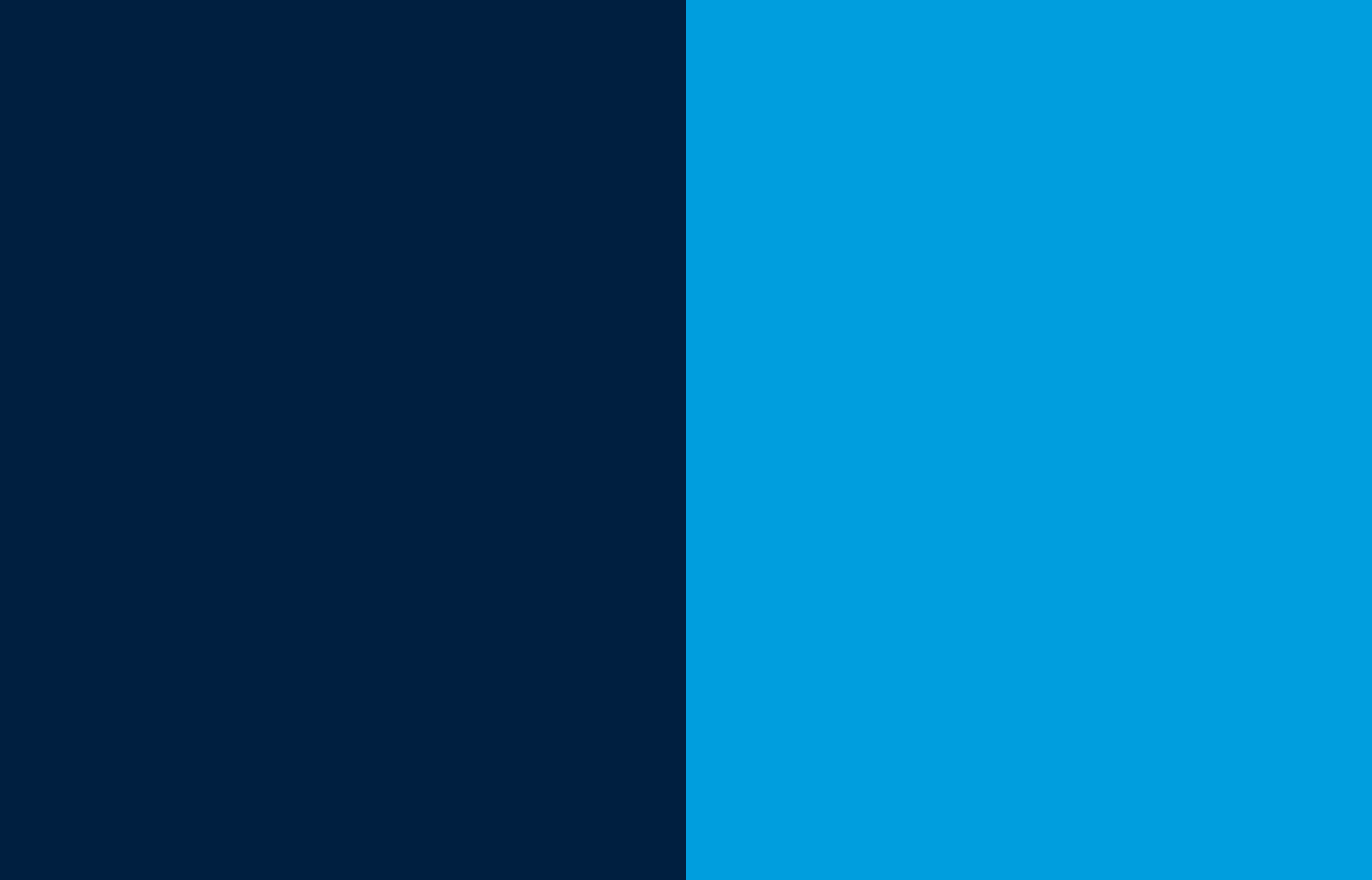


20
20

ALH
ARE
UNO
NE
ARE



Contents	4
Chairman's Vision	8
CEO's Review	14
ESG in Middlecap	18
Middlecap—CSR report	32
Advisory	36
Real estate	42
Private equity	60
Venture capital	74
Auditors—statement	84



SOUTHWORKS / LONDON, UNITED KINGDOM

01

Chairman's Vision 6
CEO's Review 12

FORWARD

Shaping the future

As we were all facing the pandemic these past years, one of the important questions has become: "What is the world going to look like once this is over?"

However, there's also other question, and a great deal more important one: "What can we **already** be doing to make the after - pandemic world better?"

After all, we all have impact on the future every day, in some way. The difference is perhaps mostly in whether we do it knowingly or unknowingly and in the magnitude of our adopted responsibility and impact.

And that is the point here. Because when we launched MiddleCap, we did it with an ambition to create a lasting impact; something that may stay here long after we ourselves are gone. Something that will influence the lives of many, bring about some meaningful change and perhaps even inspire others to do something similar.

Looking back at the past year, with all its challenges and difficulties, I can say that our new focus is to create an added value in everything we do.

This is what we have chosen to do **now** to shape the future of our core business and MiddleCap itself and — due to the scope and influence of our activities. For us, this is the answer to what we can already be doing to make a difference.

With this ambition in mind we have set up the following core pillars and goals for every division:

- **Real Estate Division:** Expansion into German market and acquisition of projects in Berlin, London or Bratislava.
- **Advisory:** Search for new transactions in Czech Republic, Slovakia and Poland.
- **Private Equity:** Digitization, new approach and stabilization of the market position, mostly in retail.
- **Venture Capital:** Expansion to new markets, searching for new acquisitions.

After 2020 it is merely a lot clearer that what we're doing and what we will keep doing is this: Shaping the future.



Miroslav Výboh
Chairman & Partner

For our **Real Estate** division, the strategy is predominantly to focus on a thorough implementation of ESG criteria, searching for new technologies to be used on our projects and, most importantly, the need to focus on the sustainability since the very beginning of our projects, starting from the bottom, the construction itself.

Our ambition for 2021 is to focus on both existing and new markets. This specifically means looking for new projects in Bratislava and London where we're already present while also actively searching for new projects in Berlin or Munich. Thanks to its solid economy and strong commercial potential in terms of investment and rental values, Germany has long been on our strategic map and we believe we can be successful here and bring important added value.

Advisory division then provides the synergy between all our divisions and all the acquisitions are internally lead and closed by them. However, they have also a large external clients in Czech Republic and Slovakia and the strength of the division is in its approach, professionalism, efficiency and tailor-made solutions they create for every client. Within Advisory we are mainly focused on transactions in the sale of companies, or, conversely, on the search for suitable investment opportunities for clients who would like to expand the portfolio of their existing companies.

Our **Private Equity** portfolio is very diverse, ranging from construction and retail to voltage companies, which makes it hard to formulate an overarching goal for them all and it's best to address each of the companies separately.

Since its establishment, our construction company **Sytiq** did a great job. The plan for the next years is to work with the most relevant players in Slovakia and Czech Republic while focusing on the entire spectrum from shopping malls to administrative buildings and residential projects.

Established in 1949, **Fokus** is the biggest eyewear chain in Slovakia and Czech Republic. Due to the Covid-19-related difficulties in 2020, our aim for 2021 is to concentrate on the stabilization and hiring new professionals to complement our team.

Voltatech is one of the leading companies in the voltage area and is mostly focusing on the tunnel technology. Slovakia is still developing the tunnel infrastructure and the pipeline for 2021/2022 also includes the delivery of Tunel Prešov. The residential and commercial sector is an area where we see many expansion possibilities which is why we are also going to focus on looking for new deals.

In the **Venture Capital** division, our last investment was into the US fashion brand Nahmias. Founded merely 2 years ago, Nahmias has huge plans for expanding onto the new markets and establishing the brand even more in the UK and in the USA.

To sum it all up: where does this lead us?
I believe that MiddleCap is on the right path to become a mid-size developer with huge impact on the future of how our cities will look like and in both pioneering smart buildings and supporting the movement towards sustainability.
We also well on our way be recognized as an established and responsible investor with diverse and successful portfolio in Private Equity and Venture Capital.

As for the crucial question from the very beginning of this foreword: **"What can we already be doing, right now, to make the after-pandemic world better?"**

The answer is: We will keep searching for the best, sustainable and responsible ways across all our divisions and all our companies. And while doing so we won't forget that there are people who need our help and we will support them and lead them to better education and health through our MiddleCap Help Foundation.

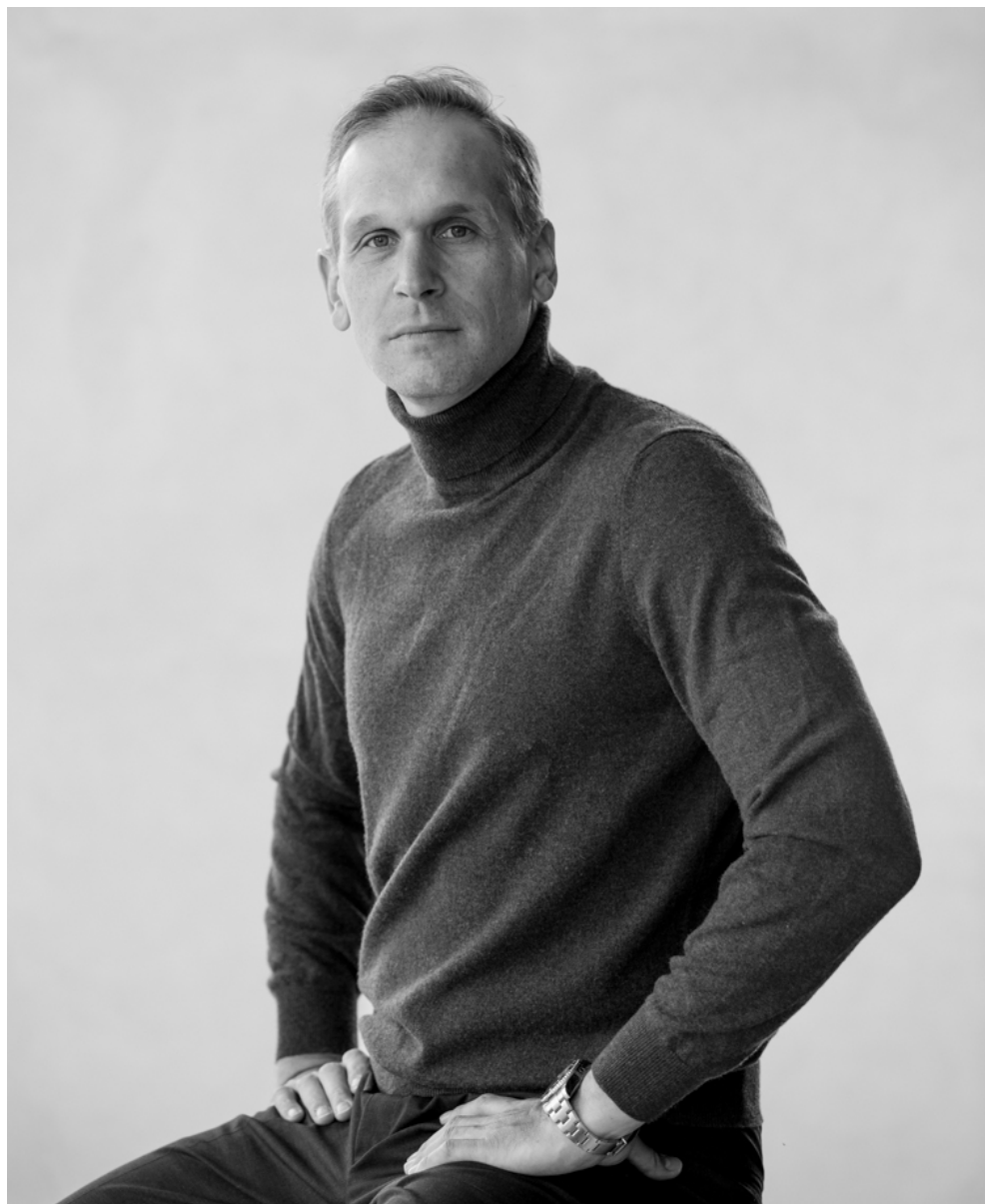
In other words:

**We will keep shaping
the future.**



GORKEHO4 OFFICES / BRATISLAVA, SLOVAKIA





Crises and opportunities: What we are made of and what it means for MiddleCap

Michal Kviečinský CEO & Partner

Last year has shown us how fragile is the world we live in. Everything can change in a minute and what used to be a standard simply isn't anymore.

We are not really used to this – to be forced to stay in an uncomfortable zone. And last year brought us back down to earth and showed us that nothing can be taken for granted.

We are not used to be forced to stay in an uncomfortable zone. And last year brought us back to the earth and showed us that nothing is guaranteed.

**I'm humbled by
the hard work
and by the level
of responsibility
and maturity
I witnessed
in our team during
this past year.**

My colleagues demonstrated their professionalism and their ability to adapt to the situation and worked very hard under very unusual circumstances. Everyone gave their all during home office days and I could truly rely on every single one of us to do their job properly, even though the way we worked changed so dramatically.

I was surprised to see how maturely and responsibly my colleagues reacted when we came up with the proposal of allocating 500 000 € to help fight the pandemic. The entire team supported the idea and most of them were personally helping to address this financial aid properly.

This is why I see the MiddleCap culture as the main reason why we can succeed and deliver incredible results. Our team and its spirit is the main essence, the main driver which shapes MiddleCap.

From my perspective, 2020 was indeed one of the most challenging years so far. The many restrictions imposed by Covid-19 impacted the entire company, across all the divisions, not excluding Advisory.

To put things in perspective, it normally takes us 6 – 9 months to close a mandate. During the pandemic, it took almost 15. The main reason, in my opinion, was the change in which we had to communicate. We were not used to communicating purely via online platforms and suddenly we simply could not meet in person to discuss the terms and conditions.

However, despite all of this, we managed to keep all the transactions from 2020. This means 2021 shapes to be one of our best years in terms of the number of closed transactions. At the time of writing I can proudly say that we are talking about three mandates in Czech Republic and one huge real estate transaction in Poland secured by our Slovak team, with hopefully more to be closed by the end of the year.

The Real Estate division has a huge ambition to become one of the top developers in Europe, not necessarily by the size or number of projects but by the quality of the planned and delivered products. Southworks, our first development in the UK, is a testimony to this ambition and its tangible proof. This project was under construction when the entire London “stopped” because of Covid-19. What more, the handcrafted glass bricks that create Southworks’ unique design were custom made in Northern Italy – one of the worst hit regions by the pandemic.

Under these circumstances, the UK office showed their professionalism and managed to deliver the building with a mere three months delay. Three months, with the world mostly in lockdown during that time – no small achievement.

On top of that we’ve also managed to secure the highest evaluation Platinum Smart Building Certification, the first of its kind in the UK and only second in the world.

For Private Equity, 2020 was a year of new acquisitions and tough times for retail as retail and hospitality were among the hardest affected industries during the pandemic. Fokus with its 160 eyewear stores and more than 540 employees went through the hardest times, but we managed to keep all our employees as we focused on 2021 and prepared for the launch of a brand new and very unique product for the Czech Republic and Slovakia.

Sytiq, our construction company founded in 2019, managed to establish itself on the market within merely one year, which is a great success for the company. As of now they are working for the biggest developers on the largest and most exclusive projects in Bratislava and throughout Slovakia.

Last year we also acquired shares of two companies to complement our portfolio.

One of them is Nahmias, quite out of our previous range in terms of both location and the type of the business. Venturing into the US and as a fashion brand reflects our ability to think outside the box and to look at opportunities around the whole sector of the market. Popularity of Nahmias is growing fast as the brand is quickly becoming a label worn by world-famous celebrities.

Voltatech is the other brand added to our portfolio and is already counted among the top players in the field of high-voltage and low-voltage installations. At the moment, Voltatech is working primarily on electric installations in tunnels in Slovakia as well as industrial buildings.

Importantly, all these accomplishments throughout the past year wouldn’t have been possible without our business partners and banks who demonstrated their trust in us and supported us.

To sum it all up: I have a strong belief that MiddleCap is heading the right way. We want to push the boundaries and work on our projects to deliver the best result but also to act responsibly and to not forget about the impact we have on the planet and broader society.

This is one of the reasons why our vision for the coming years is establishing the ESG criteria and shaping the future the right way. To this end we have created a dedicated ESG team and they have been working on the strategy of how to implement ESG within the entire group.

Even though it might sound as just another buzzword in the business, I believe that this can have a truly significant impact on the way how we treat the Earth and the environment and how companies approach and lead their employees.

The urgent need to decarbonize the cities and the planet can be reflected and demonstrated primarily in our Real Estate division where the materials, construction and management of the building can have the most tangible impact. We are therefore constantly looking

for new options of construction and thanks to numerous smart technologies we boost the energy efficiency when the building is already occupied.

We have always believed that the key to success is having professionals on board. And for people to grow and improve as professionals, education and breakdown of their personal skillset is key. Which is why within the Government policies we will give our employees the possibility to strengthen their skills, prioritize their personal development and improve team communication and work. I’m looking forward to 2022 when we plan to implement this strategy and see its first results.

To conclude: I wish to express my thanks to the whole team and all of our business partners, as well as those who believed in our businesses during these hard times.

Without them, shaping the future of MiddleCap wouldn’t have been possible.

Thank you.



GORKEHO4 OFFICES / BRATISLAVA, SLOVAKIA

02

Shaping our impact,
shaping the future

ESG IN LEADERSHIP

ESG

in MiddleCap

We perceive our commitment ESG principles as an expression of our commitment to shape the future.

Through this lense, ESG is something that simply makes sense and needs to be adhered to and applied diligently; more of a necessity than something nice to have.

During 2019 we set up a plan to create esg strategy which will push boundaries for everyone in the group

Once applied to Real Estate, this commitment gains a profound sense of urgency in the light of the awareness of what Real Estate actually is: creating spaces in which many people will create and shape the future in the many years to come.

- The key to our business is responsible, technology-lead,
- human-focused and sustainable.

ESG considerations are embedded in every step of our development cycle — starting with due diligence and acquisition, through to concept development, design, construction, delivery all the way building use and operation.

The aim is to always make a positive difference to the built environment, enhancing the urban surroundings for its occupiers, local residents, businesses and communities.



SOUTHWORKS / LONDON, UNITED KINGDOM

Individual ESG factors as applied to MiddleCap

Environmental:

Consideration of contribution to and the impact of climate change and, where possible, adapting accordingly

- **Understanding the importance of biodiversity and habitat** and, wherever possible, preserving habitats and providing a net gain of biodiversity on development sites
- **The depletion of natural resources** and the corresponding need for use of sustainable, non-hazardous materials
- **Waste management** with the focus of reduce, re-use and recycle principles and the responsible disposal of any hazardous waste
- **Efficient energy consumption**, the use of renewable energy resources and the reduction of greenhouse gas emissions
- **Responsible and efficient water consumption**, both internally and externally, including the use of rainwater harvesting systems
- **Embodied and operational carbon** including the sourcing and use of materials
- **Proactive aim to establish industry-leading best practices**
- **Complying with the spirit of the law**, not only its letter.

Social:

- **Health and Safety** of employees, contractors, tenants, occupiers and the wider community
- **Inclusion, equality and diversity**
- **Openness, fairness and accountability**
- **Freedom of association**
- **Non-discriminatory practices and procedures**
- **Respect and preservation of human rights**
- **Acting with integrity**, including but not limited to the abolition of child and forced and enabling freedom of association
- **Creating local employment opportunities and partnering with social enterprise**, where possible, to support community development
- **Integration of development projects within the community**, where possible incorporating new public realm and/or uses beneficial to the local area
- **Ensuring contractors are registered with and abide by the Considerate Contractors Scheme**
- **The provision of communal and well-being facilities** within our development projects to better enhance the user experience.

Corporate governance:

- **Corporate values and accountability**
- **Responsible management**, with checks and balances
- **Compliance with fiduciary duties**
- **Ensure management structure and practices promote openness, fairness and accountability**
- **Anti-bribery, corruption and fraud**, where necessary, implementing all regulations related to the jurisdictions within which MiddleCap operates
- **Data protection, cyber security and privacy**, ensuring MiddleCap abides by General Data Protection Regulation (GDPR)
- **ESG Steering Group which supports the development of MiddleCap's sustainability strategy** as the group's aim is to not only support decision making on ESG, but to delegate authority thereby ensuring all members of the team are responsible for progressing sustainability
- **Employee relations;**
- **Education and work-life balance** workshop and education programmes for employees
- **Health and safety** enhancing employee health and healthy lifestyle
- **Workplace grievances** as MiddleCap operates a dialogue-based approach, which is accessible to all relevant stakeholders and is both legitimate and safe.

ESG criteria of Real estate division

Art of Buildings — How MiddleCap shapes cities and the future

With the ESG principles neatly laid out above, the last question is:

How does all of that actually, tangibly translate into practice? The practical application and proof consists of what we call 4 Pillars:

- **Pillar 1:** Be responsible
- **Pillar 2:** Create places for healthy and creative people
- **Pillar 3:** Cherish the craft
- **Pillar 4:** Compare with the best



SEAL HOUSE - ROOFTOP TERRACE / LONDON, UNITED KINGDOM

While we could speak about those at length, the most important points concerning each of the pillar are as follows.

Pillar 1

Be responsible

We are keenly aware of the impact our buildings have on the environment and communities in which they are built, both direct and indirect: economic, social, and environmental.

Addressing this impact is our responsibility, especially in the light of the fact that the real estate sector is responsible for 40% of CO2 emissions, globally. Rising population and urbanisation further drives demand for resources and land to be claimed and energy and materials to be spent on construction and operating buildings.

Our responsibility therefor consists of:

- **Site selection** during which requires a thorough assessment of the development site and its connection to existing infrastructure and green spaces to help the cities in which we operate become greener as they becomes denser.
- **Design process** during which we aim to deliver a prime product to our tenants and occupiers. This requires careful and pragmatic planning and equally careful selection of construction materials so that the building we create will

stand the test of time. We also always look to set benchmarks to measure our success – BREEAM and WELL certification being two key examples, but we look to set targets and benchmarks to suit the project on a case-by-case basis.

- **Construction itself** which takes active communication with the various stakeholders in the local communities, adhering to relevant schemes and protocols as well as careful monitoring of waste processing, encouraging reuse and recycling of waste as far as possible and diverting waste from landfill.
- **Operation** requires acknowledging that while the design and construction of the development are focused on ensuring that the building is delivered to operate as planned when fully occupied, occupiers will nevertheless adapt and make changes to the spaces they take. A key component here is the specification, install and commissioning of systems for monitoring the actual performance and behaviour of the building when in operation.

Pillar 2

Create places for healthy and creative people

The role of the workplace has already been changing before the pandemic Covid-19 has merely served as a catalyst of many trends in our sector.

What we are witnessing is emerging of the two main roles of real estate:

1. To attract the best people
2. And to make them as productive (while taking care of their well-being), irrespective of their modes of work

There are four further important points here:

- Crucial role of Smart which has evolved from nice to have to component of utmost importance where the main roles of smart technologies are integration and optimization, using artificial intelligence to learn and autonomously deliver the best and most efficient product to occupiers and investors.
- **Healthy and adaptable environment** where, thanks to environmental and energy data collected from the whole building, we aim to continuously deliver the healthiest

environment for people to perform their jobs. By taking constant measurements of indoor air quality, analysing the patterns of space usage, and collecting feedback from people, systems in our buildings should adjust accordingly and proactively remind operations teams of potential issues.

- **Natural aspects** which includes maximizing the presence of natural elements such as light and external air within our buildings and was one of the first design principles we defined when we established the company.
- **Active design** tying it all together, since we consider active and healthy lifestyle vital to wellbeing, productivity, and longevity – and our occupiers can expect the same principles in our buildings. Good examples are stairs which are no longer hidden in the back and used only during fire drills. Instead, they are well designed, prominent, naturally lit and together with spacious external and internal spaces invite you to move around.



We believe that there is an important emphasis on longevity which comes with craftsmanship and it's a quality we want to cherish and promote.

Pillar 3

Cherish the craft

In urban settings, buildings and architecture create the environment and settings of city life, shaping the cities as much as they shape the lives of people ad the future.

What is also important, they also outlive their creators and are occupied and consequently changed, tweaked, and adapted by those who use and interact with them. In this light, the buildings we construct say much about the priorities of the society that creates them and the cities they comprise.

Architecture and construction build on the works, knowledge, and care of previous generations of artists, engineers, and craftsmen. Industrial and technological progress have and continue to add great opportunity to be more effective, economic, and careful with the resources we have. We recognize the value of the materials and the endeavor that goes into creating buildings that will stand the test of time.

Cherishing the craft then has far-reaching implications and consequences as well as two further constituent points:

- **Historical value preservation** which simply means we carefully evaluate what can and should be preserved, celebrated, and reused. The first real estate projects of MiddleCap Group were national heritage sites in central Europe, carefully restored and brought to life in 21st century. Such projects are

extremely complex and challenging to deliver and have taught us a great deal of what now informs our future projects, whether historical, brownfield or urban development sites.

- **Promotion of crafts and human creativity** as one of our core values since the inception of MiddleCap. We support artists as well as invest in art-focused start-ups (see our InsightArt) and this way of thinking is also strongly present in our real estate activities.

We believe that there is an important emphasis on longevity which comes with craftsmanship and it's a quality we want to cherish and promote. Case in point: Southworks, our first project in London, showcases a cast glass brick façade, which is unique in UK and serves as an example of traditional craftsmanship and the latest technology combining to achieve a unique building rooted in its immediate community. Our design strategy incorporates such a passion to support craftsmanship and this will be present in all our future projects.

There is also another aspect of craftsmanship, easily overlooked. It is the fact that the work of human minds and hands should be appreciated because it represents an investment in our built environment which will be worthy of preserving and creates an intrinsic and long-lasting value. We believe this can — and should apply — to real estate as well.

Pillar 4

Compare with the best

Last of the pillars consists of the understanding that our success begins by building on the work and research of others and collaborating as an industry. Innovative industry standards and benchmarks are one of the important ways to educate ourselves and compare with the best.

Setting the levels of standards in advance and then stretching our design goals towards them is an important part of our integrated design process as well as one of the most creative and challenging ones.

In practice this means that we have achieved BREEAM Outstanding certification (increasing the score during construction), Smart Building Platinum, Wired Score Gold and CyclingScore Platinum awards. We also won the world's Smartest Building 2021 at the Real Estate & Building Futureproof awards.

However, this isn't about fancy plaques in the lobby. It is about us learning to push the boundaries of our product higher and higher each time.

03

Shaping lives,
shaping the future

SPILKA
STEIN
OFFICES
BRATISLAVA
SLOVAKIA

MiddleCap CSR Report

When looking to shape the future on a broader scale, the one question that inevitably arises is: Where, to whom and how should we extend our responsibility to help?

Viewed through a lens of truly long-term perspective, our CSR approach has to be two-fold, focusing on addressing various pressing crises on one hand and supporting a systemic change on the other. While one might focus more on short-term pressing needs and the other more on long-term issues, they are both crucial. To this end, our CSR activities in 2020 can be summed in these three activities:

MiddleCap Help

The aim of MiddleCap.help is to provide aid to the most vulnerable groups. Our foundation has been created in response to the spreading pandemic when the investment holding structure MiddleCap allocated 500,000 € to help the most threatened people at the time – the elderly, pediatric patients and healthcare professionals who were facing a severe shortage of protective equipment in their fight against the Covid-19.

However, MiddleCap has been active in CSR since its inception. During its active existence it has helped in various forms to numerous disadvantaged groups, educational institutions, hospitals, patients, sportsmen as well as families in need.

Going into the future, primary areas of activity of the MiddleCap.help Foundation include health, children and the arts.

Children's University

Education is one of the most important components of shaping the future and is indeed a long-term investment with far-reaching impact.

Children's University is a beautiful project organized in collaboration with the Comenius University in Bratislava which enables children between the age 7 – 14 to spend the summer months attending special, tailored lectures prepared in a way that can influence their entire future and have impact far beyond what anyone can predict or imagine.

Every single year we are pleasantly surprised by the number of students who signed up and how actively they take part in the program. Due to the pandemic, Children's University was very different last year as the organizers had to move all the lectures online and students joined the classes remotely from home. However, students still joined, from all over the world, which made the first online version of the Children's University a big success.

No finish line Bratislava

No finish line is a four-day children's charity race which has been organized under the auspices of the Principality of Monaco since 1999.

The idea behind this race is that too many children around the world don't have a real childhood, whether it's due to malnourishment, lack of proper healthcare or lack of proper education.

The aim of the event is therefore to support and protect children's rights and to fund projects that will improve their circumstances in terms of health and education.

The concept itself is simple: For each kilometer run in the event, the organizer donates 1 € to the Children & Future charity. During the event, runners can participate as many times as they want and are free to run or walk the distance of their choice – what matters is that they join in.

And while most of the similar events were cancelled during the past Covid-19 year, we kept and upheld both the idea and the support, even if it meant we had to take it online for the time being.

Runners thus joined the charity run via an app on their phones and chose to donate their kilometers to one of the three available projects picked by Children & Future Bratislava Foundation as the organizers and ourselves as the general partner.

Together they managed to accumulate over 26,000 kilometres – that means more than 26,000 € divided between the three entities.

The OZ Nádej detí (Civil Association "Children's Hope") which takes care of the Center for Families and Children in Bernolákovo received 7,001 €.

The OZ Pons (Civil Association Pons) received 7,697 € which will be used to organize a daily summer integration camp.

And finally, runners also ran as much as 11,299 kilometers and contributed the corresponding amount towards the **#inseparables** project, which is covered by the Slovak Paralympic Committee. The aim of this project is to search for and promote young sports talents among children with disabilities, thereby helping them break down the various barriers they face in life.



MIDDLECAP OFFICE / LONDON, UNITED KINGDOM

04

Shaping
corporate finance,
shaping the future

ADVISORY

Advisory

As the original core business and our longest established division, Advisory continues to be a crucial component shaping both MiddleCap business and the success of our clients.

Providing Advisory services in Mergers & Acquisitions, Real Estate Advisory, Financing, Restructuring and Valuation, our client-first, tailored approach enables our clients to extract maximum value from every transaction. Thus, Advisory is of growing importance in the Covid-19-era and constitutes one of the key components of economic recovery and further growth.

Looking back: Delays but no losses

Despite all the difficulties caused by the global pandemic, travel restrictions, delays and general insecurity and caution in decision making, we have managed to close 2020 without loss or stopping of mandates, even if the transaction periods stretched to 12+ months, thus taking many of the mandates into 2021 already.

In summary: Advisory as the key component of recovery and growth

More importantly, surviving the Covid-19 crisis in this way serves as a proof and validation of our approach and once again shows that Advisory keeps bringing significant value to our clients and serves as a vital component to not merely surviving difficult times but also shaping a thriving future.

Key mandates

D48 — Class A office building in Poland where MiddleCap served as the lead advisor for IAD Investments, sprāv. spol., a.s.



WÓŁOSKA 24 / WARSAW, POLAND

Going forward: Shaping the future of Advisory in 2021 — Re-evaluation, adaptation and growth

In the light of everything said — we fully expect the Advisory division to further play a key role both in success and growth of our clients and in the further growth of MiddleCap.

The key areas of focus for Advisory in 2021 thus include:

- Finalization of 4 major transactions carried over from 2020: Czech companies Značky Morava, Silnice Morava, Krnovská Škrobárna and Polish real estate Wołoska 24
- Conclusion of the currently open transactions in the food processing industry valued at approx. 215m CZK plus the major M&A transaction of PPF
- Slovak Advisory division remains focused on Real Estate with 2 major open mandates
- Czech division is extending the focus to construction business, planning to extend its reach into agriculture, food processing and potentially advertising
- Active pitching for further potential mandates
- And a solid, sober evaluation of what has changed, what hasn't and what steps do we need to take to stay relevant and to keep shaping the future for us and our clients

Case in point:

No transactions were lost or mandates stopped. On the contrary — correct choice of industries (together with the professional team, approach and expertise) enabled us to sell the companies at a profit, despite the general market sentiment and devastating market slumps.



Marcel Chrapek

Head of Advisory SK

MiddleCap is employing a client-first approach, delivering hand-tailored advisory services to privately- and publicly owned companies, private equity firms, investment funds, and high-net-worth individuals.



Sabina Matzenauerová

Head of Advisory CZ

We are primarily engaged in transaction consulting for the sales of small and medium-sized companies. However, we also represent companies in acquisitions and provide transaction advice to them, mainly in bilateral processes. Such a strategy allows us to approach nearly 100% success in completing transactions. of course, the ever-growing transaction activity in the Czech Republic, Poland and Slovakia also helps us to do this.



SPIILKA-STEIN OFFICES / BRATISLAVA SLOVAKIA

05

Shaping cities,
shaping the future

ESTATE
REAL
Estate

Real Estate

When talking about shaping the future, nowhere is this shaping as literal and tangible as in Real Estate. Furthermore, when Real Estate is approached in the MiddleCap way it becomes very obvious that our approach of combination of smart and nature elements is the crucial point here and that well-planned and well-executed buildings are actually the key components in providing the best possible conditions for environment, society and the inhabitants to help them thrive, live and work well and aid them to accomplish whatever it is that they set out to do.

In this way, our Real Estate projects are not so much about finding solutions which makes the building sustainable, smart and healthy – which makes Real Estate doubly important in shaping and bettering the post-pandemic world.

Looking back: Slowed down but never stopping

Despite the numerous lockdowns, interruptions of supply chains and other obstacles, our work on the Real Estate projects continued and managed to score only minor delays. One of the crucial projects, Southworks in London, was under the construction during the whole 2020 and the team managed to reduce the delays on the site and keep the people working on construction safe and healthy. At the end of the year our project received Platinum Smart Building Certification, the very first in the UK and only second in the world.

In summary: Real Estate as the key component of productivity and well-being

Having tested our approach in the difficult Covid-19 year, we stand by our conviction that the future of sustainable real estate needs to focus on the people first, buildings second. In the end, it's the inhabitants and occupants who will live, work, create and shape the future in the buildings we're refurbishing and creating. Simply put – we're shaping the buildings to fit the people, not the other way around (as used to be the case).

Hence, the relentless focus on people, their well-being and health is yet another long-term investment with far reaching consequences. The key approach here? Using the natural environment and supporting it by technology and data analysis, this is what makes an outstanding sustainable building.

Tomáš Jurdák Partner Real Estate & Head of Division



As a pioneer for developing smart buildings with a focus on sustainability and wellbeing we are committed to creating exemplary homes and offices across Bratislava and London that set a benchmark within cities.

Active Projects:

- **Southworks:** Our first UK development and the first UK building certified Platinum Smart Building Certification, well on its way to be delivered in 2021 and fully leased in 2022
- **Project in Ružinov:** MiddleCap acquired the property in 2019 and is currently in discussions with the city to change the existing permitted project.
- **Seal House:** Second development in the UK in a prime location on river Thames. We are now working with Eric Parry Architects on further improving the design of the building and taking the next steps to bringing this project to life.

Delivered Projects:

- **Spilka Offices:** Refurbishment of a unique historical building (listed as a national cultural heritage) in the center of Bratislava, combining historical substance and top contemporary design. Building was delivered in 2020 and planned to be fully leased in 2022
- **Gorkeho4 Offices:** Another refurbishment of a historical building (listed as a national cultural heritage) in the heart of Bratislava, resulting in creating one of the most representative and coveted office places in Bratislava – Sold to Kooperativa member of Vienna Insurance Group
- **Steinerka Business Center:** Transforming one of Bratislava's brownfields into a high-end workplace with flexible space - sold to IAD Investments, správ. spol., a. s.

Going forward: Shaping the future of Real Estate in 2021 – Strategy, ESG and expansion

With the number of projects in the pipeline and with everything said above, we stay committed to employing our Real Estate division as one of the key components of our shaping of the future.

The key areas of focus for Real Estate in 2021 are as follows:

- Implementation of the clearly defined strategy for the product and quality we wish to deliver and implementation of the ESG criteria that will enable us to achieve the goals with regards to both the management and the buildings themselves
- Successfully deliver Southworks and close leasing process
- Further proceed with the projects already underway – Seal House in London and Project Ružinov in Bratislava
- Active search for potential acquisitions in London and Bratislava
- Planned expansion to the German market
- Submit our first GRESB submission



SOUTHWORKS – LONDON, UK



PROJECT IN RUŽINOV – BRATISLAVA, SK



SEAL HOUSE – LONDON, UK



SEAL HOUSE / THE CITY OF LONDON, UNITED KINGDOM

Active Projects

Real Estate

SOUTHWORKS

The office project in Rushworth street purchased in 2018 is our first real estate development in the United Kingdom. It's architecture is inspired by warehouse aesthetic, with concrete columns, large factory-style windows and a feature double height entrance portal formed from hand crafted Italian glass bricks.

Making a strong connection to the natural environment is increasingly important and our standard approach for our buildings. Southworks offers a range of outdoor spaces and openable windows throughout the office spaces. In addition the bathrooms and staircase all benefit from natural light and views to the outside.

A key focus is on health and wellbeing. Technology such as smart sensors to monitor air quality, light, noise and occupancy are incorporated in our building. We think it's crucial to work with basic elements such as- fresh air, natural light and clean water and technology and greenery which improves the office space environment and enhance comfort and wellbeing of the end user.

The dedicated app will give building managers and occupiers greater control over their workspace as well as offer wellness services.

LOCATION:	SOUTHWARK, LONDON, UNITED KINGDOM
STATUS:	UNDER CONSTRUCTION
EXPECTED DELIVERY:	Q2 2021
NLA:	6,311 M²
ARCHITECTS:	SPPARC ARCHITECTS
SUSTAINABILITY:	TARGETING BREEAM 'OUTSTANDING'
CONNECTIVITY:	ACHIEVED WIRESCORE 'GOLD'
SMARTNESS:	ACHIEVED PLATINUM SMART BUILDING CERTIFICATION
CYCLING SCORE:	ACHIEVED 'PLATINUM'
AWARDS:	SMARTEST BUILDING 2021 AT THE REBF



SOUTHWORKS / LONDON, UNITED KINGDOM

Active Projects
Real Estate

PROJECT
IN RUŽINOV

The project will revitalise an abandoned site of a former 1980's department store in Bratislava's Ružinov. MiddleCap acquired the property in 2019 and is currently in discussions with the city. Permitting process started in autumn 2020.

LOCATION:	BRATISLAVA, SLOVAKIA
STATUS:	PLANNING
GLA:	SUBJECT TO PLANNING PERMISSIONS



PROJECT RUŽINOV - FRONT GARDEN VIEW / BRATISLAVA, SLOVAKIA

Active Projects

Real Estate

Last year MiddleCap purchased the 1970's office building located on the north bank of the River Thames in the City of London overlooking landmarks such as the Shard and Tower Bridge in the East, the City and St. Paul's Cathedral to the North and West. The unique location, the potential of the building and an existing consent were the key reasons for this, our second London acquisition. We are now working with Eric Parry Architects on further improving the design of the building and taking the next steps to bringing this project to life.

The 11-storey scheme proposes 131,000 sq ft of offices, 10,000 sq ft of restaurants, external terraces and a rooftop public viewing garden.

LOCATION:	THE CITY OF LONDON, UNITED KINGDOM
STATUS:	PLANNED
EXPECTED DELIVERY:	2023
PLANNED NLA (GLA):	13,179 M²
ARCHITECTS:	ERIC PARRY ARCHITECTS
SUSTAINABILITY:	TARGETING BREEAM EXCELLENT
CONNECTIVITY:	DESIGNED TO ACHIEVE WIREScore 'GOLD'

SEAL HOUSE



SEAL HOUSE / THE CITY OF LONDON, UNITED KINGDOM

Delivered
Projects
Real Estate

Spilka Offices



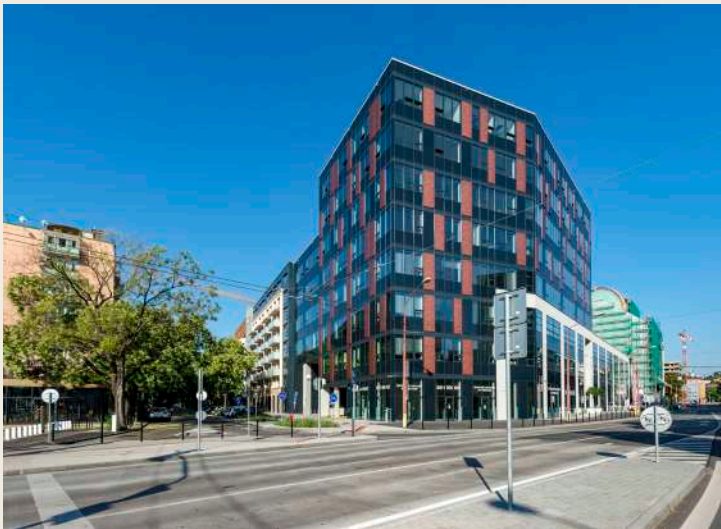
LOCATION:	BRATISLAVA, SLOVAKIA
STATUS:	DELIVERED IN 2020
GLA:	3,300 M ²

Gorkeho4 Offices



LOCATION:	BRATISLAVA, SLOVAKIA
STATUS:	DELIVERED IN 2019
GLA:	3,700 M ²

Steinerka Business Center



LOCATION:	BRATISLAVA, SLOVAKIA
STATUS:	DELIVERED IN 2018
GLA:	11,700 M ²



SEAL HOUSE - LOBBY / THE CITY OF LONDON, UNITED KINGDOM



SYTIQ BUILDING SITE / BRATISLAVA, SLOVAKIA

06

Shaping growth,
shaping the future

PRIVATE
PROPERTY

Private Equity

Year 2020 posed an important question: How can you pursue growth in Private Equity during such a significant decrease in global market activity?

The answer is: By focusing on the fundamentals, removing existing inefficiencies and dramatically improving processes and operational excellence. In this way, even year as difficult as 2020 undoubtedly was can actually serve to create a more solid foundation based on which future can be shaped for further growth.

Looking back: No new additions but a great deal of improvement

Given the market situation throughout 2020 we have used this opportunity to focus on the stabilization of our financial positions in the investee companies and to provide more of a hands-on support to them. This proved to be the right approach and enabled us to survive 2020 without losses or layoffs.

In summary: Private Equity as the key component of improved efficiency and growth

While our overall strategy did not change, the pause in new acquisitions and the increased focus and involvement in the management of the investee companies uncovered several areas of possible improvements.

Given that growth and success is a result of both growth as such and the coexisting inefficiencies hampering this growth, the optimization, unification and simplification of processes undertaken in 2020 was indeed an important step in shaping the future for the investee companies and their customers.

Martin Proksa Head of Private Equity



Our aim is to establish long-term partnerships with the owners, top management and other stakeholders and create value for each of them.



FOKUS OPTICS / BRATISLAVA, SLOVAKIA

Key mandates:

- **Fokus:** Our network of 160+ eyewear retail stores which, despite all the difficulties of the Covid year, managed to roll out an exclusive Nikon lenses brand, facelift the existing brand identity, prepare new store design, upgrade IT systems, unify the supply chain for the Czech and Slovak branches, shorten delivery times and close the year without laying off any employee.
- **Sytiq:** Construction company with a track record which has proven its excellent management skills and professionalism by succeeding in number of important tenders despite the difficulties related to the Covid-19 pandemic.
- **Voltatech:** One of the top players in Slovakia in the field of high-voltage and low-voltage installations, Voltatech focused mainly on typical post-acquisition integration, identification and engagement of new key management positions as well as standardization of internal processes and shareholder reporting.

Going forward: Shaping the future of Private Equity in 2021 – Strong foundations and cautious optimism

Based on everything that was implemented and improved within the Private Equity division in 2021 we look optimistically and with cautious optimism towards the coming years and believe that Private Equity will continue to prove its value and contribution towards shaping the future on a large scale.

Our key areas for Private Equity in 2021 consist of:

- Continued interest in management buy-out and succession situations
- Focus on bolt-on acquisitions
- Looking for new investments, primarily with focus on resilient sectors and synergies with our existing activities, mainly in Real Estate division

Voltatech

Voltatech, a.s. is counted among the top players in Slovakia in the field of high-voltage and low-voltage installations. The main activity of the company is a complex range of services in the field of power engineering from design, through electrical installations, switchboards production, subsequent inspections and servicing of electrical equipment of high and low voltage and weak current devices. The company participates in major projects such as tunnel constructions and large scale residential projects such as Stein2. All of the services mentioned above are carried out by its own staff.

www.voltatech.sk

Revenue in mil. €
2020
15,75
EBITDA statement in mil. €
2020
2,82
Number of employees
2020
66

COUNTRY: SLOVAKIA



SYTIQ

SYTIQ a. s. was founded in 2019 as a mutual project by a group of seasoned professionals from the construction industry and MiddleCap as a financial investor. The project has attracted numerous experts in building construction and oil & gas line construction to come on board of Sytiq, a.s.. The brand new company quickly gained respect on the Slovak and Czech markets and become a trusted partner for key real estate developers and main construction companies in the region. MiddleCap's ambition is to support the company to become a trustworthy partner for private as well as public (infrastructure) projects in Slovakia and neighbouring countries.

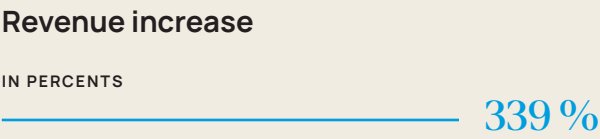
www.sytiq.com

Revenue in mil. €	
2019	2020
5,4	23,7

EBITDA statement in mil. €	
2019	2020
0,5	0,9

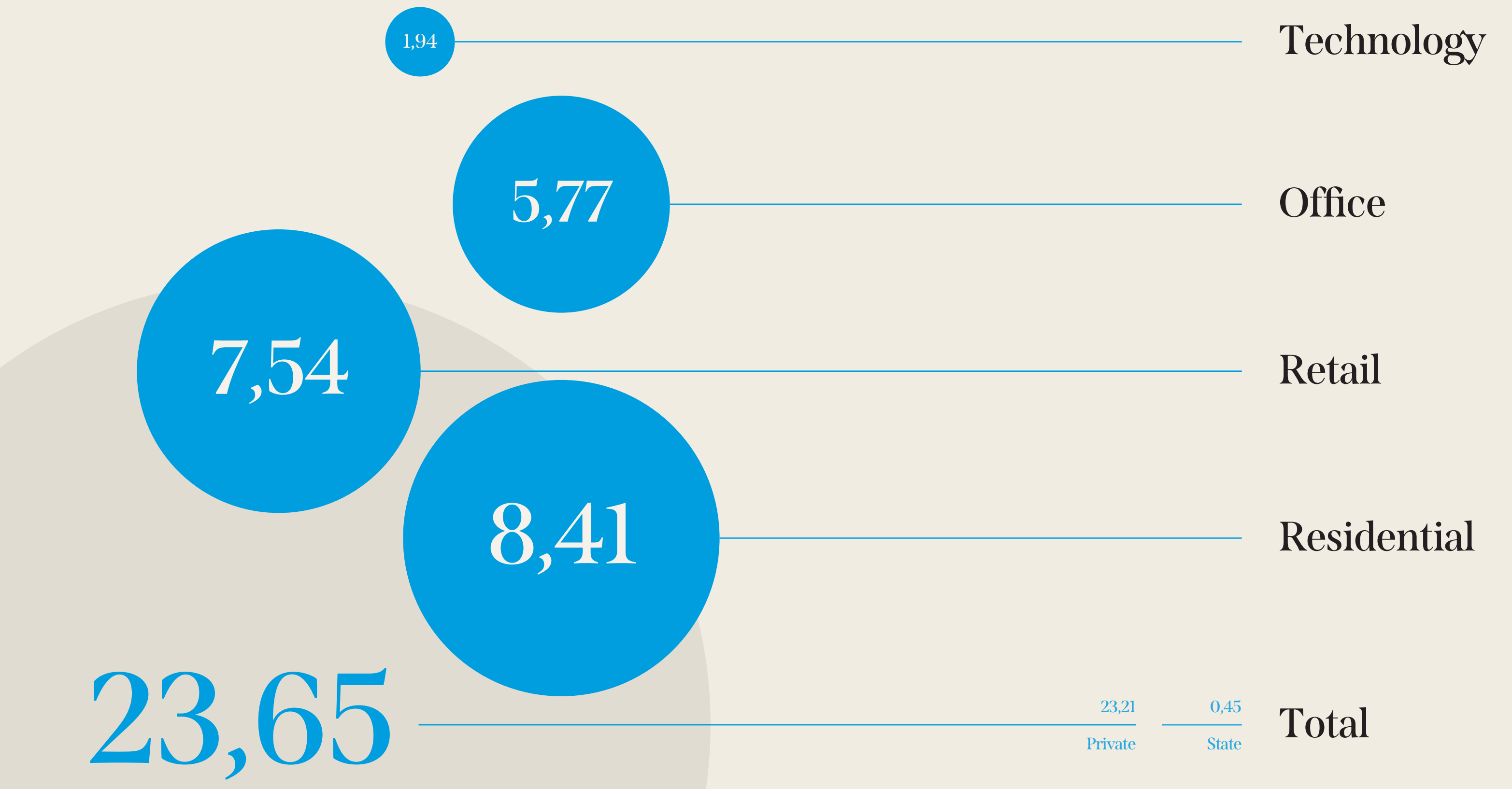
Number of employees	
2019	2020
44	46

COUNTRY: SLOVAKIA



SYTIQ BUILDING SITE / BRATISLAVA, SLOVAKIA

Client structure mil. Eur



Fokus

FOKUS was acquired by MiddleCap in mid 2019. FOKUS consisted of two independent eye wear retail companies ranking number one in Slovakia and number two in the Czech Republic. Both retailers derived from a state owned company established in the 1950's and has operated a traditional eye wear retail chain with 82 stores in the Czech Republic and 73 stores in Slovakia since then. With more than 150 stores, FOKUS is a major eye wear retailer in CEE.

www.fokusoptika.sk, www.fokusoptik.cz

Revenue in mil. €		
COUNTRY	2019	2020
SLOVAKIA	12,78	11,7
CZECH REPUBLIC	16,03	13,2
TOTAL	28,81	24,9

EBITDA statement in mil. €		
COUNTRY	2019	2020
SLOVAKIA	1,27	0,5
CZECH REPUBLIC	0,4	-0,8
TOTAL	1,67	-0,3

Number of employees		
COUNTRY	2019	2020
SLOVAKIA	253	205
CZECH REPUBLIC	289	236
TOTAL	542	441

Number of stores		
COUNTRY	2019	2020
SLOVAKIA	74	73
CZECH REPUBLIC	86	82
TOTAL	160	155



FOKUS OPTICS / BRATISLAVA, SLOVAKIA



STARTUP WORLD CUP
& SUMMIT 2020

07

Shaping startups,
shaping the future

VENTURE
CAPITAL

Venture Capital

Even with most of the world in lockdowns, economy slowing down and numerous restrictions, innovation still thrives. Or perhaps it is because of all the obstacles that human ingenuity is spurred to action even stronger to come up with new solutions to problem both old and new.

This was certainly the case on the start-up scene where the Covid-19 year has clearly shown that innovation and digitalization is the key to unlock the vast potential across industries and shape the future of our society across the globe.

Looking back: Stable growth despite business pressures and pandemic

Despite all the global complications, economic slowdown and adaptations enforced by the pandemic, we have managed to maintain a stable growth within our portfolio in 2020. This proves not only our choice in specifically composing the portfolio but also the potential of startups in general.

In summary: Venture Capital as the key component of the economic and societal recovery

Looking at the past year we can say our focus hasn't changed much. Naturally, we have become more cautious when listening to attractive pitches and evaluating bold business plans of enthusiastic entrepreneurs.

However, we still firmly stand by our conviction that we need to support people and companies looking for new and fresh solutions. If anything, the Covid pandemic has shown we as a society are going to need more innovators, not fewer, to support both economic and societal recovery and to shape a better future.

372 000+

countries represented

650+

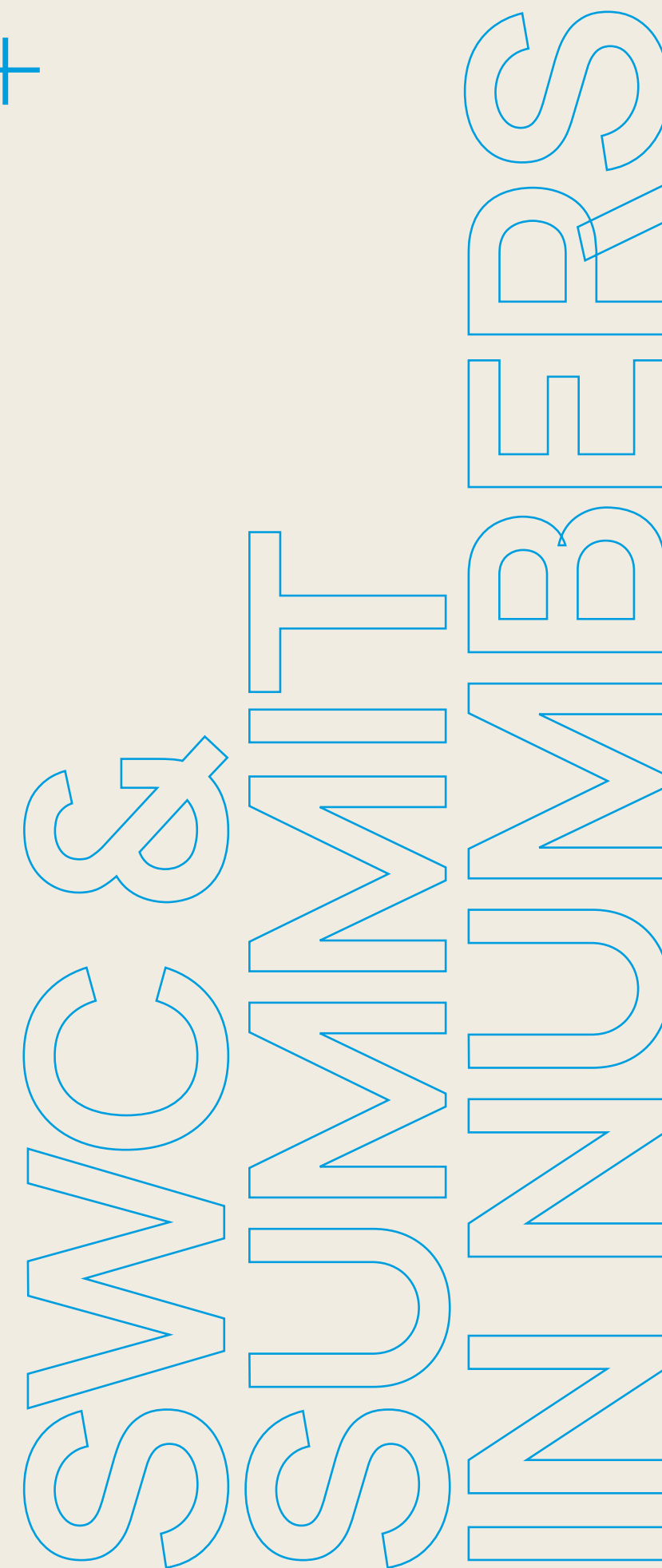
physical visitors

530+

competing startups

3

days of event





Key startups & activities:

- **Startup World Cup & Summit:** SWCS pivoted its product offering and became a remote-based educational platform with a significant impact: 2020 became the most successful event of its series and the number of visitors soared from 2 000 physically to 50 000+ in a virtual environment, which made all the keynotes, session and the resulting inspiration and knowledge accessible worldwide.
- **Insight Art:** Currently the only company on the international art authentication market using single-photon processing detectors. Major achievement of Insight Art's RToo scanner was authentication of Raphael's painting "Madonna with child" — no small feat. We believe we stand on a verge of bringing a new standard into art authentication, worldwide.
- **CROSS Network Intelligence:** Startup which helps telco providers visualize and understand their network assets by consolidating disparate data, reducing costs and increasing efficiency. In 2020, CNI nearly doubled its revenue, became adopted in numerous companies across Europe, Middle East and Africa and signed a distribution deal with the digital division of General Electric.
- **The Greenest Company:** Originally positioned to provide data-driven innovations in workplace interior design, company's focus on improving the workplace had to be broadened by the new pandemic trend of distance-mode cooperation which brought about a mixture of in-office meetings and home office. This required a dramatic reshaping of the product offering, due to which The Greenest company pivoted to a well-being app that helps to boost productivity of teams working anywhere.
- **Nahmias:** The only fashion brand (so far) among the otherwise tech-heavy portfolio.

The Los Angeles-based brand was founded in 2018, while our investment was closed during 2020. The focus during the past year was on creating new collections and laying out the strategy for the future growth in 2021 and 2022.

Going forward: Shaping the future of Venture Capital in 2021

Innovation, improvement and advancement are no longer nice to have — they are must have and more important than ever before. Unprecedented changes and adaptations brought by the pandemic, volatile economy and host of other challenges require us to place our trust and provide adequate support to well-chosen startups.

Ivan Kristel

Head of Venture Capital



Our fund receives up to three thousand requests for financing per year. for such a quantity, it is already necessary to have a filter for finding projects with potential. the fund team is therefore trying to read between the lines and find reasons to reject any project. If they do not find them, they analyze the proposal in more depth, and the whole journey to an acquisition can take several months.



NAHMIA'S LOOKBOOK / Thomas-Welch

Our focus in Venture Capital in 2021 therefore includes:

- Based on the experience with Startup World Cup & Summit we understand that networking along with all the information within the scope of a 2-day conference doesn't work for everybody. Therefore we have decided to democratise the inspirational content and become a catalyst for innovation in Central Europe region. This will be accomplished by rolling out of a all-year-long educational platform. Intended for both entrepreneurs and interpreneurs, the lectures will focus on business disruption and how to manage (and survive) it.
- Introduce the InsightArt's scanner to major art laboratories in Europe in 2021 and further develop its functions and capabilities to lead in the global art authentication market.
- Improve connectivity of CROSS Network Intelligence to all sorts of customer platforms, speed up roll-out at the customer's side and enable cloud enabled distribution. On the distribution level, CNI will focus also on new optic-fibre network providers and builders (DACH, Scandinavia, UK, USA), smaller telcos and gas and electricity distributors.
- Bringing the first major customers of The Greenest Company on the Wellness Dashboard platform and further develop this cloud product to be able to scale up in organisations of all sizes and, depending on the rate and success of vaccination, to relaunch the high-tech office product offering.
- Nahmias: The major goal here is to increase the brand awareness in the most important European fashion markets as well as focusing on the crucial US markets in New York City and Los Angeles so as to take the brand even more fully on the international scene.



08

Summary
to the consolidated
financial statements

AUDIT AT PRESENT



KPMG Luxembourg, Société anonyme
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Board of Directors of
MiddleCap Group S.A.
32-36 boulevard d'Avranches
L-1160 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

The summary consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated statements of profit or loss and other comprehensive income for the year then ended, and related notes, are derived from the audited consolidated financial statements of MiddleCap Group S.A. ("the Group") for the year ended.

In our opinion, the summary consolidated financial statements (from pages 86 to 89) are consistent, in all material respects, with the audited consolidated financial statements, on the basis described on page 90 under 'Basis of preparation'.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited consolidated financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 25 July 2022.

The Board of Directors' Responsibility for the Summary Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the summary consolidated financial statements on the basis described on page 90 under 'Basis of preparation'.

Responsibilities of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

Luxembourg, 22 September 2022

KPMG Luxembourg
Société Anonyme
Cabinet de révision agréé

Excee Tan

In thousands of EUR

31 December
202031 December
2019

Assets

Property, plant and equipment	21 815	5 598
Right-of-use assets	15 464	78 214
Investment property	77 015	74 593
Intangible assets and goodwill	23 262	20 449
Equity-accounted investees	7 698	-
Other investments	791	850
Loans provided	15 846	3 779
Trade and other receivables	2 366	149
Restricted cash	-	4 231
Other assets	449	261
Deferred tax assets	1 196	1 073
Total non-current assets	165 902	189 197
Inventories	5 929	5 990
Contract assets	1 061	514
Trade and other receivables	12 852	4 575
Current tax assets	100	133
Other assets	3 622	7 018
Other investments	-	3 845
Current loans provided	97	108
Restricted cash	-	2 821
Cash and cash equivalents	11 957	5 943
Total current assets	35 618	30 947
Total assets	201 520	220 144

In thousands of EUR

31 December
202031 December
2019

Equity

Share capital	180	180
Other funds and contributions	12 188	12 188
Translation reserve	(597)	498
Accumulated losses	(1 758)	(1 477)
Equity attributable to owners of the Company	10 013	11 389
Non-controlling interests	1 033	254
Total equity	11 046	11 643

Liabilities

Loans and borrowings	129 075	110 258
Lease liabilities	11 364	74 144
Trade and other payables	1 460	13
Other liabilities	3 457	-
Provisions	178	100
Deferred tax liabilities	882	642
Total non-current liabilities	146 416	185 157
Loans and borrowings	11 331	6 969
Lease liabilities	4 912	5 439
Income tax payable	481	203
Trade and other payables	19 608	8 325
Contract liabilities	4 229	537
Provisions	507	37
Other liabilities	2 990	1 834
Total current liabilities	44 058	23 344
Total liabilities	190 474	208 501
Total equity and liabilities	201 520	220 144

In thousands of EUR

31 December
202031 December
2019

Revenue from the sale of services	44 555	11 811
Revenue from the sale of merchandise	24 025	11 223
Revenue	68 580	23 034
Other operating income	376	1 041
Total operating income	68 956	24 075
Merchandise sold	(8 233)	(3 482)
Raw materials and energy consumption	(11 447)	(1 649)
Services	(25 846)	(9 676)
Personnel expenses	(14 663)	(6 790)
Depreciation, amortization and impairment allowances to non-current assets	(6 211)	(3 290)
Creation and use or reversal of value adjustment to trade and other receivables	(28)	(1)
Other operating expenses	(1 093)	(569)
Total operating expenses	(67 521)	(25 457)
Total operating profit / (loss)	1 435	(1 382)
Finance income	1 416	1 902
Finance costs	(2 808)	(2 856)
Net finance profit / (loss)	(1 392)	(954)
Gain on loss of control of a subsidiary	1 513	-
Share of (loss) / profit of equity-accounted investees, net of tax	16	-
Profit / (loss) before tax	1 572	(2 336)
Income tax	(1 170)	102
Profit (loss) for the period	402	(2 234)

Profit (loss) for the period attributable to:

Owners of the Company	(281)	(2 192)
Non-controlling interests	683	(42)
Profit (loss) for the period	402	(2 234)

In thousands of EUR

31 December
202031 December
2019**Other comprehensive income**

Items that are or may be reclassified subsequently to profit or loss

Foreign operations – foreign currency translation differences	(1 095)	588
Other comprehensive (loss) / income for the period, net of tax	(1 095)	588
Total comprehensive income / (loss) for the period	(693)	(1 646)

Comprehensive income / (loss) for the period attributable to:

Owners of the Company	(1 376)	(1 604)
Non-controlling interests	683	(42)
Total comprehensive income for the period	(693)	(1 646)

Earnings before interest, tax, depreciation and amortization (EBITDA)**9 408** **2 214**

Summary of significant accounting policies

Basis of preparation

The summary consolidated financial statements (pages 86 to 89) as presented in this annual report are derived from audited consolidated financial statement of MiddleCap Group S.A. (“consolidated financial statements”). The consolidated financial statements were approved by the Board of Directors of the company on 16 May 2022. These consolidated financial statements are available at the registered office of MiddleCap Group S.A., 32-36 Boulevard d’Avranches, L-1160 Luxembourg.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS/EU).

The accounting policies have applied in the preparation of the consolidated financial statements for the year ended 31 December 2020 and for comparative information presented in these consolidated financial statements as at 31 December 2019.

The consolidated financial statements have been prepared using an going concern assumption that the Group will continue its operations for the foreseeable future.

The accounting policies have been applied consistently in both current and prior accounting period presented in these consolidated financial statements.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for the financial investments which are measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in euro, which is the Company’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Basis of consolidation

Consolidated financial statements

In preparing the consolidated financial statements, the individual financial statements of the consolidated entities are aggregated on a line-by-line basis by adding together the like items of assets, liabilities, equity, income and expenses. Transactions, balances, income and expenses between the consolidated entities are eliminated.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as the identifiable net assets are acquired. Any goodwill that arises is tested for impairment annually. Any gain on bargain purchase is recognized in profit or loss immediately. Costs related to the acquisition (transaction costs) are expensed as incurred.

The consideration transferred does not include any amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within the equity. Otherwise, the subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

For information on the subsidiaries included into consolidation see below Information on the Group.

The Company is a parent company as it owns a share of more than 50% of the voting rights in other entities. The list of companies in the Group as of 31 December 2020 and 31 December 2019 is as follows:

	31 December 2020			31 December 2019	
	Country	Share	Control	Share	Control
MCP Rushworth Street S.á r.l.	LUX	100.00%	direct	100.00%	direct
AIR VENTURES s.r.o.	CZ	55.00%	direct	55.00%	direct
MCP Partners CZ, s.r.o.	CZ	100.00%	direct	100.00%	direct
MCP Advisory, s.r.o.	SK	100.00%	direct	100.00%	direct
FOKUS Optik a.s. (formerly: MCP Partners CZ II s.r.o.)	CZ	100.00%	direct	100.00%	direct
MCP Partners CZ III, s.r.o.	CZ	100.00%	direct	100.00%	direct
MCP Real Estate, s.r.o.	SK	100.00%	direct	100.00%	direct
MCP Development, s.r.o.	SK	100.00%	direct	70.00%	direct
Sytiq, a.s.	SK	70.00%	direct	100.00%	direct
MCP Real Estate, GmbH	DE	100.00%	direct	100.00%	direct
FOKUS očná optika, a.s. (formerly: MCP Investments II, s.r.o.)	SK	99.86%	direct	99.86%	direct
Lake Development, s.r.o.	SK	100.00%	direct	100.00%	direct
MCP S.á r.l.	LUX	100.00%	direct	100.00%	direct
Nivy Development, s.r.o.	SK	100.00%	direct	100.00%	direct
Sytiq International, a.s.	SK	100.00%	direct	100.00%	direct
MiddleCap Real Estate Ltd	GB	100.00%	direct	100.00%	direct
MCP Seal House Ltd	GB	0.00%	direct	100.00%	direct
MCP Bermondsey Yards Ltd	GB	100.00%	direct	100.00%	direct
MCP Snowsfield Ltd	GB	100.00%	direct	100.00%	direct
MCP Real Estate Fund GP S.á r.l.	LUX	100.00%	direct	100.00%	direct
VOLTATECH a.s.	SK	70,00%	direct		
VOLTA Technologies	SK	100,00%	direct		
CMP Leasing Limited	Isle of Man	100,00%	direct		



