14 December 2021. 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 14 December 2021. 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 Trianon Building Prague s.r.o., with its registered office at Antala Staška 2027/79, Praha 4 - Krč, post code 140 00, 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/high-voltage switchboard
- 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 14 December 2021. 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.

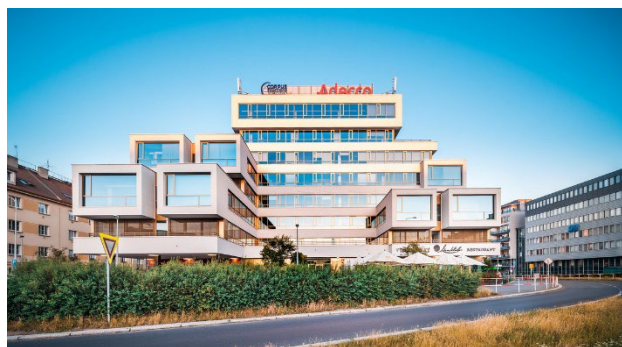
### Description, age, utilisation and purpose of acquisition of the real estate and other information

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.



Qubix administrative building, Prague, Czech Republic

### 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

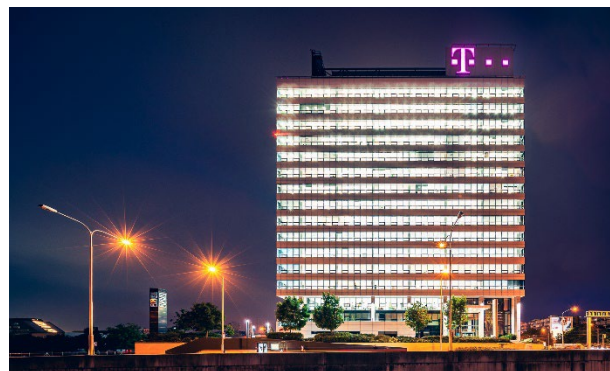
- Real estate pledged in favour of Raiffeisenlandesbank Oberösterreich AG
- Real estate pledged in favour of ČS nemovitostní fond (second pledge in order), acting on the account of ČS nemovitostní fond, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s.

### 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 14 December 2021. The market value of the real estate is stated in the real estate index which is part of the annual report.

## 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.



Administrative building Forum BC I, Bratislava, Slovakia

## 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.

### 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 87% 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 Staroměstská 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 14 December 2021. 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, Krč, Praha 4, post 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-story 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 and is almost fully leased. 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 14 December 2021. 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 CITY CITY, a.s. with its registered office at Antala Staška 2027/79, Krč, Praha 9, post code 140 00, Czech Republic, identification number 271 03 251.



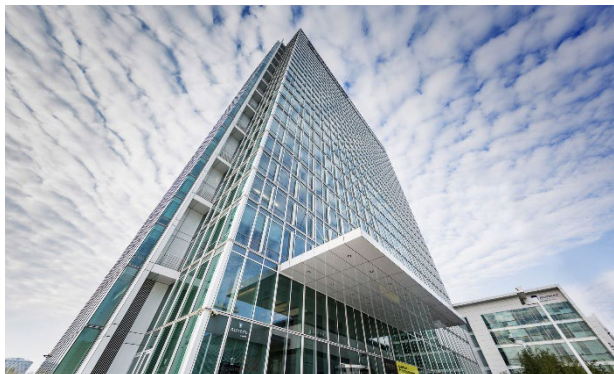




## City Tower

### Identification of the real estate

The real estate is located at Hvězdova 1716/2b, post code 140 78, Praha 4. Cadastral area code: 728161 Nusle; District: CZ0100 Capital of Prague; Municipality: 554782 Praha; Ownership certificate: 6635



City Tower administrative building, Prague, Czech Republic

### 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-story 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 investment 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 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 teplárenská a.s. – heat pipeline
- Česká telekomunikační infrastruktura a.s. – communication network

#### Pledges

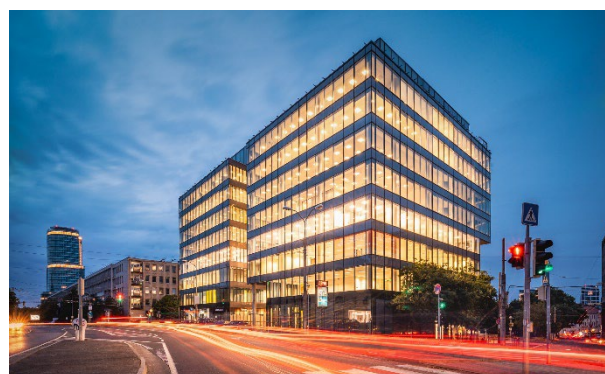
- Real estate pledged in favour of Raiffeisenbank a.s.

### 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 14 December 2021. 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.



Administrative building Park One, Bratislava, Slovakia

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.

#### 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-story 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. In 2021, a lease contract was signed with the principal lessee, the Government Office of the Slovak Republic, on expansion to the remaining free office spaces in the building, which will encompass 73% of the total floor space starting from the beginning of 2022.

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.: 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:

- 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 14 December 2021. 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 Przykopowa 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.



Administrative building Proximo I, Warsaw, Poland

#### 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-story 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.

#### 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. 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 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.
- 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 14 December 2021. The market value of the real estate is stated in the real estate index which is part of the annual report.

### Słoneczna 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 Słoneczna Radom sp. z o.o. The registered office of the real estate company is located at ul.Zajecza 2B, 00-351 Warsaw.

#### Galeria Słoneczna 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.



Galeria Słoneczna shopping centre, Radom, Poland

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

Galeria Słoneczna 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 Słoneczna 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., ul. Zajecza 2B, 00-351 Warsaw, Poland, based on a contract for administration.

### 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 14 December 2021. 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
- 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 14 December 2021. 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, Krč 6, post 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 of Prague – light-alarm device including cable distribution systems
- Capital 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 estate 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 14 December 2021. 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 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/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 DC Proximo.

The real estate was built in 2016 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

14 December 2021. 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 12, postal code 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 - město; Municipality: 1 Ostrava; Ownership certificate: 11312



Shopping centre Forum Nová Karolina, Ostrava, Czech Republic

#### 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 C&A, Albert hypermarket, Marks & Spencer, Peek & Cloppenburg, Cinema City, H&M, Intersport and others. 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.

#### 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 underground 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 14 December 2021. 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

#### 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.



Industrial park Dubnica II, Dubnica/Váhom, Slovakia

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 – water conduit
- SEE RE Three – underground services

##### 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 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 14 December 2021. The market value of the real estate is stated in the real estate index which is part of the annual report.

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

On 16 May 2020, the Fund acquired a 100% ownership interest in I Sered' 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 Sered' DC31

#### Identification of the real estate

The real estate is located at Sered', Slovakia, postcode 926 01. Cadastral area name: Sered'; District: Galanta, Municipality Sered'; Region Trnavský, Ownership Certificate: 6382.

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

The Industrial Park Sered' 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 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' 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.



Industrial Park Sered' DC31, Sered', SR

#### 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

- 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 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 14 December 2021. 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 I 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, Sereď, SR

### Industrial Park Sereď DC32

Identification of the real estate

The real estate is located at Sereď, Slovakia, postcode 018 41. Cadastral area name: Sereď; 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

The second stage of the Industrial Park Sereď 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 Sereď DC32 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 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

- 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 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 14 December 2021. 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 Przykopowa 33, 01-208 Warsaw, 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 číslo 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 Chotěbuz 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.



Industrial Tychy DC1, Tychy, 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., ul. 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

##### Pledges

- There are no pledges related to the building.

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

As the real estate was acquired in the second half of 2021, it was not measured for fair market value in the Fund's assets.

## 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.

### 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 číslo KA1T/00008639/4, KA1T/00078776/7, KA1T/00004520/9, KA1T/00004519/9, KA1T/00004686/0, KA1T/00008371/1, KA1T/00000713/1, 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 connecting Krakow, Katowice and Wrocław with Chotěbuz 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., ul. Zajecza 2B, 00-351 Warsaw, Poland, based on a contract for administration.



Industrial Tychy DC2, Tychy, Poland

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

##### Easements

- Považská vodárenská společnost – water conduit

##### Pledges

- There are no pledges related to the building

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

As the real estate was acquired in the second half of 2021, it was not measured for fair market value in the Fund's assets.





## 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 2021.

Title	Type of asset	Acquisition price (TCZK)	Market (fair) value (in TCZK)
REICO Investment ALFA, a.s.	Equity investment	384 491	189 266
REICO Investment BETA, s.r.o.	Equity investment	184 387	66 586
REICO Investment GAMA, a.s.	Equity investment	439 779	1 136 451
Trianon Building Prague s.r.o.	Equity investment	555 670	1 649 097
Qubix Building Prague s.r.o.	Equity investment	218 637	407 746
Forum BC I s.r.o.	Equity investment	70 650	367 951
Topas REAL spol. s r.o.	Equity investment	343 705	502 656
CITY TOWER, a.s.	Equity investment	2 702 542	3 542 252
Park One Bratislava, s.r.o.	Equity investment	584 880	690 711
Proximo One sp. z o.o.	Equity investment	1 409 780	2 126 825
Słoneczna Radom sp. z o.o.	Equity investment	2 009 035	1 987 380
Industrial Park Dubnica I, s. r. o.	Equity investment	328 373	790 763
METRONOM BC s.r.o.	Equity investment	687 994	973 479
PROXIMO Two sp. z o.o.	Equity investment	994 053	1 359 230
New Karolina Shopping Center Development, s.r.o.	Equity investment	2 419 509	3 062 814
Industrial Park Dubnica II, s.r.o.	Equity investment	125 897	185 688
Sered' Logistics and Industry 1, s.r.o.	Equity investment	168 597	177 325
Sered' Logistics and Industry 2, s.r.o.	Equity investment	341 192	387 212
Tychy DC1 sp. z o.o.	Equity investment	614 008	597 489
Tychy DC2 sp. z o.o.	Equity investment	597 771	591 113

ISIN:	Title	Type of asset	Acquisition price (TCZK)	Market (fair) value (in TCZK)
CZ0001004600	GOVERNMENT BOND 0.45 10/25/23	debt securities	690 410	662 699
XS2333787047	INTL INVST BANK 1.5 04/26/24	debt securities	849 000	803 776
XS2349422472	VOLKSWAGEN FIN 1.707 06/03/24	debt securities	500 000	476 334
CZ0008475258	CS KORP. BOND CZK DPM C	unit	300 000	301 241
CZ0008475241	HIGH YIELD CZK DPM C	unit	200 000	203 509

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 2021, 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 20 December 2021, the Fund breached the 20% minimum liquidity limit when, due to a new acquisition, the Fund's liquidity dropped to 19.8%. The limit was met on 1 January 2022, when the minimum liquidity was set at 10% in compliance with the amendment to the Government Regulation No. 243/2013 Coll.

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

In the reporting period, two Polish real estate companies were acquired – Tychy DC1 sp. z o. o., and Tychy DC2 sp. z o. o. The analysis of the assets is shown in the Fund's balance sheet and in other parts of the annual report.

### 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 2021, a fee of TCZK 474 307 was paid to the investment company for the management and administration of the Fund's assets. In 2021, a depository fee of TCZK 38 249 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 about quantitative limitations and methods chosen to assess risks related to the techniques and tools to effectively manage an investment fund

The mutual fund uses derivative instruments exclusively to hedge against currency risk. As at 31 December 2021, the fund had 16 swaps with the total value of the underlying assets of MEUR 396 opened with Česká spořitelna, a.s., Komerční banka, a.s., Československá obchodní banka, a.s., and PPF banka a.s. These derivatives were valued at positive fair value of TCZK 157 185, and negative value of TCZK -23 455. At the end of the reporting period, the counterparty's risk was TCZK 157 185. 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.

### Information about significant changes in the data stated in the investment fund's statutes in 2021

In March 2021, requirements of Article 3 of the SFDR were implemented. In November 2021, the definition of the Sales Fee, the wording of the status related to the transfer from the DON business system to CTS were amended, and the fee structure was changed. Information on meeting the requirements of ESG implementation were added.

### Information about remuneration for the manager's employees for 2021

The average number of the Fund manager's employees in 2021 was 18 (among them, three directors).

The total fixed remuneration component of all employees was: TCZK 25 630.

Social security and health insurance expenses were: TCZK 7 686, other social expenses were TCZK 1 224. 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 2021 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 Luxembourg 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 as well as local custodians in respect of the Polish, Slovak, Hungarian, Romanian 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 No. 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 2021

After the reporting date, the Fund's name was changed to REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. (ČS real estate fund, open-ended mutual fund of REICO investment company of Česká spořitelna), and new members of the expert committee were appointed, as the term of office of the current members ended as at 17 February 2022.

In January 2022, REICO ČS NEMOVITOSTNÍ acquired the Bořislavka Centrum multifunctional complex in Prague, which is a fully leased prime real estate in Prague, leased long-term to quality lessees, including KKCG, Sazka, MND Group, and Škofin.

### The Russian invasion of Ukraine

The Fund does not own any assets in markets affected by the war in Ukraine (Ukraine, Russia, Belarus), and does not plan to invest in those markets in the future. The lease relations in the real estate owned by the Fund also have a very low exposure to those markets, and their lessees are stable multinationals, exposed at a minimum to the impact of the sanctions imposed against Russia and Belarus. As a result, considering the potential impact of the conflict in Ukraine on its activities and business, management has concluded that the current situation does not have a material impact on the Fund's ability to meet its obligations to shareholders, or its ability to continue as a going concern.

### List of members of the Expert Committee

From 18 February 2019, the members of the Expert Committee are:

#### Petr Urbánek

Date of birth 18 June 1963; member of the Committee since 18 February 2019; studied at the Secondary School of Civil Engineering, and has 28 years of experience with real estate markets. Since 2010 provides expert advisory services to clients in this area. In 2001 became one of the founding members of the Real Estate Market Development Association (ARTN); member of the Urban Land Institute since 2005. In 2006-2013, member of the Royal Institution of Chartered Surveyors.

#### Richard Hogg

Date of birth 27 December 1977; member of the Committee since 18 February 2019; studied at the Real Estate Management at the Nottingham Trent University; since 1999 works in real estate in the Czech Republic and the UK. Between 2006 – 2010, member of the board of directors of the Royal Institution of Chartered Surveyors (RICS) Czech Republic; since 2012 member of the RICS European Valuation Network. In 2018 became the manager of a three-member team in the R&D department of Cushman & Wakefield.

#### Dušan Šťastník

Date of birth 19 December 1980; member of the Committee since 18 February 2019; studied at the Faculty of Economics and Management in ČZU Prague and at the University of Reading – College of Estate Management; works in real estate since 2004 in Prague and in London. Member of the RICS since 2008; works for

RICS as a trainer and examiner at entrance interviews. He is also an external lecturer in the MBA Real Estate programme at the University of Economics in Prague, external lecturer in business techniques, financial modelling, property valuation; and also provides external trainings in real estate valuation in the Czech Republic and abroad.

### 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 title, 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.

#### Miloš Novák

Vice-chairman of the board of directors

Portfolio manager of the liquidity 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 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 Control, Operating Control, 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.

#### 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.

Prague, 4 May 2022



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



Miloš Novák  
Vice-chairman of the board of directors



Darina Vaněčková  
Member of the Board of Directors



**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 Shareholders 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 2021, 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 2021, 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 2021, based on which this independent auditor's report has been prepared.

Prague  
4 May 2022

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

Veronika Strolená  
Partner  
Registration number 2195

## Financial statements as at 31 December 2021

Balance sheet

Income statement

Notes to the financial statements



# Balance sheet

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

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

## BALANCE SHEET as at 31.12.2021 (translated from the Czech original)

Ident.	TEXT	NOTE	Current period 31.12.2021	Prior period 31.12.2020
3	Receivables from banks and credit institutions	4.1	3,364,177	6,741,609
	of which: a/ repayables on demand:		582,819	463,508
	b/ other receivables:		2,781,358	6,278,101
4	Receivables from customers	4.2	3,176,560	2,213,007
5	Debt securities	4.4	1,942,809	-
	of which: a/ issued by government institutions		1,466,475	-
	of which: b/ issued by others		476,334	-
6	Shares, units and other investments	4.4	504,750	-
8	Ownership interests with controlling influence	4.3	20,792,034	19,151,835
11	Other assets	4.5	157,185	130,133
13	Prepaid expenses and accrued income		1,663	-
	TOTAL ASSETS		29,939,178	28,236,584
1	Payables to banks and credit unions		122,236	83,400
	of which: b/ other payables: bc/margins received		122,236	83,400
4	Other liabilities	4.6	1,031,562	466,008
5	Deferred income and accrued expenses	4.7	48,807	42,333
6a	Total Liabilities (excluding net assets attributable to unitholders)		1,202,605	591,741
	Share premium	4.8	-	2,345,323
10	Reserve funds and other funds from profit		-	15,106
12	Capital funds	4.8	-	21,052,836
13	Revaluation gains/losses	4.8	-	4,540,670
	of which: c/ on revaluation of ownership interests		-	4,540,670
15	Profit/loss for the accounting period	4.8	-	309,092
	Total equity		-	27,644,843
	Net asset value attributable to unitholders	4.8	28,736,573	-
	TOTAL LIABILITIES AND EQUITY		29,939,178	28,236,584
	OFF-BALANCE SHEET ITEMS			
4	Receivables from fixed term transactions	4.19	10,703,913	8,278,787
	b/ with currency instruments		10,703,913	8,278,787
7	Values placed into custody, administration and deposit	4.20	1,942,809	-
	of which: securities		1,942,809	-
8	Values placed under management	4.20	29,939,178	28,236,584
9	Commitments and guarantees received	4.17	-	500,000
10	Collaterals and pledges received	4.18	830,362	944,557
12	Liabilities from fixed term transactions	4.19	10,570,183	8,155,745
	b/ with currency instruments		10,570,183	8,155,745

Prepared on:

4. May 2022

Signature of the  
authorised representative:



Tomáš Jandík, CFA, MRICS



Ing. Miloš Novák, CSc

Person responsible for  
accounting (name and signature):

Gabriela Klimtová

Person responsible for the financial  
statements (name and signature):

Karolína Pavelcová

# Income statement

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

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

## INCOME STATEMENT for the year ended 31 December 2021 (translated from the Czech original)

Ident.	TEXT	NOTE	Balances in the	
			current period	prior period
a	b	c	1	2
1	Interest income and similar income	4.9	213,488	206,543
2	Interest expense and similar expense		345	633
3	Income from shares and ownership interests		147,631	0
5	Fee and commission expense	4.10	520,934	501,607
	a/ commissions and fees from transactions with securities and investments		0	3,538
	b/ management fee		474,307	446,067
	c/ depository fee		38,249	34,602
	d/ other financial expenses		8,378	17,400
6	Gain or loss from financial operations	4.11	51,121	-13,653
	a/ gain or loss from transactions with securities and investments		-106,050	0
	b/ gain or loss from foreign exchange differences		-92,792	2,492
	c/ gain or loss from fixed term transactions and options		249,963	-16,145
7	Other operating income		37	777
8	Other operating expenses		389	0
9	Administrative expenses	4.13	611	519
19	Current year profit/loss from ordinary activities before tax		-110,002	-309,092
24	Net profit/loss for the period		-110,002	-309,092

Prepared on:

4. May 2022

Signature of the  
authorised representative:



Tomáš Jandík, CFA, MRICS



Ing. Miloš Novák, CSc

Person responsible for  
accounting (name and signature):

Gabriela Klimtová

Person responsible for the financial  
statements (name and signature):

Karolína Pavelcová

# Notes to the financial statements

as at 31 December 2021

## 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 depositary.

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, for selected types of 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

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.

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. At present, the principal source of the Fund's income is income from interest on loans granted to real estate subsidiaries to purchase real estate. Profits from the Fund's portfolio are reinvested according to the investment objectives so that neither the yield potential nor the Fund's level of security are reduced.

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 in other EU member states, mainly in Central and Eastern Europe (“other states”). The total limit for investments in real estate in Other Countries is 80% 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. It is possible to acquire real estate encumbered with the rights of third parties if such an encumbrance demonstrably brings an economic benefit for the real estate (in particular this concerns the venality of this encumbrance, such as lease, payment for enjoying the rights of users, etc.). Specialised lawyers must assess the relevant legal documentation.

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 2021

Overview of significant changes in the Fund's statutes in 2021

9 March 2021

- implementation of the requirements stipulated in Article 3, parts VI and VII, of SFDR  
12 November 2021
- extension of the term Sale fee
- changes in part X adopted in connection with switching from the DON business system to the CTS business system  
additions to part XIII. Effect and temporary provision
- change in the fee structure stipulated in Attachment No. 1  
12 November 2021
- change of the surname of Darina Vaněčková (formerly Lišuchová), a member of the board of directors
- REICO nemovitostní fond SICAV a.s. was deleted from the list of investment funds managed by the investment company in relation

to the deletion of this fund from the list of funds kept by the Czech National Bank in part II

- information on having met the requirements under Article 4 of SFDR was added to part VI (implementation of ESG)

## 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.

It mainly concerns the following international standards:

- IFRS 7 (Financial Instruments: Disclosures)
- IFRS 9 (Financial Instruments: Recognition and Measurement)
- IFRS 13 (Fair value measurement)
- IAS 32 (Financial Instruments: Disclosure and Presentation)
- IAS 39 (Financial Instruments: Recognition and Measurement)

The requirements following from these international standards require one-off changes as at the date of application or the date of stipulating new rules for newly acquired financial assets.

IFRS 7 applies the new requirements following from IFRS 9 on their adequate presentation in annual reports and similar documents.

IFRS 9 stipulates the principles of recognition and measurement of financial assets and financial liabilities. Financial assets are classified according to their determination specified in the investment companies' business models for the funds managed by them. Financial assets are divided into three categories (formerly four categories): they are measured at amortised cost (AC), at fair value through profit or loss (FVPL), or at fair value through other comprehensive income (FVOCI). In relation to impairment of financial assets, the expected credit loss model (ECL) model is applied since the initial recognition. This model has replaced the incurred loss model under IAS 39, determining the creation of loss allowances.

IFRS 13 stipulates the fair value hierarchy according to the approach to prices used in measuring the individual financial instruments. It enables entities to continue using MID prices to measure financial instruments and stipulates the relation between

the transaction costs and fair value. The transaction costs connected with the purchase of a financial instrument remain to be a part of the acquisition cost only in the event of the AC and FVOCI portfolios. As for financial instruments at FVPL, these costs are recorded directly to the profit and loss account.

IAS 32 stipulates the rules for differentiating between equity and a financial liability. These rules require a reclassification to be carried out in respect of those mutual funds the units issued by which meet the key characteristics of financial liabilities. If the units do not meet the definition of an equity instrument and the exceptions applicable to specific instruments under parts 16A-16B and 16C-16D cannot be applied to them, then these instruments are considered financial liabilities. However, they do not represent a traditional liability - a debt and therefore this change does not have any impact on the value of the fund's assets, which is the basis for calculation of the daily rate of the units. This change has to be reported in the fund's financial statements.

IAS 39 was replaced by IFRS 9 but it can still be used in respect of hedge accounting which is based on different principles under IFRS 9.

In this respect we would like to emphasise that the balances and tables in the notes to the financial statements, which relate to the classification of the financial instruments as at 31 December 2020 and for 2020, were not always adjusted and therefore the data is not fully comparable.

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 2021.

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.

### Impact of the COVID-19 pandemic

Similarly as 2020, 2021 was also adversely affected by the COVID-19 pandemic, which caused a significant decrease in the global economy.

The investment company's management regularly evaluated the effects of the COVID-19 pandemic on its activities and business, and concluded that they do not have a material impact on the Fund's ability to continue as a going concern. This conclusion has been reached primarily due to the Fund's strong liquidity, high resilience to risks with regard to the sector and geographic diversification of the Fund's portfolio and investments made almost exclusively in the prime real estate segment with very solvent lessees.

The COVID-19 pandemic most significantly affected the retail section of the Fund's real estate portfolio where the market values decreased over the year by lower single digit percentages. As for the office section of the Fund's real estate portfolio, moderate corrections of the market values were made for Polish immovables. In the other regions, the prices remained basically unchanged. The logistics sector was the least volatile segment of commercial immovables thanks to its e-commerce part, which was positively reflected in the market value of the Fund's immovables from this category.

The impact of the pandemic on the measurement of the real estate companies is at the same time a standard part of a detailed review



by the Expert Committee at their ordinary or extraordinary meetings.

The operations of REICO investiční společnost České spořitelny, a.s. as the Fund's manager have not been disturbed by the impact of the COVID-19 pandemic; NAV is further calculated and disclosed on the standard dates; and the investment management operations have not been disturbed in any of the countries in which the Fund has been managing assets (the Czech Republic, Slovakia, Poland).

In general we can say that primarily the premium nature of the Fund's real estate portfolio has proved to be the key feature helping us to keep the value of the portfolio and in spite of a series of negative effects, the Fund reported a positive performance in 2021.

### 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

Methods effective since 1 January 2021

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).

#### Methods effective until 31 December 2020

##### **Investment receivables and liabilities**

Investment receivables and liabilities are recognised at their nominal values and subsequently remeasured at fair value through profit or loss in compliance with the requirements of the Act.

##### **Securities**

#### Methods effective since 1 January 2021

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".

#### Methods effective until 31 December 2020

In accordance with the Fund's strategy, all securities are classified as securities measured at fair value through profit or loss.

At initial recognition, securities are measured at cost, which includes direct transaction costs and expenses incurred in connection with the acquisition of securities. Securities are subsequently remeasured at fair value.

The remeasurement at fair value is carried out daily based on Decree of the Czech Ministry of Finance No. 244/2013 Coll., as amended, Detailing Certain Rules of the Act on Management Companies and Investment Funds (the "Decree").

According to the Decree, securities are measured at price indicated on the public market that is adjusted based on the rules stipulated in the Decree, if necessary. If the market price is not

available, the Fund uses the value calculated using valuation models that are based on discounted future cash flows and using the respective yield curve established from available market parameters.

Realised capital gains and losses, including foreign exchange gains and losses, are recognised in "Gain or loss from financial operations" in the income statement.

In respect of debt securities, the purchased accrued interest income in the amount determined in the issuing conditions is recognised on a special sub-ledger asset account. The accrued interest income for the holding period is then part of security measurement and is recognised on a separate sub-ledger account with a corresponding double entry on the interest income account. The accrued interest income includes accrued coupons.

The accrued interest income is part of the fair value of securities and is presented in the statements on the same line.

##### **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

##### Methods effective since 1 January 2021

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.

##### Methods effective until 31 December 2020

At initial recognition, ownership interests in a real estate company are recognised at cost, which includes the purchase price and expenses related to the acquisition. Ownership interests in real estate companies are subsequently recognised at fair value.

Ownership interests in real estate companies are recognised at fair value on a special line "Ownership interests with controlling influence" in the balance sheet.

The remeasurement of ownership interests in real estate companies including foreign currency translation is recognised in "Revaluation gains (losses)" in the Fund's liabilities (part of the capital) in an amount reduced by a relevant deferred tax liability.

If the ownership interests in real estate companies are permanently impaired, the reduction including foreign currency translation is recognised on line "Gain (loss) from transactions with securities and ownership interests" in the Fund's income statement.

#### 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" 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 recognised at nominal value reduced by loss allowances, which are established according to the prudence principle based on the ageing structure of receivables. Loss allowances have to be established to receivables relating to financial instruments under IFRS 9. However, a simplified model can be applied to their establishment, mainly in respect of assets without a significant funding component (e.g. coupons, dividends, tax arrears, etc.).

## 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. 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 2021 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 revenues, 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)".

## 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.

## Methods effective since 1 January 2021

### 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, in 2021 the values attributable to unit holders, i.e. the Fund's fund capital, were 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 asset 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.

#### Methods effective until 31 December 2020

##### **Fund's equity**

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.

##### **Share premium**

A share premium is the difference between the nominal value of all units and their current value as at the date of their issuance or redemption.

##### **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 2021, the Fund did not account for any corrections of prior period errors.

Decree No. 442/2017 Coll., stipulates that the Fund apply IFRS to the recognition, measurement and disclosure of financial instruments since 1 January 2021. The Fund did not change the methods of measuring the financial instruments and therefore no additions were recorded in retained earnings in the Fund's balance sheet as a result of a change in accounting policies as at 1 January 2021.

The above mentioned amendment to Decree No. 442/2017 Coll. had no impact on the carrying amount of financial instruments reported as at 1 January 2021 as a result of reclassification or remeasurement.

The Fund holds investments in the financial assets portfolio (mostly ownership interests in real estate companies), which are managed based on their fair value. Until the end of 2020, ownership interests were held in the AFS portfolio (Available for Sale). As part of the transition to IFRS in respect of financial instruments, ownership interests are currently initially recognised at FVOCI based on the business model used.

Following the transition to IFRS in respect of financial instruments as at 1 January 2021, the issued units were reclassified from equity to financial liabilities as these instruments do not meet the definition of an equity instrument under IAS 32 and the exceptions applicable to specific instruments under parts 16A-16B and 16C-16D cannot be applied to them. However, they do not represent a traditional liability - a debt and therefore this change does not have any impact on the value of the fund's assets, which is the basis for calculation of the daily rate of the units.

The impact of this change on the Fund's equity as at 1 January 2021 is presented in the table section in note 4 below.





#### 4. Additional information on the financial statements

##### Initial application of IFRS 9

###### Measurement categories

The following table shows the original measurement categories of financial assets and financial liabilities under Decree No. 501/2002, which were effective until 31 December 2020, and the new measurement categories under IFRS 9 effective as at 1 January 2021:

1 January 2021 in TCZK	Original classification under Decree No. 501/2002 which was effective until 31 December 2020	New classification under IFRS 9	Original carrying amount under Decree No. 501/2002 which was effective until 31 December 2020	New carrying amount under IFRS 9
<b>Financial assets</b>				
Receivables from banks	at fair value through PL	obligatorily at FVPL	6 741 609	6 741 609
Receivables from customers	at fair value through PL	obligatorily at FVPL	2 213 007	2 213 007
Debt securities	at fair value through PL	obligatorily at FVPL	-	-
Shares, units and other investments	at fair value through PL	obligatorily at FVPL	-	-
Ownership interests with controlling influence	at fair value through equity	FVOCI	19 151 835	19 151 835
Other assets – positive fair value of derivatives	at fair value through PL	obligatorily at FVPL	129 532	129 532
Other assets - other financial assets	at fair value through PL	obligatorily at FVPL	601	601
<b>Total financial assets</b>			<b>28 236 584</b>	<b>28 236 584</b>

1 January 2021 in TCZK	Original classification under Decree No. 501/2002 which was effective until 31 December 2020	New classification under IFRS 9	Original carrying amount under Decree No. 501/2002 which was effective until 31 December 2020	New carrying amount under IFRS 9
<b>Financial liabilities</b>				
Payables to banks	at fair value through PL	FVPL	83 400	83 400
Other liabilities – negative fair value of derivatives	at fair value through PL	FVPL	6 490	6 490
<b>Total financial liabilities</b>			<b>89 890</b>	<b>89 890</b>

Significant accounting policies and procedures regarding the classification of financial instruments under IFRS 9 are stated in note 3 above.

###### Net impact of the transition to IFRS 9 on equity

The net impact of the transition to IFRS 9 on equity items is presented in the table below.

in TCZK	Original carrying amount under Decree No. 501/2002 which was effective until 31 December 2020
<b>Original classification under Decree No. 501/2002 which was effective until 31 December 2020</b>	
Share premium	2 345 323
Reserve funds and other funds from profit	15 106
Capital funds	21 052 836

in TCZK	Original carrying amount under Decree No. 501/2002 which was effective until 31 December 2020
Revaluation gains (losses)	4 540 670
Profit (loss) for the accounting period	-309 092
<b>Equity</b>	<b>27 644 843</b>
<b>New classification under IFRS 9</b>	<b>New carrying amount under IFRS 9 as at 1/1/2021</b>
<b>Financial liabilities:</b>	
<b>Net asset value attributable to unit holders</b>	<b>27 644 843</b>

#### 4.1. Loans and advances to banks

Loans and advances to banks	31/12/2021	31/12/2020
Current accounts	539 100	463 508
Fixed term deposits and margins posted	2 781 358	6 278 101
Escrow accounts	43 719	-
<b>Total</b>	<b>3 364 177</b>	<b>6 741 609</b>

All receivables from banks as at 31 December 2021 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 customers

Receivables from non-banking entities are loans (principal + outstanding interest) granted to real estate companies controlled by the Fund. All receivables from customers as at 31 December 2021 are mandatorily measured at FVPL under IFRS 9.

31/12/2021

Receivables from customers 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 customers 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>

Due to unpaid interest on the loan granted to Qubix Building Prague s.r.o. for January to September 2020, the loan was capitalised to the principal by the total amount of TCZK 13 130 during the year based on the Fund's decision.

In January 2021, the loan was capitalised to the principal by TCZK 4,566, i.e. the unpaid interest for October to December 2020 on the granted loan.

On 26 March 2020, the loan granted to JRA, s.r.o. was raised by CZK 54 000 000 in accordance with appendix No. 7 to the subordinated loan agreement.

### 31/12/2020

Receivables from customers denominated in CZK		31/12/2020
Company	Interest rate	Amount
JRA, s.r.o.	7.72%	131 421
REICO Investment ALFA, a.s.	9.90%	112 000
REICO Investment GAMA, a.s.	8.50%	80 478
Receivables from customers denominated in CZK		31/12/2020
Qubix Building Prague s.r.o.	7.00%	259 819
Topas REAL spol. s r.o.	7.00%	164 500
METRONOM BC s.r.o.	7.00%	360 839
<b>Total</b>		<b>1 109 057</b>

Due to unpaid interest on the loan granted to Qubix Building Prague s.r.o. for January to September 2020, the loan was capitalised to the principal by the total amount of TCZK 13 130 during the year based on the Fund's decision.

In January 2021, the loan was capitalised to the principal by TCZK 4 566, i.e. the unpaid interest for October to December 2020 on the granted loan.

On 26 March 2020, the loan granted to JRA, s.r.o. was raised by CZK 54 000 000 in accordance with appendix No. 7 to the subordinated loan agreement.

Receivables from customers denominated in EUR			31/12/2020
Company	Interest rate	Amount in EUR	Amount in CZK
REICO Investment BETA, s. r. o.	9.00%	1 622	42 594
FORUM BC I s. r. o.	8.00%	12 286	322 455
Topas REAL spol. s r.o.	7.00%	6 355	166 787
Industrial Park Dubnica I, s. r. o.	7.00%	3 723	97 718
Industrial Park Dubnica II, s.r.o.	7.00%	4 700	123 352
Sered' Logistics and Industry 1, s.r.o.	7.00%	4 307	113 048
Sered' Logistics and Industry 2, s.r.o.	7.00%	9 068	237 996
Total			1 103 950

Due to unpaid interest on the loan granted to REICO Investment BETA, s.r.o. for January to November 2020, the loan was capitalised to the principal by the total amount of TEUR 129 during the year based on the Fund's decision. In January 2021, the loan provided to REICO Investment BETA, s.r.o. was capitalised to the principal by TEUR 12, i.e. the unpaid interest for December 2020 on the granted loan.

On 22 May 2020, the Fund provided a loan of TEUR 6 723 to the real estate company Sered' Logistics and Industry 1, s.r.o. based on a loan agreement.

Based on an agreement dated 22 May 2020, the loan was partially repaid in the amount of TEUR 2 448 in form of a mutual offset of the receivables from outstanding principal and accrued interest against the liability from a contribution made outside registered capital.

On 22 May 2020, the Fund provided a loan of TEUR 14 501 to the real estate company Sered' Logistics and Industry 2, s.r.o. based on a loan agreement.

Based on an agreement dated 22 May 2020, the loan was partially repaid in the amount of TEUR 5 501 in form of a mutual offset of the receivables from outstanding principal and accrued interest against the liability from a contribution made outside registered capital.

### 4.3. Ownership interests with controlling influence

As at 31 December 2021, the Fund owned investments in twenty real estate companies. Eight of them operate in the Czech Republic, seven in Slovakia and five 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 124 358	7/12/2007
REICO Investment BETA, s. r. o.	Laurinská 18, 811 01, Bratislava	100%	TEUR 1 978	TEUR -985	12/5/2008
REICO Investment GAMA, a.s.	Antala Staška 2027/79, 140 00 Praha 4	100%	TCZK 1 000	TCZK 124 144	11/11/2010
Trianon Building Prague s.r.o.	Antala Staška 2027/79, 140 00 Praha 4	100%	TCZK 150 000	TCZK 1 278 046	27/3/2013
Qubix Building Prague s.r.o.	Antala Staška 2027/79, 140 00 Praha 4	100%	TCZK 270	TCZK 33 000	27/3/2014
FORUM BC I s. r. o.	Laurinská 18, 811 01, Bratislava	100%	TEUR 5	TEUR -552	15/12/2015
Topas REAL spol. s r.o.	Antala Staška 2027/79, 140 00 Praha 4	100%	TCZK 100	TCZK 98 857	28/4/2016
CITY TOWER, a.s.	Antala Staška 2027/79, 140 00 Praha 4	100%	TCZK 637 000	TCZK 1 020 024	27/9/2016
Park One Bratislava, s.r.o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 16 513	TEUR -2 007	3/2/2017
PROXIMO ONE sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 2 305	TPLN 247 006	25/4/2017
Słoneczna Radom sp. z o.o.	ul. Zajęcza 2B 00-351 Warsaw	100%	TPLN 15 300	TPLN -58 718	26/9/2017
Industrial Park Dubnica I, s. r. o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 5	TEUR 4 683	20/3/2018
PROXIMO TWO sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 7 813	TPLN 159 750	29/5/2018
METRONOM BC s.r.o.	Antala Staška 2027/79, 140 00 Praha 4	100%	TCZK 300	TCZK 165 884	14/6/2018
New Karolina Shopping Center Development, s.r.o.	Antala Staška 2027/79, 140 00 Praha 4	100%	TCZK 50 000	TCZK 873 871	5/12/2018
Industrial Park Dubnica II, s.r.o.	Laurinská 8, 811 06 Bratislava	100%	TEUR 5	TEUR 2 198	28/11/2019
Sereď Logistics and Industry 1, s.r.o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 1 400	TEUR 2 515	13/5/2020
Sereď Logistics and Industry 2, s.r.o.	Laurinská 18, 811 01 Bratislava	100%	TEUR 3 900	TEUR 4 970	13/5/2020
Tychy DC1 sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 483	TPLN 41 400	27/7/2021
Tychy DC2 sp. z o.o.	ul. Przyokopowa 33, 01-208 Warsaw	100%	TPLN 211	TPLN 44 081	21/12/2021

\* information based on unaudited financial statements as at 31 December 2021

Voting rights in % correspond with ownership interests.

#### Market value of ownership interests

Name of the Company	Market value of ownership interests at 31/12/2020	Change due to the sale of the real estate company	Increase in the company's equity	Change in market valuation	Market value of ownership interests at 31/12/2021
<b>Domestic ownership interests:</b>					
JRA, s.r.o.	558 803	-558 803*	-	-	-
Trianon Building Prague s.r.o.	1 571 080	-	-	78 017	1 649 097
Qubix Building Prague s.r.o.	426 889	-	-	-19 143	407 746
Topas REAL spol. s r.o.	482 890	-	-	19 766	502 656

Name of the Company	Market value of ownership interests at 31/12/2020	Change due to the sale of the real estate company	Increase in the company's equity	Change in market valuation	Market value of ownership interests at 31/12/2021
REICO Investment ALFA, a.s.	190 080	-	-	-814	189 266
REICO Investment GAMA, a.s.	1 045 693	-	-	90 758	1 136 451
CITY TOWER, a.s.	3 513 889	-	-	28 363	3 542 252
METRONOM BC s.r.o.	918 980	-	-	54 499	973 479

Name of the company	Market value of ownership interests at 31/12/2020	Change due to the sale of the real estate company	Increase in the company's equity	Change in market valuation	Market value of ownership interests at 31/12/2021
New Karolina Shopping Center Development, s.r.o.	2 893 438	-	-	169 376	3 062 814
<b>Total domestic ownership interests:</b>	<b>11 601 742</b>	<b>-558 803</b>	<b>-</b>	<b>420 822</b>	<b>11 463 761</b>

\*/ the ownership interest was sold in 2021; the last known fair value of the ownership interest before the sale was TCZK 419 413; the income from sale following from the difference between the selling price and acquisition cost of TCZK 18 013 was recognised under retained profits in Net asset value attributable to unit holders.

Name of the company	Market value of ownership interests at 31/12/2020	Change due to the acquisition of real estate companies	Increase in the company's equity	Change in market valuation	Market value of ownership interests at 31/12/2021
<b>Foreign ownership interests:</b>					
REICO Investment BETA, s. r. o.	71 255	-	-	-4 669	<b>66 586</b>
FORUM BC I s. r. o.	328 353	-	-	39 598	<b>367 951</b>
Park One Bratislava, s.r.o.	564 607	-	-	126 104	<b>690 711</b>
PROXIMO ONE sp. z o.o.	2 034 356	-	-	92 469	<b>2 126 825</b>
Sloneczna Radom sp. z o.o.	2 010 167	-	-	-22 787	<b>1 987 380</b>
Industrial Park Dubnica I, s.r.o.	590 082	-	-	200 681	<b>790 763</b>
PROXIMO TWO sp. z o.o.	1 302 866	-	-	56 364	<b>1 359 230</b>
Industrial Park Dubnica II, s.r.o.	148 858	-	-	36 830	<b>185 688</b>
Sered' Logistics and Industry 1, s.r.o.	162 227	-	-	15 098	<b>177 325</b>
Sered' Logistics and Industry 2, s.r.o.	337 322	-	-	49 890	<b>387 212</b>
Tychy DC1 sp. z o.o.	-	307 811	306 197	-16 519	<b>597 489</b>
Tychy DC2 sp. z o.o.	-	486 049	111 722	-6 658	<b>591 113</b>
<b>Total foreign ownership interests:</b>	<b>7 550 093</b>	<b>793 860</b>	<b>417 919</b>	<b>566 401</b>	<b>9 328 273</b>
<b>Total:</b>	<b>19 151 835</b>	<b>235 057</b>	<b>417 919</b>	<b>987 223</b>	<b>20 792 034</b>

#### 4.4. Debt securities and units

##### a) Debt securities by type

in TCZK	31 December 2021	31 December 2020
Bonds issued by financial institutions	476 334	-
Bonds issued by government sector	1 466 475	-
<b>Net carrying amount</b>	<b>1 942 809</b>	<b>-</b>

Analysis of debt securities mandatorily measured at fair value through profit or loss (FVPL) – 31 December 2021

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

##### b) Equity securities

in TCZK	31/12/2021	31/12/2020
<b>Shares, units and other investments by type</b>		
- Domestic units	504 750	-
<b>Net carrying amount</b>	<b>504 750</b>	<b>-</b>

Analysis of shares, units and other investments mandatorily measured at fair value through profit or loss (FVPL) – 31 December 2021

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

The amount of TCZK 504 750 represents the fair value of the purchased units.

#### 4.5. Other assets

Other assets	31/12/2021	31/12/2020
Positive fair value of derivatives	157 185	129 532
Receivables from trading in securities	-	100
Other assets	-	501
<b>Total</b>	<b>157 185</b>	<b>130 133</b>

#### 4.6. Other liabilities

Other liabilities	31/12/2021	31/12/2020
Deferred tax liability	280 554	238 983
Liabilities from unit holders' contributions	660 760	213 953
Negative fair value of derivatives	23 455	6 490
Other liabilities	66 793	6 582
<b>Total</b>	<b>1 031 562</b>	<b>466 008</b>



In 2021, other liabilities represented in particular unpaid invoices for the 2021 audit, an unpaid fee for ČS a.s. for the sale of units in December 2021, uninvoiced estimated accounts, and retention of the preliminary purchase price for Industrial Park Dubnica II, s.r.o., Tychy DC1 sp. z o.o. and Tychy DC2 sp. z o.o.

#### 4.7. Deferred income and accrued expenses

Accrued expenses represent an uninvoiced depositary fee for December 2021 of TCZK 7 493 (2020: TCZK 3 039) and an uninvoiced management fee for December 2021 of TCZK 41 314 (2020: TCZK 39 294).

#### 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, in 2021 the values attributable to unit holders, i.e. the Fund's fund capital, were 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	31/12/2021
<b>Net asset value attributable to unit holders</b>	
<i>of which:</i>	
- share premium	2 476 500
- capital funds	21 021 534
- revaluation gains (losses)	5 330 528
- retained earnings	18 013
- Additions to/Disposals of net assets	-110 002
<b>Total</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 2021, the value of a unit for the CZK C class was CZK 1.2996 (2020: CZK 1.2685) and CZK 1.1944 (2020: CZK 1.1554) 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. Despite our effort, the Fund reported a loss for 2021.

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

- a loss of TCZK 116 913 for the CZK C class will be transferred to the capital fund;
- the profit of TCZK 6 911 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 2020 of TCZK 309 092 was covered as follows:

- a loss of TCZK 298 554 for the CZK C class was covered by decreasing the capital fund;
- a loss of TCZK 10 538 for the CZK DPM C class was covered by decreasing 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	Total capital funds
<b>Balance at 31/12/2019</b>	<b>18 893 872 328</b>	<b>18 893 872</b>	<b>-852 994</b>	<b>18 040 878</b>
Units sold	3 546 099 665	3 546 099	-	3 546 099
Units redeemed	-2 321 137 130	-2 321 137	-	-2 321 137
Use of capital fund	-	-	-36 318	-36 318
<b>Balance at 31/12/2020</b>	<b>20 118 834 863</b>	<b>20 118 834</b>	<b>-889 312</b>	<b>19 229 522</b>
Units sold	3 012 902 447	3 012 903	-	3 012 903

	Number of units (in pieces)	Nominal value□ of units	Use of the fund to cover the loss	Total capital funds
Units redeemed	-2 245 254 096	-2 245 254	-	-2 245 254
Use of capital fund	-	-	-298,554	-298,554
<b>Balance at 31/12/2021</b>	<b>20 886 483 214</b>	<b>20 886 483</b>	<b>-1 187 866</b>	<b>19 698 617</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 from the reinvestment fund	Total capital funds
<b>Balance at 31/12/2019</b>	<b>2 089 259 529</b>	<b>2 089 260</b>	<b>-15 367</b>	<b>-</b>	<b>2 073 893</b>
Units sold	184 419 179	184 419	-	-	184 419
Units redeemed	-434 997 694	-434 998	-	-	-434 998
Use of capital fund	-	-	-	-	-
<b>Balance at 31/12/2020</b>	<b>1 838 681 014</b>	<b>1 838 681</b>	<b>-15 367</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 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>1 322 917</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 2021.

#### Revaluation gains (losses)

Revaluation gains (losses) for the CZK C class	31/12/2021	31/12/2020
On translation of ownership interests	5 275 441	4 490 865
Deferred tax liability	-263 772	-224 543
<b>Total</b>	<b>5 011 669</b>	<b>4 266 322</b>

Revaluation gains (losses) for the DPM C class	31/12/2021	31/12/2020
On translation of ownership interests	335 641	288 788
Deferred tax liability	-16 782	-14 439
<b>Total</b>	<b>318 859</b>	<b>274 348</b>

The revaluation gains (losses) on translation of ownership interests in 2021 (or 2020) 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 14 December 2021 (or on 14 December 2020).

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

#### 4.9. Interest income and similar income

	2021	2020
Interest on deposits with banks	18 266	50 068
Interest on loans granted to real estate companies	174 920	156 030
Revenue from composite and received margins	517	445
Revenue from repo transactions	4 437	-
Revenue from interest on securities	15 348	-
<b>Total</b>	<b>213 488</b>	<b>206 543</b>

#### 4.10. Fee and commission expense

	2021	2020
Management fee	474 307	446 067
Depository fee	38 249	34 602
Other commissions and fees	8 378	20 938
<b>Total</b>	<b>520 934</b>	<b>501 607</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 depositary 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 equity or the net asset value attributable to unit holders.

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

	2021	2020
Gain/loss from transactions with securities	-106 050	-
Gain/ loss from foreign exchange differences	-92 792	2 492
Gain/loss from fixed term transactions and options	249 963	-16 145
<b>Total</b>	<b>51 121</b>	<b>-13 653</b>

Gains and losses on financial transactions follow 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

2021	Interest income and similar income	Fee and commission expense	Gain or loss from financial operations
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>
Czech Republic	132 984	500 845	-13 653
European Union excl. Czech Republic	73 559	762	-
<b>Total</b>	<b>206 543</b>	<b>501 607</b>	<b>-13 653</b>

#### 4.13. Administrative expenses

	2021	2020
Audit costs	611	519
<b>Total administrative expenses</b>	<b>611</b>	<b>519</b>

#### 4.14. Income tax

Current tax - tax analysis

	2021	2020
Profit (loss) before tax	-110 002	-309 092
Non-deductible items	131	-
Tax-deductible items	-	-
Tax base	-109 871	-309 092
Tax (5%) from tax base	-	-
Total tax	-	-

Recognised deferred tax asset/liability

	31/12/2021	31/12/2020
<u>Deferred tax assets</u>		
Tax loss carried forward	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<u>Deferred tax liabilities</u>		
Unrealised gains from the remeasurement of ownership interests with controlling influence	5 611 082	4 779 653
<b>Total</b>	<b>5 611 082</b>	<b>4 779 653</b>
<b>Total balance of temporary differences</b>	<b>-5 611 082</b>	<b>-4 779 653</b>
Tax rate	5%	5%
<b>Net deferred tax asset (+)/liability (-)</b>	<b>-280 554</b>	<b>-238 983</b>

In accordance with the prudence principle, the Fund does not account for a deferred tax asset in respect of tax losses.



#### 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	31/12/2021	31/12/2020
Current accounts – Česká spořitelna, a.s.	289 863	337 111
Fixed-term deposits – Česká spořitelna, a.s.	1 000 375	4 498 403
Loans granted to real estate companies:		
JRA, s.r.o.	-	131 421
REICO Investment ALFA, a.s.	112 000	112 000
REICO Investment GAMA, a.s.	78 768	80 478
Qubix Building Prague s.r.o.	278 755	259 819
Topas REAL spol. s r.o.	164 500	164 500
METRONOM BC s.r.o.	360 839	360 839
REICO Investment BETA, s. r. o.	44 186	42 594
FORUM BC I s. r. o.	311 726	322 455
Topas REAL spol. s r.o.	157 985	166 787
Industrial Park Dubnica I, s.r.o.	92 561	97 718
Industrial Park Dubnica II, s.r.o.	116 842	123 352
<b>Receivables from related parties</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Sered' Logistics and Industry 1, s.r.o.	107 082	113 048
Sered' Logistics and Industry 2, s.r.o.	225 437	237 996
Tychy DC1 sp. z. o. o.	466 075	-
Tychy DC2 sp. z. o. o.	659 804	-
<b>Total receivables from related parties</b>	<b>4 466 798</b>	<b>7 048 521</b>

Payables to related parties	31/12/2021	31/12/2020
Uninvoiced depositary fee - Česká spořitelna, a.s.	7 493	3 039
Uninvoiced management fee - the Investment Company	41 314	39 294
Fees for the sale of units for December - Česká spořitelna, a.s.	2 446	3 830
Other payables - Česká spořitelna, a.s.	52	-
<b>Total payables to related parties</b>	<b>51 305</b>	<b>46 163</b>

Expenses charged to the Fund by related parties	2021	2020
Depositary fee - Česká spořitelna, a.s.	38 249	34 602
Fee for maintaining asset accounts of securities, ownership interests and custody of securities - Česká spořitelna, a.s.	619	150
Fee for maintaining short-term bonds - Česká spořitelna, a.s.	2	6
Fee - central depositary - Česká spořitelna, a.s.	27	1
Bank fees - Česká spořitelna, a.s.	3 071	14 111
<b>Total expenses charged to the Fund by Česká spořitelna, a.s.</b>	<b>41 968</b>	<b>48 870</b>
Management fee - the Investment Company	474 307	446 067
<b>Total expenses charged to the Fund by related parties</b>	<b>516 275</b>	<b>494 937</b>

Revenues from related parties recognised by the Fund	2021	2020
Interest on deposits with banks - Česká spořitelna, a.s.	8 405	26 175
<b>Revenues from Česká spořitelna, a.s. recognised by the Fund</b>	<b>8 405</b>	<b>26 175</b>
Interest on loan - JRA, s.r.o.	4 678	9 307
Interest on loan - REICO Investment ALFA, a.s.	11 242	11 273
Interest on loan - REICO Investment BETA, s. r. o.	3 960	3 747
Interest on loan REICO Investment GAMA, a.s.	6 788	6 807
Interest on loan - Qubix Building Prague s.r.o.	18 936	17 696
Interest on loan - FORUM BC I s. r. o.	25 915	26 505
Interest on loan - Topas REAL spol. s r.o.	23 237	23 711
Interest on loan - Industrial Park Dubnica I, s.r.o.	6 777	7 028
Interest on loan METRONOM BC s.r.o.	25 609	25 681
Interest on loan – Industrial Park Dubnica II, s.r.o.	8 557	8 875
Interest on loan - Sered' Logistics and Industry 1, s.r.o.	7 837	4 961
Interest on loan - Sered' Logistics and Industry 2, s.r.o.	16 498	10 439
Interest on loan - Industrial Center 96 sp. z. o. o.	13 623	-
Interest on loan - Sorreli sp. z. o. o.	1 263	-

Revenues from related parties recognised by the Fund	2021	2020
Revenues from real estate companies recognised by the Fund	174 920	156 030
<b>Total revenues from related parties recognised by the Fund</b>	<b>183 325</b>	<b>182 205</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 customers

The Fund has granted loans to real estate companies in which it holds a 100% ownership interest totalling TCZK 3 176 560 as at 31 December 2021 (2020: TCZK 2 213 007). 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 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 2021

Basic structure of assets		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 customers	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 investment	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	7	1 663	1 663	-
<b>Basic structure of liabilities</b>		<b>Total</b>	<b>Czech Republic</b>	<b>European Union excl. Czech Republic</b>
<b>Total liabilities and equity</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	-

Concentration by location as at 31 December 2020		Total	Czech Republic	European Union excl. Czech Republic
<b>Total assets</b>		<b>28 236 584</b>	<b>19 749 328</b>	<b>8 487 256</b>
Receivables from banks	1	6 741 609	6 741 609	-
*current accounts		463 508	463 508	-
*fixed term deposits and margins posted		6 278 101	6 278 101	-
Receivables from customers	2	2 213 007	1 275 844	937 163
Ownership interests with controlling influence	3	19 151 835	11 601 742	7 550 093
Financial derivatives - positive fair value	4	129 532	129 532	-
Other assets	5	601	601	-

Basic structure of liabilities as at 31 December 2020		Total	Czech Republic	European Union excl. Czech Republic
<b>Total liabilities and equity</b>		<b>28 236 584</b>	<b>28 236 584</b>	<b>-</b>
Payables to banks *received margins	1	83 400	83 400	-
Other liabilities	2	508 341	508 341	-
*Financial derivatives - negative fair value		6 490	6 490	-
*Other liabilities		501 851	501 851	-
Equity	3	27 644 843	27 644 843	-

### 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:

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

	31/12/2021	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%

	31/12/2020	Average for 2020
Global VaR	0.12%	0.17%
FX VaR	0.03%	0.02%
Interest rate VaR	0.12%	0.16%

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 2021	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Not specified	Total
Loans and advances to banks	3 364 177	-	-	-	-	3 364 177
Receivables from customers	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
Prepaid expenses and accrued income	-	1 663	-	-	-	1 663
Other assets	16 423	111 868	28 894	-	-	157 185
<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	-25 716	-	-280 554	-1 031 562
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 and equity</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>
Loans and advances to banks	6 741 609	-	-	-	-	6 741 609
Receivables from customers	6 277	-	-	2 153 716	53 014	2 213 007
Ownership interests with controlling influence	-	-	-	-	19 151 835	19 151 835
Prepaid expenses and accrued income	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total assets</b>	<b>6 766 905</b>	<b>81 569</b>	<b>29 545</b>	<b>2 153 716</b>	<b>19 204 849</b>	<b>28 236 584</b>
Other liabilities	-224 587	-2 438	-	-	-238 983	-466 008
Deferred income and accrued expenses	-42 333	-	-	-	-	-42 333
Payables to banks	-83 400	-	-	-	-	-83 400
<b>Net balance of assets/equity</b>	<b>6 416 585</b>	<b>79 131</b>	<b>29 545</b>	<b>2 153 716</b>	<b>18 965 866</b>	<b>27 644 843</b>
<b>Cumulative difference</b>	<b>6 416 585</b>	<b>6 495 716</b>	<b>6 525 261</b>	<b>8 678 977</b>	<b>27 644 843</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 December 2021	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Receivables from banks	3 364 177	-	3 364 177	-
Receivables from customers	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	158 848	-	158 848	-
<b>Total</b>	<b>29 939 178</b>	<b>2 447 559</b>	<b>6 699 585</b>	<b>20 792 034</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 customers

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 companies 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 statute). 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.

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 is presented in the table below.

Portfolio sensitivity analysis (market value in TCZK)					
	Income from lease determined by an appraiser in TCZK p.a.				
	1 968 084	2 019 875	2 071 667	2 123 459	2 175 250
<b>Change in the rate of return</b>	-5.00%	-2.50%	0.00%	2.50%	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

### 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 December 2020	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Receivables from banks	6 741 609	-	6 741 609	-
Receivables from customers	2 213 007	-	2 213 007	-
Debt securities	-	-	-	-
Shares, units and other investments	-	-	-	-
Ownership interests with controlling influence	19 151 835	-	-	19 151 835
Other financial assets	130 133	-	130 133	-
<b>Total</b>	<b>28 236 584</b>	<b>-</b>	<b>9 084 749</b>	<b>19 151 835</b>

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

As at 31 December 2021, commitments and guarantees received of TCZK 0 (2020: TCZK 500 000) 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 2021, collaterals and pledges received of TCZK 830 362 (2020: TCZK 944 557) 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	31/12/2021	31/12/2020
Receivables from fixed-term transactions with foreign exchange instruments	10 703 913	8 278 787
Payables from fixed-term transactions with foreign exchange instruments	10 570 183	8 155 745
<b>Balance sheet</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Positive fair value of derivatives	157 185	129 532
Negative fair value of derivatives	23 455	6 490
<b>Result</b>	<b>133 730</b>	<b>123 042</b>

#### 4.20. Values handed over to be managed by the Fund and 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 2021, total assets managed by the Investment Company amounted to CZK 29 939 178 (2020: TCZK 28 236 584), of which securities handed over into administration amounted to CZK 1 942 809 (as at 31 December 2020: no securities handed over into administration were recognised).

#### 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

After the date of the financial statements, the Fund was renamed to REICO ČS NEMOVITOSTNÍ, otevřený podílový fond REICO investiční společnosti České spořitelny, a.s. as at 28 February 2022. New members of the Expert Committee were appointed as at 17 February 2022 due to the expiry of the functional period of its current members.

In January 2022, the Fund purchased the multifunctional Bořislavka Centrum centre in Prague. It is a prime real estate the premises in which have been leased for a long term to very solvent lessees, such as KKCG, Sazka, MND Group and Škofin.

#### Russian invasion in Ukraine

The Fund does not hold any assets on the markets affected by the war in Ukraine (Ukraine, Russia, Belarus) and at the same time it does not plan to invest on these markets in future. Also the lease relations within the real estate companies owned by the Fund have a very low exposure towards these markets and their key tenants are stable multinational companies which are only slightly hit by the sanctions. With regard to these events and having thoroughly assessed their potential impact on the Fund's operations and functioning, our company has come to the conclusion that the ongoing conflict in Ukraine and the related sanctions have no material impact on meeting all liabilities to the holders of the Fund's units and on the ability of the Fund to continue as a going concern.

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 2021.

Prepared on:

Signature of the authorised representative:

4 May 2022



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

Gabriela Klimtová

Karolína Pavelcová



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

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**Annual report 2021**

**Material for the public**

