



Press Release

Luxembourg, 29 May 2020

CPI FIM SA reports financial results for the first quarter of 2020

CPI FIM SA (hereinafter “**CPI FIM**”, the “**Company**” or together with its subsidiaries the “**Group**”), a real estate group with a property portfolio primarily located in the Czech Republic and Poland, hereby publishes unaudited financial results for the first quarter of 2020.

As at 31 March 2020, CPI PROPERTY GROUP S.A. (hereinafter also the “**CPIPG**”, and together with its subsidiaries the “**CPIPG Group**”) directly owns 97.31% of the Company shares (97.31% voting rights).

Financial highlights

Performance		Q1-2020	Q1-2019	Change
Gross rental income	€ thousands	8,897	322	2,661%
Total revenues	€ thousands	16,608	7,583	119%
Operating result	€ thousands	10,041	3,258	208%
Net profit/(Loss) for the period	€ thousands	(80,658)	14,166	(669%)

Assets		31-Mar-20	31-Dec-19	Change
Total assets	€ thousands	5,707,618	5,244,046	9%
EPRA NAV	€ thousands	713,498	864,644	(17%)
Property Portfolio	€ thousands	1,171,000	1,193,000	(2%)
Gross leasable area	sqm	174,000	174,000	0%
Occupancy in %	%	91.5%	93.0%	(1.5 p.p.)
Land bank area	sqm	18,068,000	18,068,000	0%
Total number of properties	No.	8	8	0%

Financing structure		31-Mar-20	31-Dec-19	Change
Total equity	€ thousands	855,700	997,878	(14%)
Equity ratio	%	15%	19%	(4 p.p.)

Income statement

€ thousands	31-Mar-20	31-Mar-19
Gross rental income	8,897	322
Sale of services	7,711	7,261
Cost of service charges	(2,749)	(892)
Property operating expenses	(2,060)	(260)
Net service and rental income	11,799	6,431
Total revenues	16,608	7,583
Total direct business operating expenses	(4,809)	(1,152)
Net business income	11,799	6,431
Net valuation gain on investment property (net of foreign exchange)	-	-
Net gain/(loss) on the disposal of investment property and subsidiaries	(2)	248
Amortization, depreciation and impairments	1,039	(277)
Administrative expenses	(2,403)	(3,179)
Other operating income	2	29
Other operating expenses	(394)	6
Operating result	10,041	3,258
Interest income	38,631	34,424
Interest expense	(32,107)	(15,188)
Other net financial result*	(96,460)	(4,844)
Net finance income/(cost)	(89,936)	14,392
Profit/(Loss) before income tax	(79,895)	17,650
Income tax expense	(763)	(3,484)
Net Profit/(Loss) for the period	(80,658)	14,166

* Including net foreign exchange gains and losses (including valuation gains classified within valuation gain under IFRS), share of profit of equity accounted investees and other financial gains and losses.

Gross rental income

In 2020, gross rental income increased due to the Group's acquisition of offices in Warsaw, Poland during 2019. Similarly, there was an increase in cost of service charges and property operating expenses.

Interest income and expense

Interest income increased from €34.4 million to €38.6 million in the three months period ended 31 March 2020. The increase reflects the increase of loans provided by the Group to related parties. Interest expense increased from €15.2 million to €32.1 million the three months ended 31 March 2020. The increase reflects the increase of loans received by the Group primarily from the parent company.

Other net financial result

Other net financial result in the three-months ended 31 March 2020 represented primarily:

- foreign exchange losses of €147.6 million from retranslation of the loans provided to related parties in foreign currencies; and
- the valuation gain of €51.4 million due to retranslation of the Group's portfolio valued in EUR but denominated in foreign currencies (CZK, HUF and PLN).

Balance sheet

€ thousands	31-Mar-20	31-Dec-19
NON-CURRENT ASSETS		
Intangible assets	12	1,123
Investment property	1,169,501	1,191,435
Property, plant and equipment	660	662
Equity accounted investees	3,481	3,672
Other investments	184,183	188,293
Loans provided	3,724,305	3,442,619
Trade and other receivables	12	12
Deferred tax assets	153,116	153,126
Total non-current assets	5,235,270	4,980,942
CURRENT ASSETS		
Inventories	423	341
Income tax receivables	203	36
Trade receivables	10,233	7,175
Loans provided	120,854	103,908
Cash and cash equivalents	165,448	129,447
Other current assets	173,789	20,693
Assets held for sale	1,398	1,504
Total current assets	472,348	263,104
TOTAL ASSETS	5,707,618	5,244,046
EQUITY		
Equity attributable to owners of the Company	675,210	826,356
Non-controlling interests	180,490	171,522
Total equity	855,700	997,878
NON-CURRENT LIABILITIES		
Financial debts	4,435,906	3,886,792
Deferred tax liabilities	36,257	38,200
Provisions	1,482	1,594
Other financial liabilities	10,194	10,794
Total non-current liabilities	4,483,839	3,937,380
CURRENT LIABILITIES		
Financial debts	317,117	252,538
Trade payables	4,866	10,543
Income tax liabilities	612	747
Other current liabilities	45,465	44,939
Liabilities held for sale	19	21
Total current liabilities	368,079	308,788
TOTAL EQUITY AND LIABILITIES	5,707,618	5,244,046

Total assets and total liabilities

Total assets increased by €463.6 million (8.8%) to €5,707.6 million as at 31 March 2020, the majority of which was due to an increase of long-term loans provided to CPIPG.

Total liabilities increased by €605.8 million (14.3 %) to €4,851.9 million as at 31 March 2020. The increase was driven by additional drawdowns of loans to CPIPG of €549.0 million.

EPRA Net Asset Value

The EPRA Net Asset Value per share as at 31 March 2020 is €0.54 compared to €0.66 as at 31 December 2019.

The EPRA Triple NAV as at 31 March 2020 is €0.51 per share compared to €0.63 as at 31 December 2019.

The calculation is in compliance with the EPRA (European Public Real Estate Associations) “Triple Net Asset Value per share”.

	31-Mar-20	31-Dec-19
Consolidated equity	675,210	826,356
Deferred taxes on revaluations	38,288	38,288
EPRA Net asset value	713,498	864,644
Existing shares (in thousands)	1,314,508	1,314,508
Net asset value in EUR per share	0.54	0.66
EPRA Net asset value	713,498	864,644
Deferred taxes on revaluations	(38,288)	(38,288)
EPRA Triple Net asset value	675,210	826,356
Fully diluted shares	1,314,508	1,314,508
Triple net asset value in EUR per share	0.51	0.63

In 2020, the consolidated equity decreased by €151 million. The main driver of the decrease was a loss for the period of €90 million and decrease of translation and revaluation reserve of €61 million.

For more information please refer to our website at www.cpfimsa.com.

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GLOSSARY

The Group presents alternative performance measures (APMs). The APMs used in this press release are commonly referred to and analysed amongst professionals participating in the Real Estate Sector to reflect the underlying business performance and to enhance comparability both between different companies in the sector and between different financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. The presentation of APMs in the Real Estate Sector is considered advantageous by various participants, including banks, analysts, bondholders and other users of financial information:

- APMs provide additional helpful and useful information in a concise and practical manner.
- APMs are commonly used by senior management and Board of Directors for their decisions and setting of mid and long-term strategy of the Group and assist in discussion with outside parties.

- APMs in some cases might better reflect key trends in the Group's performance which are specific to that sector, i.e. APMs are a way for the management to highlight the key value drivers within the business that may not be obvious in the consolidated financial statements.

EPRA Net Asset Value per share

EPRA Net Asset Value per share is defined as EPRA NAV divided by the diluted number of shares at the end of period.

EPRA NAV

EPRA NAV is a measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialize. In addition, the fair value of financial instruments which the company intends to hold to maturity is excluded as these will cancel out on settlement. All other assets including trading property, finance leases, and investments reported at cost are adjusted to fair value. The performance indicator has been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide, available on EPRA's website (www.epra.com).

Equity ratio

Equity Ratio provides a general assessment of financial risk undertaken. It is calculated as Total Equity divided by Total Assets.

Gross Leasable Area

Gross leasable area (GLA) is the amount of floor space available to be rented. Gross leasable area is the area for which tenants pay rent, and thus the area that produces income for the property owner.

Occupancy rate

The ratio of leased premises to total GLA.

Property Portfolio

Property Portfolio covers all properties held by the Group, independent of the balance sheet classification, from which the Group incurs rental or other operating income.

APM reconciliation

Equity ratio reconciliation (€ thousands)	31-Mar-20	31-Dec-19
Total equity	855,700	997,878
Total assets	5,707,618	5,244,046
Equity ratio	15%	19%