

# ANNUAL REPORT



MiddleCap

2022



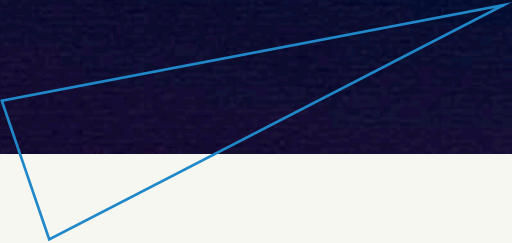
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# CEO's Foreword

**Michal Kviečinský**  
CEO & Partner



The two pandemic years 2020 and 2021 challenged business around the world in unprecedented ways. As we were looking forward to a return to business stability and normality, the early days of 2022 brought an unexpected twist with the Russian-Ukraine war, profoundly impacting people and businesses around the globe. In addition to these geopolitical challenges, we faced a concurrence of economic headwinds, including growing inflation crisis and mounting energy crisis in Europe.

## Financials

MiddleCap Group navigated through another challenging year, increasing group's EBITDA to 20 mil. EUR and demonstrating resilience as revenues declined within our private equity companies, without any major adverse outcomes. In 2022, we have seen significant increase of financing costs on the markets resulting in continuous adverse impact on our overall profitability.

## Real Estate

Our Real Estate division achieved remarkable milestones, reinforcing our commitment to excellence, innovation and sustainability. I am delighted to share key highlights of our journey through the year.

## Southworks

We proudly signed our first two tenants at our Southworks project on Rushworth street, our flagship office development in the London real estate market achieving 42% occupancy. We took a design-forward approach when we fit-out the second floor, showcasing the possibilities of modern office spaces to set a new standard in aesthetics and functionality. Our Southworks building was highly commended at Property Week-Newcomer Award in Commercial Property and was shortlisted for Best New Build at OAS Awards. In 2023, we will be launching an innovative concept for flexible office spaces, reflecting our forward-thinking approach and commitment to adaptability.

## Sealhouse

We secured a 155-year leasehold agreement for our Sealhouse project on Thames river bank in London City, marking a significant milestone in the realisation of this remarkable venture. Furthermore, signing of the development agreement, including a five-year delivery period, marked another key step forward, with stage three design finalisation and the issuance of tender packages to five potential Tier One General Contractors. This milestone has not only paved the way for the commencement of our leasing strategy but also initiated the tender process for selecting





leasing agent, set to be finalised in 2023.

#### **Private equity**

Our optical chain FOKUS made a strong recovery from the challenges posed by the pandemic years and started to move towards improved results.

Another private equity investment VOLTATECH, providing electro-installation services, experienced decline in revenue primarily due to reduced activity in construction and industrial projects and private and public investments as well as rising material costs.

In 2022, the primary focus for SYTIQ was financial stabilisation and strengthening its position on the construction market. This occurred within a dynamically shifting landscape marked by constrained construction material availability and price escalations driven by the COVID-19 pandemic and the conflict in Ukraine. Despite these considerable challenges, SYTIQ not only increased its revenue but also managed to secure a profit.

#### **Advisory**

I am particularly proud to highlight the remarkable achievements of our advisory divisions. Our Czech Republic advisory team successfully completed a significant real estate transaction while advising ZFP

Investments in purchase of Blumental Offices in Bratislava, Slovakia. Furthermore, our Slovak advisory team embarked on two real estate transactions during the course of 2022 heading towards a successful completion in following 2023. These achievements demonstrate our division's commitment to excellence and its invaluable role in driving success and exemplify our strategic foresight and determination to create lasting value.

In 2022, we navigated through turbulent waters, turning challenges into catalysts for growth and transformation. Our remarkable dedication and a spirit of continuous improvement fuelled our strategic initiatives that position us for long-term success.

We pushed through adversity and fortified our foundation for growth with determination and cost-effective measures, priming us for new opportunities in 2023. We deeply appreciate our dedicated employees, loyal shareholders and supportive partners who drive MiddleCap Group's unwavering commitment to delivering value.

Thank you for your trust in MiddleCap Group.

**Michal Kviečinský**

CEO & Partner MiddleCap Group









# 01

## MIDDLECAP GROUP

MiddleCap Group has four divisions. Our main focus is on providing Advisory services, Real Estate development, investing in Private Equity and Venture Capital



## The MiddleCap Group

is a Luxembourg-based private holding that operates in the United Kingdom, Germany, Slovakia, and the Czech Republic.

We provide full range of advisory services in M&A, restructuring, acquisitions and corporate finance.

As a mid-size real estate developer, we focus on smart and sustainable office buildings and residential developments in the United Kingdom, Germany, and Slovakia. In each country we attract the best talents from the sector, which enables us to deliver the best quality service and develop extraordinary buildings.

MiddleCap Group also invests in private equity. Headline investments include an eyewear chain in the Czech Republic and Slovakia, and the establishment

of construction and electro installation technology companies that mainly provide services on the Slovak and Czech markets.

The Group is interested in venture capital investments, and already has four start-ups in its portfolio.

MiddleCap Group's main pillars are sustainability and technology, which are considered at each step of the company and across all divisions. We recognize the crucial role of ESG and its implementation at each company, development and advisory services, and we are on the path to decarbonizing our activities within the whole group and its processes.

**EBITDA  
increase 9M EURO  
in 2022**



| Operating income by division in €M | 2022      | 2021      |
|------------------------------------|-----------|-----------|
| Advisory                           | 1         | 1         |
| Real Estate                        | 9         | 3         |
| Private Equity                     | 66        | 88        |
| Private Equity - Fokus             | 31        | 30        |
| Private Equity - Sytiq             | 29        | 27        |
| Private Equity - Voltatech         | 6         | 31        |
| Venture Capital                    | 0         | 0         |
| Others                             | 12        | 2         |
| <b>Total</b>                       | <b>88</b> | <b>94</b> |

| Headcount                   | 2022       | 2021       |
|-----------------------------|------------|------------|
| <b>Slovakia</b>             |            |            |
| Advisory                    | 11         | 22         |
| Real estate                 | 4          | 10         |
| Private Equity              | 364        | 339        |
| Private Equity - Voltatech  | 95         | 70         |
| Private Equity - Fokus      | 219        | 208        |
| Private Equity - Sytiq      | 50         | 61         |
| <b>Slovakia Total</b>       | <b>379</b> | <b>371</b> |
| <b>Czech Republic</b>       |            |            |
| Advisory                    | 0          | 3          |
| Private Equity              | 306        | 320        |
| Private Equity - Fokus      | 306        | 320        |
| Venture Capital             | 0          | 2          |
| <b>Czech Republic Total</b> | <b>306</b> | <b>325</b> |
| <b>United Kingdom</b>       |            |            |
| Real Estate                 | 4          | 4          |
| <b>United Kingdom Total</b> | <b>4</b>   | <b>4</b>   |
| <b>Germany</b>              |            |            |
| Real Estate                 | 3          | 2          |
| <b>Germany Total</b>        | <b>3</b>   | <b>2</b>   |
| <b>Luxembourg</b>           |            |            |
| OH                          | 5          | 1          |
| <b>Luxembourg Total</b>     | <b>5</b>   | <b>1</b>   |
| <b>All countries total</b>  | <b>697</b> | <b>703</b> |







# 02

## SIGNIFICANT EVENTS

# Milestones in 2022

## 01

### **Blumental** **Advisory**

MiddleCap provided complex transaction consultancy to ZFP Investments in acquisition of Blumental office building in Bratislava, Slovakia

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## 02

### **Southworks** **Real Estate**

Southworks office development on Rushworth Street in London landed pioneering sustainable food company Upfield with lease of 10,000 sq ft of office space

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## 03

### **Southworks** **Real Estate**

Global consultancy firm Steer signed ten year lease for over 17,000 sq ft of office space in office development on Rushworth Street, London

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## 04

### **SealHouse** **Real Estate**

Secured a 155-year leasehold agreement for land plot on the Thames riverbank Initiated the tender process for selecting a general contractor and finalize leasing agent selection in 2023

# 05

## **Ritterstrasse** **Real Estate**

We collaborated with architectural studio MVDRV on an innovative concept, enhancing the local environment with residential elements facing inner courtyards and commercial spaces fronting the street, creating vibrant public spaces and improved accessibility

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# 06

## **Moritzstrasse** **Real Estate**

Commencing a partnership with architect Eike Becker to develop the ambitious Princess Tower concept, revitalizing Moritzstrasse's role in town connectivity and offering cyclist amenities at a key crossroads

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# 07

## **Rathenowerstrasse** **Real Estate**

Successfully achieved carbon neutrality in our inaugural project in Germany, showcasing sustainability through efficient materials, technology, and enhanced comfort in 30 dual-aspect apartments









# 03

## REAL ESTATE

MiddleCap Real Estate division operates in Germany, United Kingdom, and Slovakia. We actively seek new business opportunities in Central Europe and the UK. Our long-term strategy is to maintain and stabilize assets which are part of our portfolio. While in the process of buying and developing our projects, we consider the sustainability and technology of each site. We also focus on the building's character, which means using handcrafted features and materials which support wellbeing and create a welcoming atmosphere of the building.



## Tomáš Jurdák Partner Real Estate & Head of Division

“Developers, architects, builders, consultants and everyone involved in a real estate project needs to constantly assess the opportunities for improving its environmental credentials. There are limitations – the planning system couldn’t and shouldn’t be sidestepped – but we keep pushing ourselves and our buildings harder.”

## 2023 Outlook

- **ACHIEVE FULL OPERATIONAL STATUS BY SUCCESSFULLY COMPLETING LEASING ACTIVITIES FOR SOUTHWORKS.**
- **INITIATE THE GENERAL CONTRACTOR TENDER, BEGIN GROUNDWORKS, AND COMMENCE PILING WORK FOR SEALHOUSE.**
- **IMPLEMENT CARBON TRANSPARENCY CALCULATIONS FOR SEALHOUSE.**
- **ASPIRE TO DEFINE STRATEGIES FOR DECARBONISING OUR UPCOMING DEVELOPMENTS.**



- **Southworks achieved** 43% occupancy rate by securing first two new tenants adding 27 000 sq ft of leased space
- **Southworks was shortlisted** for the OAS awards in the category of Best New-Build City, earning recognition in the industry.
- **A significant milestone** was reached with the signing of long-term leasehold agreement for SealHouse
- **SealHouse initiated** pivotal processes by launching the selection of a general contractor and leasing agents
- **Progressing** in our development and planning phase, we have been actively appointing architects and refining work concepts for Berlin projects
- **An Environmental Impact** Assessment certificate was granted for our Slovak Ružinov project affirming our commitment to sustainable development and aim for completion of development phase

- **SEEK EIA VALIDATION FOR OUR RUŽINOV PROJECT AND MOVE FORWARD IN DEVELOPMENT AND CONSTRUCTION.**
- **FROM POINT OF INVESTMENT STRATEGY LOOK AHEAD TO EXPLORE NEW INVESTMENT OPPORTUNITIES IN LONDON AND BERLIN, REVIEWING POTENTIAL NEW ASSET CLASSES, AND REFINING OUR INVESTMENT STRATEGY WITH A FOCUS ON GREEN INVESTMENTS AND INFRASTRUCTURE INVOLVEMENT.**

## Seal House

MiddleCap has signed a 50/50 joint venture agreement with PPF to bring forward the office development of Seal House on the north bank of the River Thames. The agreement represents a significant vote of confidence in the long-term resilience of London's commercial real estate market by two prominent European real estate investors.

MiddleCap purchased Seal House in October 2019. The City of London Corporation granted consent for proposals to redevelop Seal House, an 11-storey 1970s office building, in March 2019 as part of its strategy to regenerate the City's riverside. The designs were proposed by Eric Parry Architects and provide over 131,000sq ft of office space, 10,040sq ft retail & restaurants, more than 260 cycle spaces, basement showers, external terraces, ground floor retail spaces, and a public viewing gallery with a dedicated lift.













# London

## Southworks

Developed by MiddleCap and designed by SPPARC, Southworks is a 7-storey, 70,000sq ft scheme located on Rushworth Street in Southwark, close to Borough Market.

The building was named “the smartest building in the world” at the Real Estate & Building Futureproof awards, as it brings together technological and natural features to form a landmark post-pandemic, future-proofed office. Sustainability and wellbeing factors were prioritized throughout design and construction to create an optimum space for companies, employees, and the environment.

Southworks became the first UK building to achieve the Smart Building Certification Platinum certificate, only the second globally, and has also been certified as BREEAM Outstanding.

The new building features a number of technologically innovative measures, which combined with high-quality architecture and design elements create a responsive and productive environment that enhances users’ safety and wellbeing. Smart features Embedded with Internet of Things (IoT) technology developed by Dutch proptech company bGrid, Southworks features a central sensor platform functioning as the building’s ‘brain’, with the sensors plugged into the HVAC system and lighting controls. The system also measures other environmental variables such as internal and external air quality, density, occupancy, and noise levels.

The use of smart sensors and IoT-based technologies helps to ensure air, water, and electricity resources are delivered cleanly and efficiently throughout the building, reducing energy use and maximising environmental performance.

The office building is also equipped with the global tenant engagement platform OfficeApp’s smartphone app, which provides the building’s tenants with seamless access to a variety of services and amenities, including on-demand desk and room booking, F&B ordering, community engagement, issues reporting, and communications. It enables touchless building access, live occupancy, environmental and air quality information, and contactless temperature and lighting controls.



## Moritzstrasse

Our project on Moritzstrasse will be a new mixed-use social hub for this hitherto undiscovered city corner, with direct connection to Berlin's popular Alexandersplatz..

The concept will be realized in collaboration with the esteemed local architect, Eike Becker, known for his intimate understanding of Kreuzberg's unique character. His expertise allows us to seamlessly integrate broader masterplan considerations, works at the interface between architecture and urban planning and using innovative materials and technology. Like us, the talented team believes in delivering real estate's social responsibilities in bold new ways.

Our ambitious Princess Tower concept not only complements the city gate system but also revitalizes the significance of Moritzstrasse as a crucial pathway linking the town to Alexanderplatz. Situated at a prominent intersection for cyclists, the building offers convenient pit-stop amenities for bike enthusiasts.













# Berlin

## Ritterstrasse

We all know the perils of climate change increase where the earth is sealed by man-made materials. Where stone and asphalt store heat, preventing the city from cooling down at night. Where plants cannot grow, meaning more harmful CO2. Worse still, heavy rain regularly overloads the Berlin sewage system, polluting the River Spree. Such challenges can only be solved through pioneering urban thinking. We will bring new life to the location, full of greenery.

Work on Concept with the renowned architectural studio MVDRV enabled us to conduct extensive research with diverse stakeholder groups, addressing the local environment's needs and enhancing the microlocation. The concept thoughtfully combines residential elements facing inner courtyards with commercial functions fronting the bustling street, creating an active frontage and public space. This initiative enriches the Ritterstrasse experience and amenities for the community, facilitating improved access to the inner yard's unique features.





## Rathenowerstrasse

Our latest project, Rathenowerstrasse, situated in the quiet district of Moabit, is a testament to our ambitious vision. As we strive for excellence, this project marks a significant milestone as our inaugural carbon-neutral endeavor.

This mixed-use development encompasses residential, office, and retail spaces within an eco-friendly structure, exclusively powered by an interconnected network of photovoltaic panels. Our objectives are nothing short of exceptional: achieving net-zero carbon emissions, attaining DGNB Platinum certification, and securing Smart Building Platinum status. We've achieved this remarkable feat through a synergy of cutting-edge building materials, advanced technology, efficient heat recovery, and the utilization of groundwater heat pumps. Each of the 30 apartments offers dual aspects and features additional controls to ensure an elevated level of comfort for residents.













## Project in Ružinov

Designed by the acclaimed practice Jakub Cigler Architekti, our project will help revive Ružinov, Slovakia's largest residential district. The scheme's scope includes creating a brand new Papánko-vo plaza, green public space and modern amenities, from shops to coffee houses and restaurants. A place that's both new and fitting for its neighborhood, serving all Ružinov citizens and its visitors.

We are exploring ways to reduce embodied carbon and enhance long-term sustainability, while creating high-quality public space. Our project will revitalize the 1980's department store and transform the site into a thriving and green residential neighborhood.





## Delivered projects



## Gorkého4 Offices

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**Spilka  
Offices**

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**Steinerka  
Business  
Centre**

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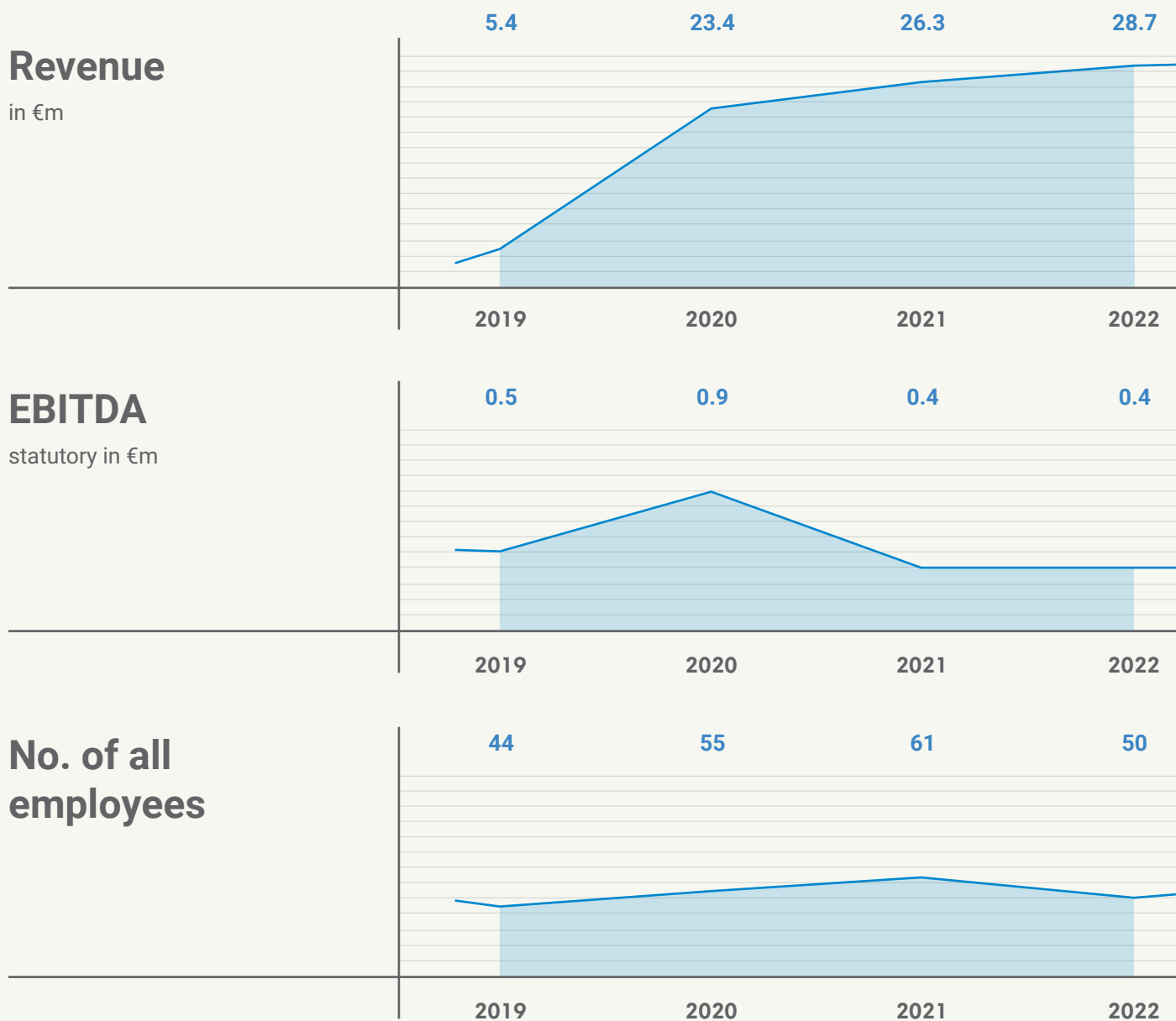
# 04

## PRIVATE EQUITY



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 join the board of SYTIQ. The company quickly gained respect on the Slovak and Czech markets, and became a trusted partner for key real estate developers and the main construction companies in the region. MiddleCap's mission is to support the company to become a trustworthy partner for private as well as public (infrastructure) projects in Slovakia and neighbouring countries as well as supporting MiddleCap own real estate development projects.

At the outset of 2023, the Group and SYTIQ's to management reached agreement on execution of a management buy-out and as such fulfilled its mission with the company. The transaction was completed in February 2023.





**Expected  
revenue  
in 2023**

**30M EURO**

**Revenue  
increase 9 %  
in 2022**







## Revenue increase

**Slovakia 0,6M**

**Czech Republic 0,6M**



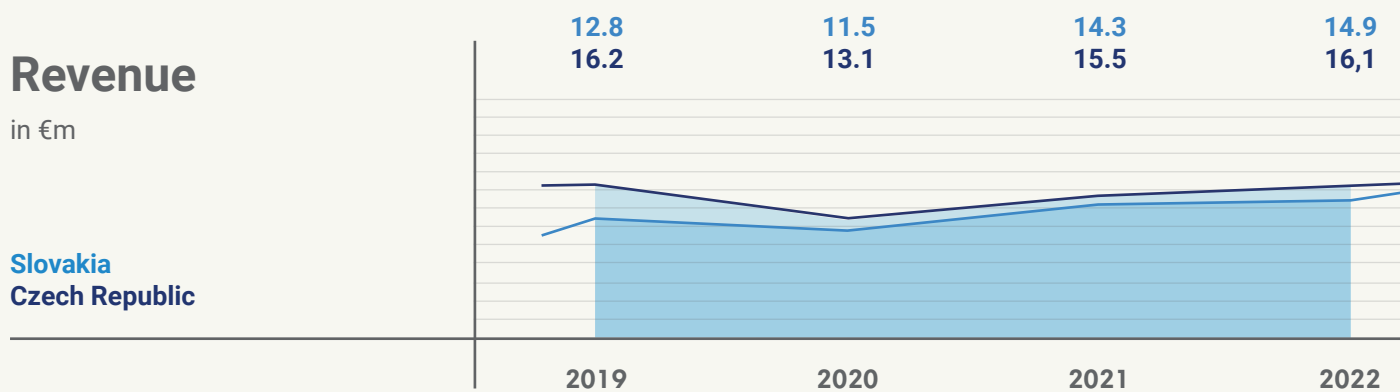


Prior to being acquired by MiddleCap, FOKUS consisted of two independent eye-wear retail companies ranking number one in Slovakia and number two in the Czech Republic. Both retailers derived from a state owned company established in the 1950s, and has operated a traditional eye-wear retail chains with 86 stores in the Czech Republic and 74 stores in Slovakia since then.

FOKUS is a retailer offering an anti-cyclic product with solid organic growth prospects driven by the aging population and rising personal income. As such, it fits well to our investment strategy. By aspiring to be the number one player in Slovakia and one of the top players in the Czech Republic, MiddleCap created an extraordinary platform for the consolidation of the highly fragmented Czech-Slovak market, as well as an opportune basis for further CEE expansion. With more than 150 stores, FOKUS is currently a major eye-wear retailer in CEE. MiddleCap's ambition is to drive business change with a focus on innovations in order to create a modern and prosperous group that provides first-class eye-wear services. Being a succession story, we believe that catalysed by a modern management approach and leveraging highly skilled professional staff and a traditional brand, FOKUS is a great candidate for transformation into a number one eye-wear retailer in CEE that delivers exceptional service to customers and creates value for stakeholders.

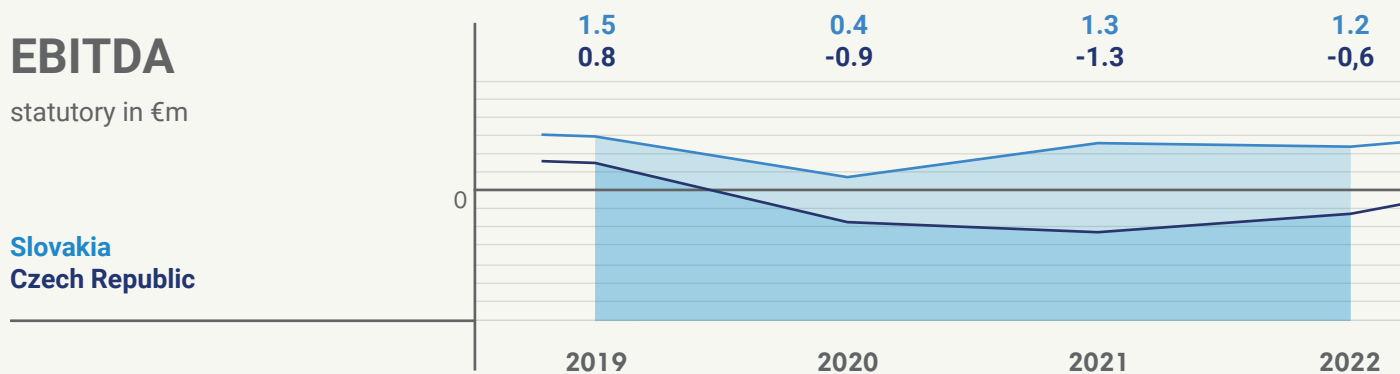
## Revenue

in €m



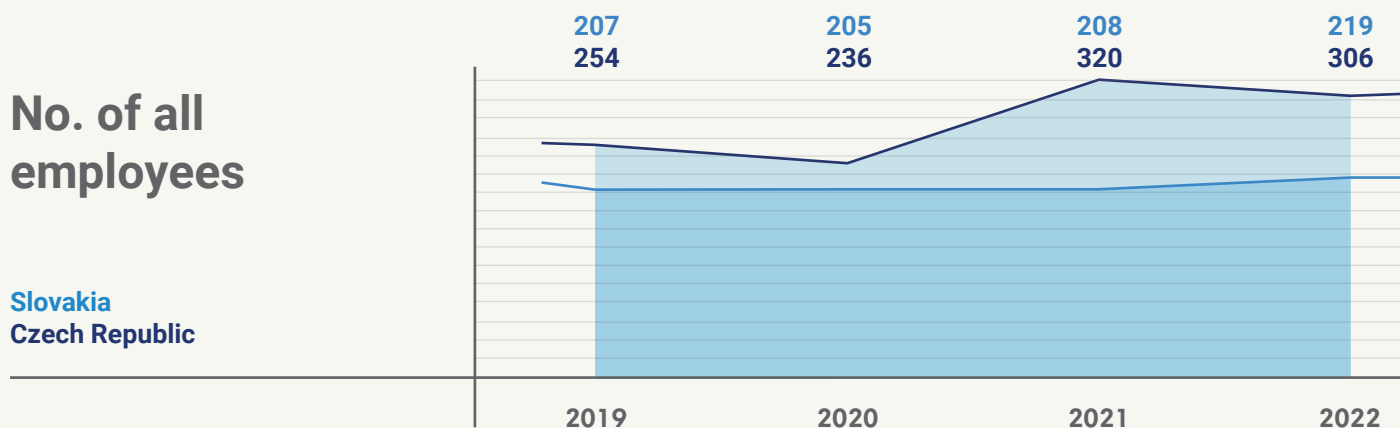
## EBITDA

statutory in €m



## No. of all employees

Slovakia  
Czech Republic



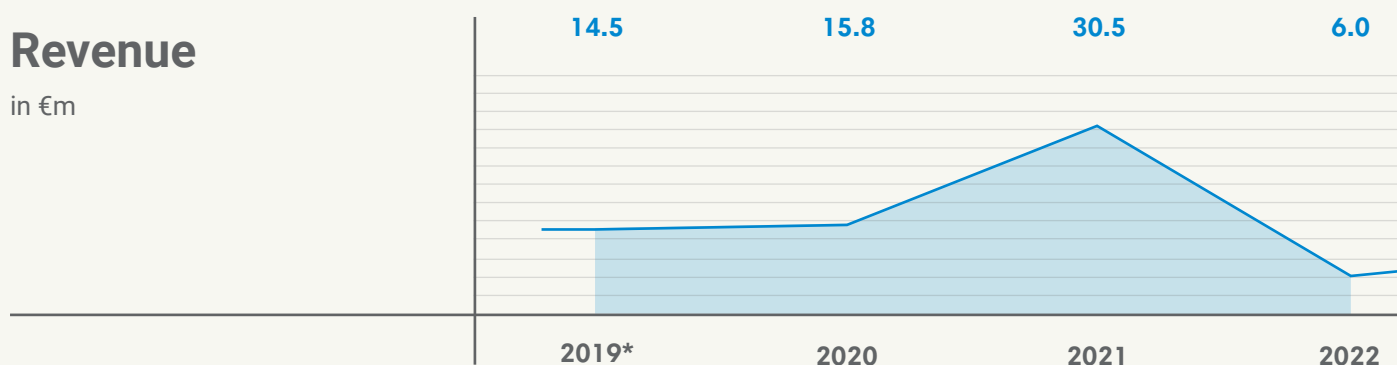


VOLTATECH, acquired by MiddleCap Group in January 2020, is one of the market leaders in electrical and intelligent installations, predominately focused on sophisticated design solutions. Considering the Group's strong real estate orientation, the project acquisition of VOLTATECH provides a robust precondition for the solid vertical integration and fit into the Group's business operation.

VOLTATECH is among the top players in Slovakia in high-voltage and low-voltage installations. Its main activity is to provide comprehensive services in 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.

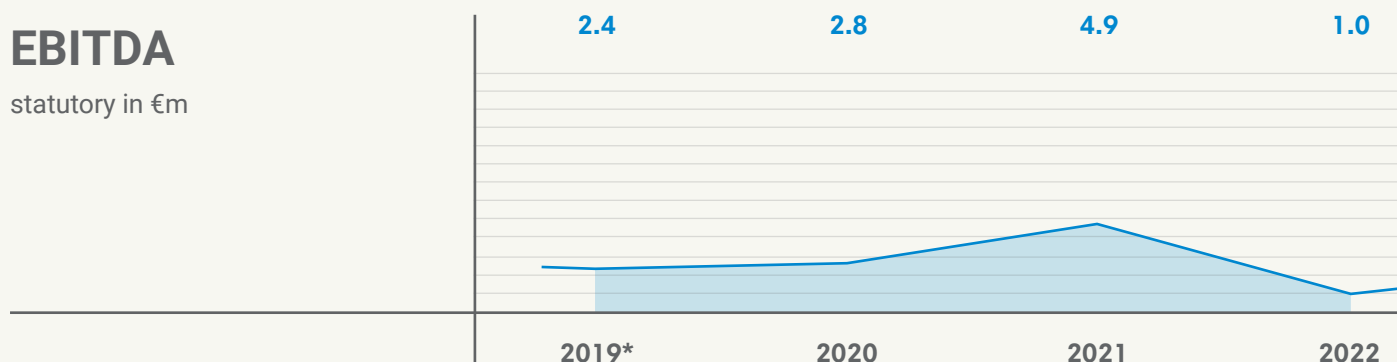
## Revenue

in €m

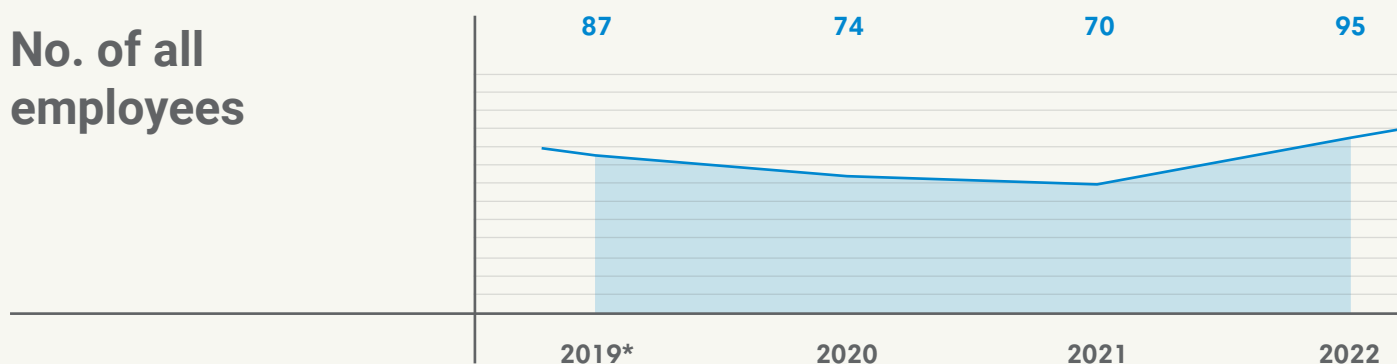


## EBITDA

statutory in €m



## No. of all employees



\*2019 not part of the Group



**Expected  
revenue  
in 2023**

**13M EURO**





## Martin Proksa Head of Private Equity

"We do not see FOKUS as a retail chain just for fashionable glasses. We bring know-how and expertise to the segment, and see eyewear as something that can significantly increase users' quality of life."

## 2023 Outlook

- INTRODUCING **NEW BRANDS** TO OUR STORES
- **MODERNIZATION** OF OUR LENS EDGER WORKSHOP IN BRATISLAVA

# 2022

## in summary

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### FOKUS

- **Cost efficiency**
- **Hiring new CEO**
- **Post-COVID financial stabilisation**
- **Focus on customer experience**
- **Sales staff education**
- **Introduction of data-based decision-making principles**
- **Selection process of key supplier for lenses**
- **Re-negotiation of key supplier contracts**

- **LAUNCH OF A NEW AUTOMATED LENS EDGING CENTER IN BRATISLAVA**
- **NEW HEADQUARTER OFFICES IN PRAGUE AND BRATISLAVA**
- **EXPANSION OF B2B PROGRAMS**





# 05

## ADVISORY

As a proven provider of Advisory services in Mergers & Acquisitions, Real Estate Advisory, Financing, Restructuring and Valuation, we consider ourselves a boutique advisory firm with a successful track record and an experienced Slovak and Czech team. Our client-first and tailored approach enables clients to extract maximum value from every transaction – so whether they're investing in assets regularly or as a once-in-a-lifetime opportunity, clients return to us because they trust our approach and values.



**In 2022, as companies began to recover from the COVID-19 pandemic, the sudden onset of the Russian-Ukrainian conflict, together with an outburst of energy and inflation crisis, posed additional challenges and uncertainties, diminishing the possibility to return to normalcy.**

In the light of ongoing challenges, our Advisory division continued to excel, marking another successful year in terms of transaction volume and value. Notably, we successfully concluded one significant transaction while initiating two more with expected of achieving successful closures in 2023. Throughout the year, we maintained our unwavering commitment to delivering high-quality services, strengthen our reputation as trusted and professional real estate advisor.

### **Blumental Offices**

ZFP Investments acquired a 100% stake in Blumental Offices, mixed-use office complex, from Corwin, a Slovak real estate development group operating primarily on

the Slovak and Slovenian markets. Acquisition was significant step in ZFP Investment's further expansion of real estate portfolio on Slovak market and strengthen its presence. Blumental Offices ticks all the prime real estate boxes and is a perfect fit for its diversified portfolio.

Blumental Offices, an office building situated in Bratislava's Old Town with a short distance from the Račianske nádražie transport hub, was completed in 2018 offering more than 21,000 sq m of lettable space over twelve floors. Blumental Offices is a premium-category A class office building that has been awarded LEED Gold certification, highest standards in the field of sustainability. Among reputable tenants belong Zurich Insurance Company, the Slovak Banking Association, TPA AUDIT and P3 Logistics.



Martin Proksa, Head of Private Equity MiddleCap,  
leading advisor of the buyer's team of advisers in the acquisition.

**"We are honoured that ZFP Investments appointed us as its main adviser for the purchase of Blumental Offices. Both the buyer and the seller were assisted by companies boasting a long-standing formidable reputation and experienced teams of consultants, which went a long way to smoothing the entire transaction."**



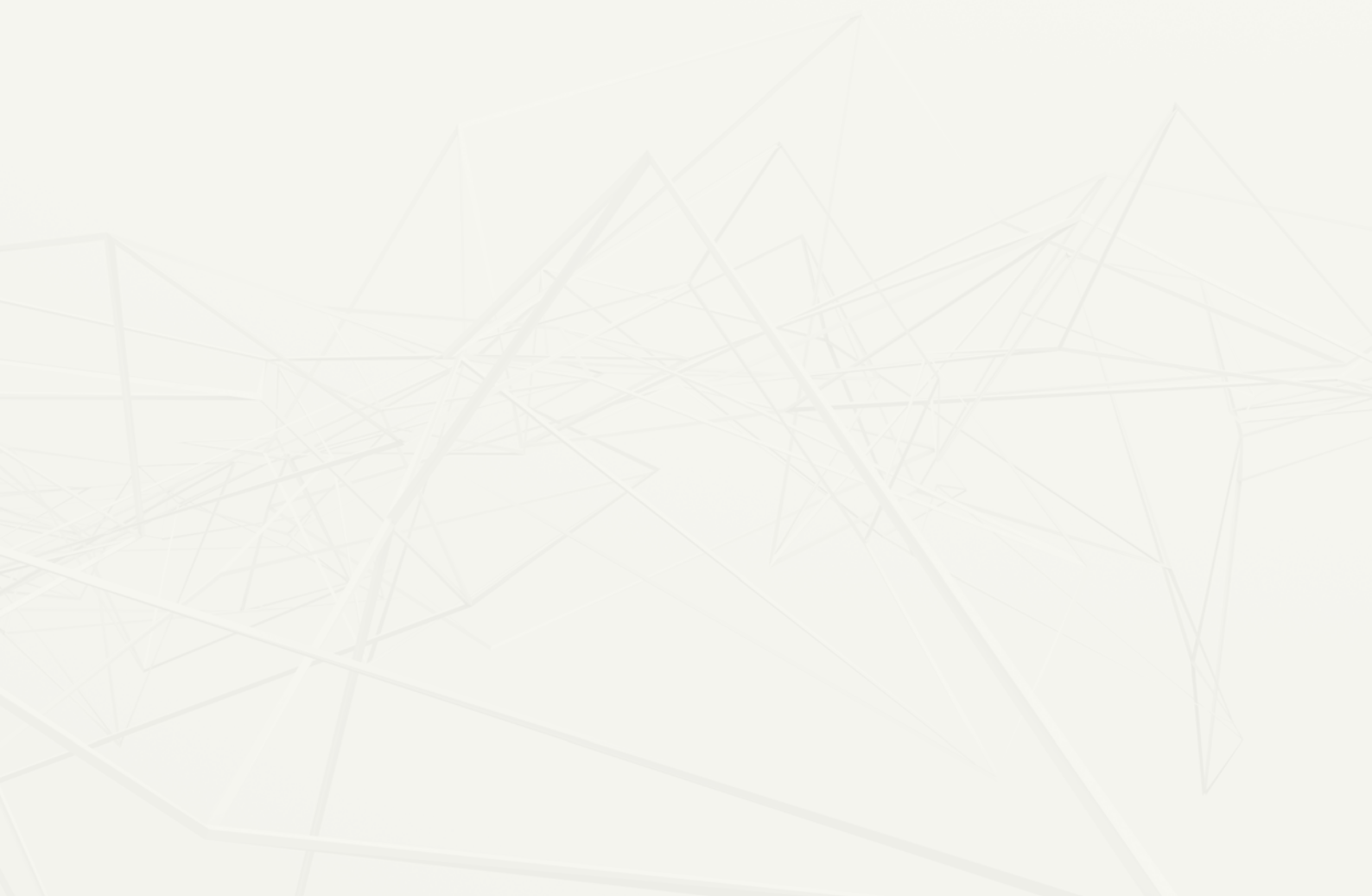


## Marcel Chrapek Head of Advisory SK

“Following successful year 2021, recorded with highest volume of finished transactions, we maintained our momentum and continued to excel in 2022 where we jumped on three another real estate transactions, of which one was sucesfully completed in 2022 and remaining two with the expectation of successful completion in 2023”

## 2023 Outlook

- FINALIZATION OF **TWO SIGNIFICANT REAL ESTATE TRANSACTIONS:** TWO BUY SIDE ADVISORY FOR AN OFFICE BUILDINGS IN BRATISLAVA, SLOVAKIA
- FOCUS ON **REAL ESTATE TRANSACTIONS**



- **ACTIVE PITCHING** FOR FURTHER POTENTIAL MANDATES
- **PROVIDE EDUCATION** TO OUR TEAM – NEW SKILL-STRENGTHENING WORKSHOPS







# 06

## VENTURE CAPITAL





# Cross Network Intelligence

Top-notch network inventory product "CROSS" provides the single point of truth for many telco operators across the globe already.

Networks of the future (TELCO and beyond) are becoming more "cloud native", "virtualized", and flexible, more scalable, and more sophisticated. They are being designed to deliver far greater operational efficiency to network operators. However, they only deliver these benefits when supported by powerful OSS/BSS solutions.

That's why CROSS Network Intelligence is essential for unlocking value following an operator's investment in modernizing their networks.

Providing its product and services to clients like T-Mobile, NEXERA, Global Connect, Benestra, PRE, O2, CEZ, AFRIX Telecom, BNET, TET and much more - Cross Network Intelligence is a driver for quality assurance and the development of key assets of global players.











# Insight Art

Insight Art is revolutionising the art world with next-generation x-ray imaging technology, previously only available at the cutting-edge of particle physics research. Our mission is to safeguard the world's artistic heritage with state-of-the-art tools designed to assist art restoration experts and reveal forgeries.

Based in Prague, InsightArt was launched in 2018 and is a subsidiary of ADVACAM a NASA-certified supplier and developer of patented WidePIX single-photon processing detectors that grew from Medipix chip research at CERN.

InsightART's 2D and 3D RToo x-ray scanners are equipped with customized WidePIX detectors fitted with smart pixels that measure the wavelength of individual photons. This advanced technology enables us to capture a previously unseen level of detail with far less noise, sharper contrast, and much wider dynamic range than traditional x-ray imaging techniques.

InsightArt is the only company on the international art authentication market today using scanners with single-photon processing detectors. No competitor can match the level of quality and information that we provide.

Our interdisciplinary team of scientists and art restorers are experts at scanning and analyzing a wide range of fine art objects. This includes not only two-dimensional paintings but also three-dimensional objects such as sculptures and statuary, furniture and archaeological artefacts, using custom-built robotic arms developed by sister company, Radalytica.

InsightArt's game-changing technology and expertise gives unmatched insights into the essence of artwork. InsightArt provides art collectors, auction houses, and museums with a powerful new front-line defense to mitigate the risk of forgery and safeguard investments. For art restorers and researchers, brings a high-tech tool kit to assist with the preservation and restoration of artefacts by providing an unprecedented level of information about the inner composition of fine art objects. Thanks to the extreme sensitivity of patented scanners and expertise in providing superior-quality outputs and analysis, we are confident that InsightArt is the future of art authentication.

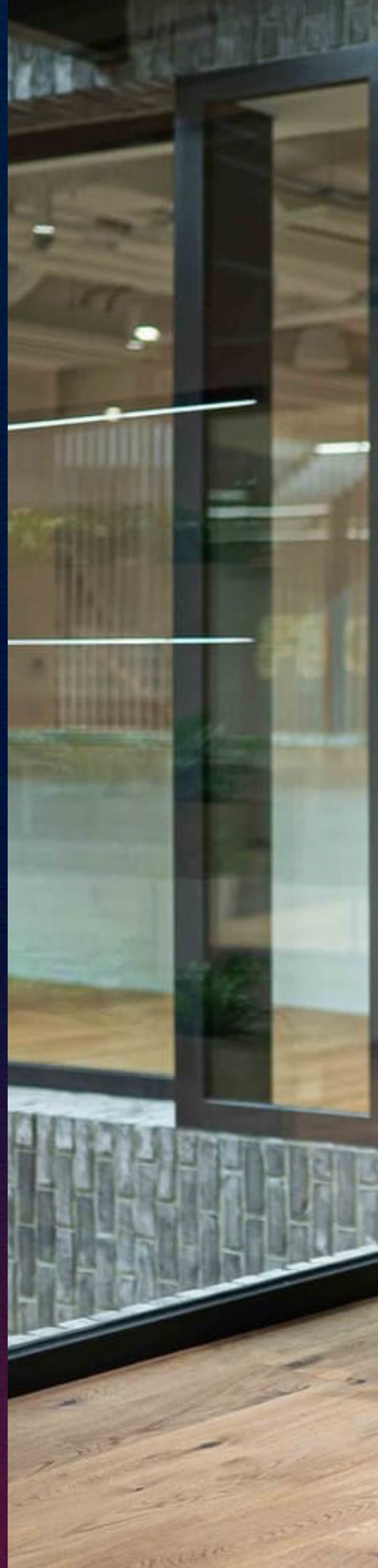


# The Greenest Company

The environment has a huge impact on us. Where we spend time directly affects our ability to concentrate, our error rate, headaches, and sickness rates. And because we spend 90% of our time under a roof, buildings have the biggest impact on us.

We often don't realize how much it affects us. The environment is very difficult to measure, and to understand all the contexts would need a psychologist, architect, sociologist, economist, and anthropologist. Therefore, most of us do not monitor the quality of the environment, and don't know how it affects our productivity, happiness, or health.

That's why The Greenest Company was founded. To further explore the impact of the environment on us and to design products and services that will improve it like Greenest Dashboard, Green Walls, and Space Monitor Sensor System.











## Disruptors (ex Start-up World Cup & Summit)

We produce a diverse fleet of content, the Disruptors Summit with the European Startup Championship Finale is our flagship. Our podcasts, local startup competitions, hackathons, and no pitch meetups are other prime vessels.

Disruptors Summit is the major event in the tech & start-up territory. It takes place in the beating heart of Europe, in Prague, Czech Republic. Apart from the clash of the





regional startup champs, the summit hosts titans of the business world.

The European Startup Champion League finals are held in Prague, and the winner continues to the Startup World Cup global finals in Silicon Valley. Previous editions have featured such luminaries as Steve Wozniak, co-founder of Apple and computer engineering legend, Esther Wojcicki, journalist and education innovator, Kyle Corbitt of Y

Combinator, Tosca Musk, CEO of the streaming service Passionflix and sister of Elon Musk, Tom Cwik of NASA, Martin Tolar developing a cure for Alzheimer's disease, Marvin Liao of the 500 Startups incubator, Vince Steckler, CEO of Czech AVAST, Dave Evans of Stanford, and many more.

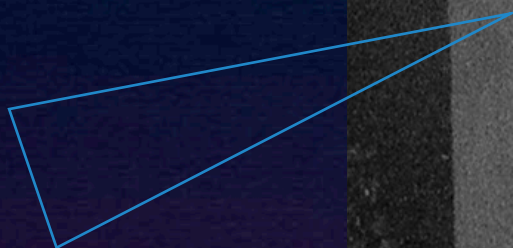




# Nahmias

Self-taught designer Doni Nahmias moved from the small coastal town of Summerland to L.A. in pursuit of his design aspirations. Launching his label Nahmias in 2018, Doni found himself in the throes of creation with the challenge of bringing a vision to life.

The studious brand imparts a great importance to detail, silhouette, and textiles, as well as refining the transformational processes at play. The use of luxury materials such as silk and Italian denim in crafting contemporary staples is an act of subtle elevation that a first glance might be overlooked. The brand's West Coast-inspired aesthetic, however, is decidedly eye-catching: silk shirts, graphic t-shirts, distressed jackets, and jeans lush with hip hop and rock n' roll vibes look at home in the street-inspired fashion landscape, while silk lounge pants and Swarovski crystal-embellished t-shirts propose an easy-going vision of new luxe.













# 07

## CONSOLIDATED FINANCIAL STATEMENTS



## **INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**

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

### **Opinion**

The summary consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2022 and the consolidated statement 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 31 December 2022.

In our opinion, the accompanying summary consolidated financial statements (from pages 64 to 65) are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described on page 66 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 consolidated 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 the date of our report on the audited consolidated financial statements.

### **The audited consolidated financial statements and our report thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 16 August 2023.

### **Responsibilities of the Board of Directors for the summary consolidated financial statements**

The Board of Directors is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described on page 66 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, 12 January 2024

**PKF Audit & Conseil Sàrl**  
Cabinet de révision agréé

DocuSigned by:  
  
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Joëlle Mounier



# MiddleCap Group S.A

## Consolidated statement of financial position as of 31 December 2022

| in thousands of EUR                                 | 31 December 2022 | 31 December 2021 |
|---|------------------|------------------|
| <b>ASSETS</b>                                       |                  |                  |
| Property, plant and equipment                       | 5 146            | 19 977           |
| Right-of-use assets                                 | 12 089           | 12 287           |
| Investment property                                 | 95 633           | 93 056           |
| Intangible assets and goodwill                      | 23 575           | 23 621           |
| Equity-accounted investees                          | 10 774           | 10 819           |
| Other investments                                   | 1 174            | 1 064            |
| Non-current loans provided                          | 65 049           | 33 349           |
| Trade and other receivables                         | 2 775            | 3 810            |
| Other assets  | 517              | 426              |
| Deferred tax assets                                 | 611              | 1 269            |
| <b>Total non-current assets</b>                     | <b>217 343</b>   | <b>199 678</b>   |
| Inventory   | 5 173            | 5 531            |
| Contract assets                                     | 349              | 338              |
| Trade and other receivables                         | 12 440           | 9 496            |
| Current tax assets                                  | 460              | 215              |
| Other assets  | 2 007            | 1 993            |
| Current loans provided                              | 20               | 5 628            |
| Cash and cash equivalents                           | 39 691           | 64 520           |
| <b>Total current assets</b>                         | <b>60 140</b>    | <b>87 721</b>    |
| <b>Total assets</b>                                 | <b>277 483</b>   | <b>287 399</b>   |
| <b>EQUITY</b>                                       |                  |                  |
| Share capital                                       | 180              | 180              |
| Other funds and contributions                       | 12 188           | 12 188           |
| Translation reserve                                 | 529              | 554              |
| Accumulated losses                                  | (1 027)          | (5 869)          |
| <b>Equity attributable to owners of the Company</b> | <b>11 870</b>    | <b>7 053</b>     |
| Non-controlling interests                           | 1 546            | 1 076            |
| <b>Total equity</b>                                 | <b>13 416</b>    | <b>8 129</b>     |
| <b>LIABILITIES</b>                                  |                  |                  |
| Loans and borrowings                                | 164 994          | 225 082          |
| Lease liabilities                                   | 9 402            | 9 444            |
| Trade and other payables                            | 1 943            | 1 997            |
| Other liabilities                                   | 0                | 3 100            |
| Provisions  | 2 624            | 2 952            |
| Deferred tax liabilities                            | 1 217            | 886              |
| <b>Total non-current liabilities</b>                | <b>180 180</b>   | <b>243 461</b>   |
| Loans and borrowings                                | 57 021           | 7 825            |
| Lease liabilities                                   | 4 119            | 4 160            |
| Income tax payable                                  | 30               | 1 550            |
| Trade and other payables                            | 16 436           | 17 490           |
| Contract liabilities                                | 3 188            | 1 133            |
| Provisions  | 797              | 905              |
| Other liabilities                                   | 2 296            | 2 746            |
| <b>Total current liabilities</b>                    | <b>83 887</b>    | <b>35 809</b>    |
| <b>Total liabilities</b>                            | <b>264 067</b>   | <b>279 270</b>   |
| <b>Total equity and liabilities</b>                 | <b>277 483</b>   | <b>287 399</b>   |

# MiddleCap Group S.A

## Consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2022

| in thousands of EUR   | 2022            | 2021            |
|---|-----------------|-----------------|
| Revenue from the sale of services   | 47 679          | 64 152          |
| Revenue from the sale of merchandise  | 29 843          | 28 326          |
| <b>Revenue</b>  | <b>77 522</b>   | <b>92 478</b>   |
| Other operating income  | 10 668          | 1 098           |
| <b>Total operating income</b>   | <b>88 190</b>   | <b>93 576</b>   |
| Costs of goods sold   | (9 404)         | (8 691)         |
| Raw materials and energy consumption  | (9 352)         | (10 650)        |
| Services  | (34 286)        | (42 248)        |
| Personnel expenses  | (17 296)        | (17 652)        |
| Depreciation, amortization and impairment allowances to non-current assets      | (6 889)         | (6 948)         |
| Creation and use or reversal of value adjustment to trade and other receivables | 572             | (770)           |
| Other operating expenses  | (2 400)         | (5 393)         |
| <b>Total operating expenses</b>   | <b>(79 055)</b> | <b>(92 352)</b> |
| <b>Total operating profit / (loss)</b>  | <b>9 135</b>    | <b>1 224</b>    |
| Finance income  | 7 260           | 3 024           |
| Finance costs   | (16 893)        | (9 839)         |
| <b>Net finance income / (loss)</b>  | <b>(9 633)</b>  | <b>(6 815)</b>  |
| Loss on loss of control of a subsidiary   | 0               | (13)            |
| Gain on revaluation of investment property                                      | 6 307           | 3 583           |
| Share of (loss) / profit of equity-accounted investees, net of tax              | (64)            | (90)            |
| <b>Profit / (loss) before tax</b>   | <b>5 745</b>    | <b>(2 111)</b>  |
| Income tax  | (663)           | (1 934)         |
| <b>Profit (loss) for the period</b>   | <b>5 082</b>    | <b>(4 045)</b>  |
| <b>Profit (loss) for the period attributable to:</b>                            |                 |                 |
| Owners of the Company   | 4 609           | (4 005)         |
| Non-controlling interests   | 473             | (40)            |
| <b>Profit (loss) for the period</b>   | <b>5 082</b>    | <b>(4 045)</b>  |
| Foreign operations – foreign currency translation differences                   | (25)            | 1 151           |
| <b>Other comprehensive (loss) / income for the period, net of tax</b>           | <b>(25)</b>     | <b>1 151</b>    |
| <b>Total comprehensive income / (loss) for the period</b>                       | <b>5 057</b>    | <b>(2 894)</b>  |
| <b>Comprehensive income / (loss) for the period attributable to:</b>            |                 |                 |
| Owners of the Company   | 4 584           | (2 854)         |
| Non-controlling interests   | 473             | (40)            |
| <b>Total comprehensive income for the period</b>                                | <b>5 057</b>    | <b>(2 894)</b>  |
| <b>Earnings before interest, tax, depreciation and amortization (EBITDA*)</b>   | <b>20 409</b>   | <b>11 040</b>   |

\*EBITDA is not a defined performance measure in IFRS Standards. The Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities. EBITDA is calculated by adjusting profit / (loss) for the period to exclude the impact of taxation, interest, depreciation and amortization and impairment losses/reversals related to non-current assets. Management has presented the performance measure EBITDA because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to gain an understanding of the Group's financial performance.



## Basis of preparation

The summary of consolidated financial statements (pages 64 to 65) as presented in this annual report are derived from audited consolidated financial statements of MiddleCap Group S.A. ("Consolidated financial statements"). The Consolidated financial statements were approved by the Board of Directors of the Group on 15 August 2023. 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 been applied consistently in the preparation of the consolidated financial statements for the year ended 31 December 2022 and for comparative information presented in these consolidated financial statements as of 31 December 2021.

## Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for the financial investments and investment property in use 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

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 can 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.

## 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 2022 and 31 December 2021 is as follows:

|   | Country     | 31 December 2022 |          | 31 December 2021 |          |
|---|-------------|------------------|----------|------------------|----------|
|   |             | Share            | Control  | Share            | Control  |
| MCP Rushworth Street S.á r.l.             | LUX         | 0.00%            | indirect | 0.00%            | indirect |
| 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   |
| MiddleCap Advisory, s.r.o.                | SK          | 100.00%          | direct   | 100.00%          | direct   |
| FOKUS Optik a.s.                          | CZ          | 100.00%          | direct   | 100.00%          | direct   |
| MiddleCap Partners CZ III, s.r.o.         | CZ          | 100.00%          | direct   | 100.00%          | direct   |
| MiddleCap Real Estate, s.r.o.             | SK          | 100.00%          | direct   | 100.00%          | direct   |
| MCP Development, s.r.o.                   | SK          | 100.00%          | direct   | 100.00%          | direct   |
| Sytiq, a.s.                               | SK          | 70.00%           | direct   | 70.00%           | direct   |
| MiddleCap Real Estate GmbH                | DE          | 100.00%          | direct   | 100.00%          | direct   |
| FOKUS očná optika, a.s.                   | SK          | 99.86%           | direct   | 99.86%           | direct   |
| Lake Development, s.r.o.                  | SK          | 100.00%          | direct   | 100.00%          | direct   |
| MiddleCap Real Estate Holding S.á r.l.    | LUX         | 80.00%           | direct   | 80.00%           | direct   |
| Nivy Development, s.r.o.                  | SK          | 100.00%          | direct   | 100.00%          | direct   |
| Sytiq qs, a.s.                            | SK          | 70.00%           | direct   | 70.00%           | direct   |
| MiddleCap Real Estate Ltd                 | UK          | 0.00%            | indirect | 0.00%            | indirect |
| MCP Bermondsey Yards Ltd                  | UK          | 100.00%          | direct   | 100.00%          | direct   |
| MCP Snowsfield Ltd                        | UK          | 100.00%          | direct   | 100.00%          | direct   |
| VOLTATECH a.s.                            | SK          | 70.00%           | direct   | 70.00%           | direct   |
| VOLTA Technologies a. s.                  | SK          | 100.00%          | direct   | 100.00%          | direct   |
| CMP Leasing Limited                       | Isle of Man | 95.00%           | direct   | 100.00%          | direct   |
| MiddleCap Private Equity Holding S.á r.l. | LUX         | 100.00%          | direct   | 100.00%          | direct   |
| MiddleCap Prinzen S.à r.l.                | LUX         | 80.00%           | indirect | 80.00%           | indirect |
| MiddleCap Rathenower S.à r.l.             | LUX         | 80.00%           | indirect | 80.00%           | indirect |
| MiddleCap Ritter S.à r.l.                 | LUX         | 80.00%           | indirect | 80.00%           | indirect |
| MiddleCap London limited.                 | UK          | 100.00%          | direct   | 100.00%          | direct   |
| Nikkai holding limited                    | CY          | 100.00%          | indirect | 100.00%          | indirect |
| Fokus Optik gmbh                          | AT          | 100.00%          | indirect | 100.00%          | indirect |
| MiddleCap Real Estate Lease s.r.o.        | SK          | 85.00%           | indirect | 85.00%           | indirect |
| MCP VS 1 a.s.                             | SK          | 100.00%          | direct   | 100.00%          | direct   |
| MiddleCap HELP (nadácia)                  | SK          | 100.00%          | indirect | 100.00%          | indirect |
| Observer Italy s.r.o.                     | SK          | 100.00%          | indirect | 100.00%          | indirect |
| MiddleCap Development ME FZE              | UAE         | 100.00%          | direct   | -                | -        |
| EREF Holding a.s.                         | CZ          | 100.00%          | direct   | -                | -        |
| MiddleCap SealHouse Nominee Limited       | UK          | 100.00%          | indirect | -                | -        |





[www.middlecap.com](http://www.middlecap.com)