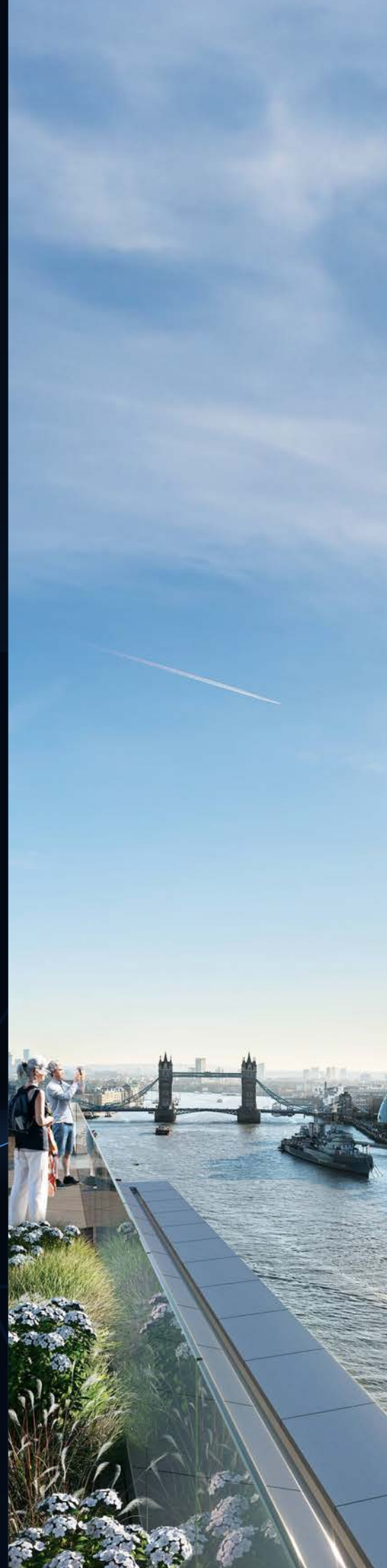




2023

A N N U A L
R E P O R T





Contents

CEO's Foreword	4
MiddleCap Group	7
Significant Events	11
Real Estate	15
Private Equity	33
Advisory	41
Venture Capital	45
Consolidated Financial Statements	55

CEO'S FOREWORD

Year 2023 continued to challenge businesses worldwide, marked by geopolitical tensions, economic uncertainties and ongoing effects of inflation and energy crisis in Europe. Despite these challenges, MiddleCap Group seized opportunities for growth and innovation, demonstrating clear strategic vision and determination to adapt and succeed in a rapidly evolving environment.

FINANCIALS

Despite economic pressures, MiddleCap Group maintained a stable financial position and EBITDA reaching 9.4 million EUR. The overall profitability was impacted by revenue decline resulted from the sale of our subsidiary Sytiq, decreased other operating income and increased interest expense. Our strategic focus on cost management and operational efficiency helped to mitigate these pressures, supporting overall stability throughout the year.

REAL ESTATE

As the entire real estate sector faced considerable challenges this year, our real estate division was similarly impacted, leading to a slowdown in activity. While ongoing projects continued, no new projects were initiated, strategically positioning ourselves to seize new opportunities when the time is right to re-enter the market.

SOUTHWORKS

In 2023, the Southworks project on Rushworth Street in London reached a new milestone, achieving 70% occupancy with the addition of two new tenants, reaffirming the building's quality and appeal. Although occupancy growth was slower than initially planned, tenant interest remains strong, highlighting Southworks' attractiveness

in the market. Additionally, we successfully secured re-financing for Southworks despite rising interest rates and increasingly restrictive lending conditions from banks, underscoring our resilience and strategic financial management in a challenging environment.

SEALHOUSE

Despite challenges in the real estate sector, the Seal House project continued to make steady progress in 2023, achieving several key milestones. The complete demolition of the existing structure was successfully finalized, with groundwork and piling works now well underway. Following the completion of Stage 3 design and the appointment of a tier one general contractor, construction is progressing as planned. We have appointed also sole leasing agent to actively drive tenant interest, driven by strong demand for this prime location. Looking ahead to 2024, we are preparing to introduce new branding for Seal House to elevate the project's presence and reinforce its identity as a premier development in London. These achievements reflect the project's solid momentum as we continue moving towards the next phases of construction.

PRIVATE EQUITY

Our private equity investments faced diverse challenges, yet each exhibited exceptional resilience and agility.



FOKUS

Fokus continued its recovery in 2023, showing improved results that have become even more evident in 2024, highlighted by a fully automated lens edging center, new store openings, the launch of new frame brands and key supplier agreements.

VOLTATECH

Voltatech achieved solid revenue growth and stabilized profits, securing key projects across public and private sectors. The company expanded into the Czech Republic, capitalizing on new opportunities, while remaining focused on maintaining and strengthening its leadership in the electromechanical installation market.

SYTIQ

We achieved a major milestone by successfully negotiating the management buy-out of SYTIQ. This marked the completion of the company's mission under our ownership and represented MiddleCap Group's first private equity exit.

ADVISORY

Our advisory divisions once again demonstrated their value in 2023. The Slovak advisory team successfully closed two major transactions, significantly contributing to our overall success. These accomplishments highlight the

critical role our advisory division represent in driving strategic outcomes and delivering lasting value to our clients.

WAY FORWARD

As we enter 2024, MiddleCap Group remains unwavering in its commitment to growth, innovation, and sustainability. With a strong foundation built through strategic initiatives and cost-efficient measures, we are well-positioned to navigate both opportunities and challenges ahead. Our success is driven by dedication of our talented employees, trust of our loyal shareholders and support of our valued partners, to whom we owe our continued growth and resilience.

Thank you for your trust and continued support of 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 investment holding that operates in the United Kingdom, Germany, Czech republic, Slovakia and United Arab Emirates. MiddleCap Group S.A. is holding company for the Group (“MiddleCap Group” or “Group”).

We provide full range of advisory services, specializing in M&A, restructuring, acquisitions and corporate finance tailored to meet the strategic needs of our clients across diverse industries.

As a mid-size real estate developer, we specialize in creating smart and sustainable office buildings and residential developments across the United Kingdom, Germany, Slovakia, and the United Arab Emirates. Our commitment to quality is strengthened by attracting top industry talent in each country, enabling us to consistently deliver exceptional service and develop outstanding buildings.

MiddleCap Group is also an active investor in private equity with a diverse portfolio. Headline investments include the leading eyewear chain, FOKUS, operating in the Czech Republic and Slovakia, as well as the

founding of electro-installation technology companies that primarily serve the Slovak and Czech markets.

The Group is actively pursuing also venture capital opportunities, with a growing portfolio that already includes four innovative start-ups.

Sustainability and technology are the core pillars of MiddleCap Group, embedded in every aspect of our operations across all divisions. We recognize the critical importance of ESG principles and ensure their integration into every company, development project, and advisory service we provide. As part of our commitment to a greener future, we are actively working toward decarbonizing all activities and processes across the entire group.

Operating income by division in €M	2023	2022
Advisory	2	1
Real Estate	13	9
Private Equity	42	66
Private Equity - Fokus	30	31
Private Equity - Sytiq	1	29
Private Equity - Voltatech	11	6
Venture Capital	0	0
Others	2	12
Total	59	88

Headcount	2023	2022
Slovakia		
Advisory	7	11
Real estate	3	4
Private Equity	279	336
Private Equity - Fokus	223	219
Private Equity - Sytiq	0	50
Private Equity - Voltatech	56	67
Slovakia Total	289	351
Czech Republic		
Advisory	0	0
Private Equity	192	205
Private Equity - Fokus	192	205
Venture Capital	0	0
Czech Republic Total	192	205
United Kingdom		
Real Estate	4	4
United Kingdom Total	4	4
Germany		
Real Estate	2	3
Germany Total	2	3
Luxembourg		
Other	2	2
Luxembourg Total	2	2
All countries total	489	565





02

**SIGNIFICANT
EVENTS**

Landererova 12 Advisory

MiddleCap provided complex transaction consultancy to ZFP Investment in acquisition of Landererova 12 office building in Bratislava, Slovakia



Pribinova 19 Advisory

MiddleCap provided complex transaction consultancy to IAD Investments in acquisition of Pribinova 19 office building in Bratislava, Slovakia



Southworks Real Estate

Southworks office development on Rushworth Street in London signed nationwide Labour party tenant, with lease of over 12 thousand sq. ft. of office space.



Southworks Real Estate

Southworks office development on Rushworth Street in London signed Attensi Ltd tenant with lease of over 5 thousand sq. ft. of office space



SealHouse Real Estate

SealHouse made significant construction progress, with groundwork and piling works successfully underway.



Rathenowerstrasse Real Estate

The building project was ranked among the top five in Germany for outstanding residential sustainability performance.



Dubai Real Estate

Successful launch of new office branch in Dubai, expanding our real estate and advisory division with the goal of serving clients across the Middle East.



Dubai Real Estate

Successful acquisition of land for future development located in Jumeira Bay, Dubai.



Sytiq Private Equity

MiddleCap Group successfully negotiated a management buy-out agreement with SYTIQ's top management, marking the completion of the company's mission under our ownership and the group first private equity exit.



VOLTATECH Private Equity

Expansion into the Czech Republic further regional footprint and, enabling to deliver exceptional value in electrical installations for high-profile projects."







REAL ESTATE

MiddleCap's Real Estate division operates across the United Kingdom, Germany, the United Arab Emirates, and Slovakia, with an active pursuit of new opportunities in both Central Europe, the UK and Dubai. With the recent opening of our Dubai office, we are strengthening our focus on the local market, further expanding our presence in the region. Our long-term strategy is centered on maintaining and stabilizing the assets within our portfolio, ensuring they continue to deliver value over time.

In every acquisition and development, we prioritize sustainability and advanced technology, carefully considering the environmental impact and efficiency of each site. We also emphasize the character and ambiance of our buildings, incorporating handcrafted elements and materials that promote well-being and create a welcoming, inspiring atmosphere for occupants.

Tomáš Jurdák
PARTNER REAL ESTATE
& HEAD OF DIVISION



"Year 2023 was a particularly demanding and challenging year for us, marked by significant changes in interest rates and capital values across real estate projects. In a market shaped by revaluations, emergence of distressed acquisition opportunities and tighter bank covenants, we have faced new challenges. Despite these pressures, we remain focused on pushing the boundaries of sustainability and enhancing the environmental performance of our buildings while ensuring they remain financially sustainable, profitable for shareholders and attractive to potential buyers."

2024 OUTLOOK

ACHIEVE FULL OPERATIONAL STATUS BY SUCCESSFULLY
COMPLETING LEASING ACTIVITIES FOR SOUTHWORKS.

.

INTRODUCING NEW BRANDING FOR SEALHOUSE PROJECT

.

ASPIRE TO DEFINE STRATEGIES FOR DECARBONISING
OUR UPCOMING DEVELOPMENTS

.

MOVE FORWARD WITH AUTHORISATION PROCESS, MAINLY SECURE FELLING PERMIT
AND ZONING PERMIT FOR OUR RUŽINOV PROJECT

.

DUBAI OFFICE ACTIVELY SEEK NEW REAL ESTATE OPPORTUNITIES
ON LOCAL DYNAMIC MARKET

2023 IN SUMMARY

SOUTHWORKS ACHIEVED 70% OCCUPANCY RATE BY SECURING ANOTHER TENANTS INTO BUILDING ADDING 17.5 THOUSAND SQ FT OF LEASED SPACE

.

SUCCESSFULLY SECURED FINANCING FOR SOUTHWORK DESPITE RISING INTEREST RATES AND MORE RESTRICTIVE LENDING CONDITIONS BY BANKS FOR FUNDING REAL ESTATE PROJECTS

.

SEALHOUSE ACTIVITIES PROGRESSED AS SCHEDULED, MAINLY: DEMOLITION COMPLETED, GENERAL CONTRACTOR APPOINTED, GROUNDWORKS INITIATED, PILLING WORK ON SITE SUCCESSFULLY COMMENCED AND SOLE LEASING AGENT APPOINTED.

.

PROGRESSING IN OUR DEVELOPMENT AND PLANNING PHASE, WE HAVE BEEN ACTIVELY APPOINTING ARCHITECTS AND REFINING WORK CONCEPTS FOR BERLIN PROJECTS

.

SECURED A VALID ENVIRONMENTAL IMPACT ASSESSMENT (EIA) PERMIT FOR OUR SLOVAK RUŽINOV PROJECT

FROM AN INVESTMENT STRATEGY PERSPECTIVE LOOK AHEAD TO EXPLORE **NEW INVESTMENT OPPORTUNITIES IN LONDON, BERLIN AND DUBAI**, REVIEWING POTENTIAL NEW ASSET CLASSES, AND REFINING OUR INVESTMENT STRATEGY WITH A FOCUS ON GREEN INVESTMENTS

.

PREPARE FOR POTENTIAL CHANGES IN INTEREST RATES AND THEIR IMPACT ON REAL ESTATE CAPITAL VALUES AND ANTICIPATING A REBOUND OF LONDON OFFICE RENTS

.

NAVIGATE THROUGH A MARKET IMPACTED BY REVALUATIONS, TAKING ADVANTAGE OF EMERGING DYNAMICS BY PURSUING ACQUISITION OPPORTUNITIES FROM DISTRESSED ASSETS AND STRATEGICALLY POSITIONING FOR GROWTH AND VALUE CREATION

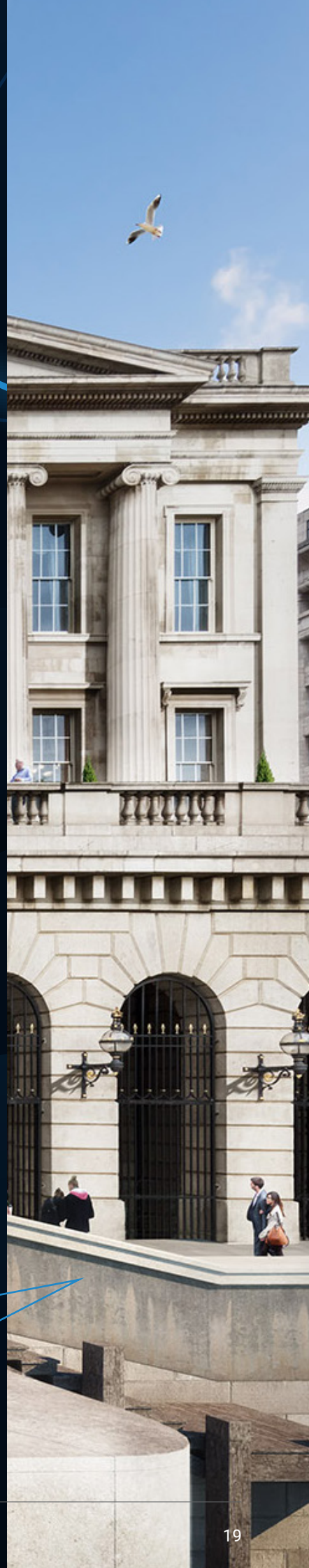


L O N D O N

Seal House

MiddleCap has entered into 50/50 joint venture agreement with PPF to bring forward the office development of Seal House located on the north bank of the River Thames. This partnership signals a strong vote of confidence in the long-term resilience and potential of London's commercial real estate market, backed by two leading European investors in the sector.

MiddleCap acquired Seal House, in October 2019, following the City of London Corporation's approval in March 2019 for its redevelopment as part of a broader strategy to rejuvenate the City's riverside. Designed by the renowned Eric Parry Architects, the project will transform the existing 11-storey 1970s office building into a modern mixed-use development, offering over 131,000 sq ft of premium office space, 10,040 sq ft dedicated to retail and restaurants, more than 260 cycle spaces, basement showers, external terraces, and ground-floor retail. The building will also feature a public viewing gallery, accessible via a dedicated lift, further enhancing its appeal as a dynamic and sustainable urban space.



Southworks

Developed by MiddleCap and designed by SPPARC, Southworks is a 7-storey, 70,000sq ft development located on Rushworth Street in Southwark, near the iconic Borough Market.

The building was named “the smartest building in the world” at the Real Estate & Building Futureproof awards, combines cutting-edge technological and natural features to form a landmark, future-proofed office space designed for the post-pandemic era. 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 building in the UK, and only the second globally, to achieve the prestigious Smart Building Certification Platinum, in addition to being certified as BREEAM Outstanding.

The building integrates numerous innovative technologies alongside high-quality architectural and design elements, creating a responsive and productive environment that enhances user safety and well-being.

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 integration of smart sensors and IoT-based technologies ensures that air, water, and electricity are delivered cleanly and efficiently throughout the building, optimizing energy use and maximizing environmental performance.

Southworks building also features the global tenant engagement platform, OfficeApp, which provides tenants with seamless access to a wide range of services and amenities via a smartphone app. This includes on-demand desk and room booking, food and beverage ordering, community engagement, issue reporting, and communication tools. The app enables touchless building access, real-time occupancy tracking, environmental and air quality updates, and contactless control of temperature and lighting—ensuring both convenience and safety for all users.





B E R L I N

Moritzstrasse

Our project on Moritzstrasse will introduce a vibrant, mixed-use social hub to an untapped corner of the city, with direct connectivity to Berlin's iconic Alexanderplatz.

In collaboration with the highly regarded local architect Eike Becker, known for his deep understanding of Kreuzberg's unique character, we are bringing this vision to life. His expertise enables us to integrate broader urban master planning seamlessly, blending architecture and city planning while incorporating innovative materials and cutting-edge technologies. Together, we share a commitment to redefining real estate's social responsibilities in bold and meaningful ways.

The ambitious new development concept not only enhances the city gate system but also revitalizes Moritzstrasse as a vital corridor connecting the town to Alexanderplatz. Situated at a key junction for cyclists, the building will offer convenient amenities, making it an ideal pit stop for bike enthusiasts, further enriching the area's urban fabric."



B E R L I N

Ritterstrasse

We are all aware of the growing threats posed by climate change, especially in urban areas where man-made materials seal the earth. Stone and asphalt trap heat, preventing cities from cooling down at night, while the absence of greenery exacerbates CO2 levels. Worse, heavy rainfall frequently overwhelms Berlin's sewage system, leading to pollution of the River Spree. Addressing these complex challenges requires innovative urban solutions, and we are committed to bringing new life and greenery to this location.

Our collaboration with the renowned architectural studio MVRDV allowed us to engage in extensive research with a diverse range of stakeholders, ensuring the local environment's needs are met while enhancing the surrounding microlocation. The concept thoughtfully integrates residential elements facing inner courtyards with commercial functions along the bustling street, creating a dynamic, active frontage and inviting public space. This initiative not only enriches the Ritterstrasse experience but also provides valuable amenities for the community, while improving access to the unique features of the inner yard."





B E R L I N

Rathenowerstrasse

Our latest project, Rathenowerstrasse, located in the quiet district of Moabit, exemplifies 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. This achievement is made possible through the use of cutting-edge materials, innovative technologies, efficient heat recovery systems, and groundwater heat pumps. Each of the 30 apartments is designed with dual aspects, providing additional comfort and featuring advanced controls to enhance the living experience for residents.

Project in Ružinov

Designed by the renowned Jakub Cigler Architekti, our project will play a key role in revitalizing Ružinov, Slovakia's largest residential district. The development includes the creation of a brand-new Papánkovo Plaza, a vibrant green public space with modern amenities ranging from shops to cafés and restaurants. It's a project that seamlessly blends newness with local character, serving as a hub for both Ružinov residents and visitors alike.

We are committed to reducing embodied carbon and enhancing sustainability throughout the project, while delivering high-quality public spaces. This redevelopment will breathe new life into the 1980s department store, transforming the site into a dynamic, green residential neighborhood that fosters community and environmental responsibility."





Spilka Offices

A beautifully restored historical building situated in the outer district of Bratislava, offering modern office spaces with a nod to its rich architectural heritage.



Gorkého4 Offices

A prestigious historical office building located in Bratislava's city center, Slovakia.



Steinerka Business Centre

A state-of-the-art development in outer district of Bratislava, providing contemporary office solutions.





04

**PRIVATE
EQUITY**



REVENUES

S L O V A K I A

15.3 M€

C Z E C H
R E P U B L I C

14.4 M€

EBITDA

INCREASE BY 1.5M

S L O V A K I A

0.5 M€

C Z E C H
R E P U B L I C

0.9 M€

FOKUS

Before its acquisition by MiddleCap, FOKUS comprised of two leading independent eyewear retail companies, dominating the Slovak market and second position in the Czech Republic. Both companies trace their origins back to a state-owned enterprise established in the 1950s, and since then, have built a strong presence through traditional eyewear retail chains with 86 stores in the Czech Republic and 74 stores in Slovakia.

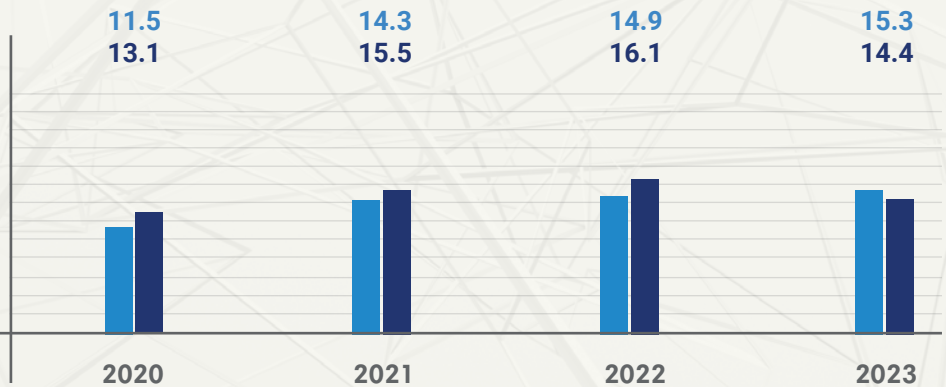
FOKUS offers an anti-cyclical product with solid organic growth potential, driven by demographic trends such as an aging population and rising personal incomes. This makes it an ideal fit for our investment strategy. With a vision to become the market leader in Slovakia and one of the top players in the Czech Republic, MiddleCap has built an extraordinary platform to consolidate the fragmented Czech-Slovak market, while also creating a springboard for further expansion into CEE region.

Operating over 150 stores, FOKUS is already a key player in the CEE eyewear retail landscape. MiddleCap's ambition is to lead transformative business changes, focusing on innovation to shape a modern, thriving group that offers best-in-class eyewear services. As a succession story, we are confident that, with a modern management approach, the expertise of highly skilled professionals, and a well-established brand, FOKUS is perfectly positioned to become the leading eyewear retailer in CEE, delivering exceptional customer service and creating significant value for all stakeholders.

Revenue

in €m

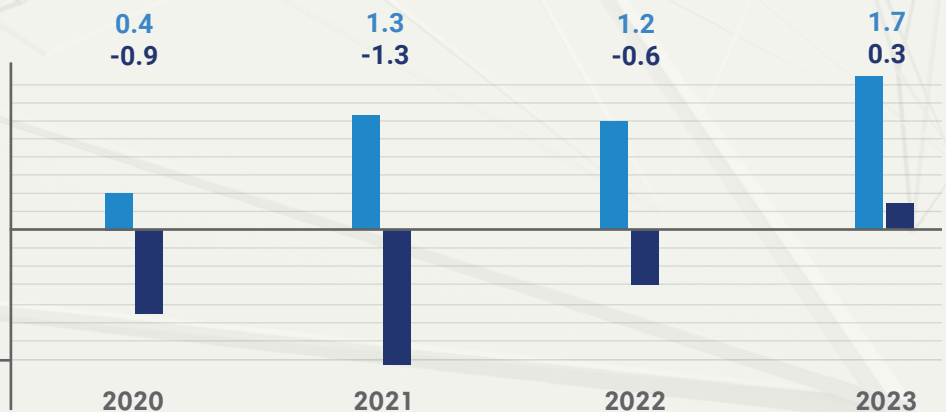
Slovakia
Czech Republic



EBITDA

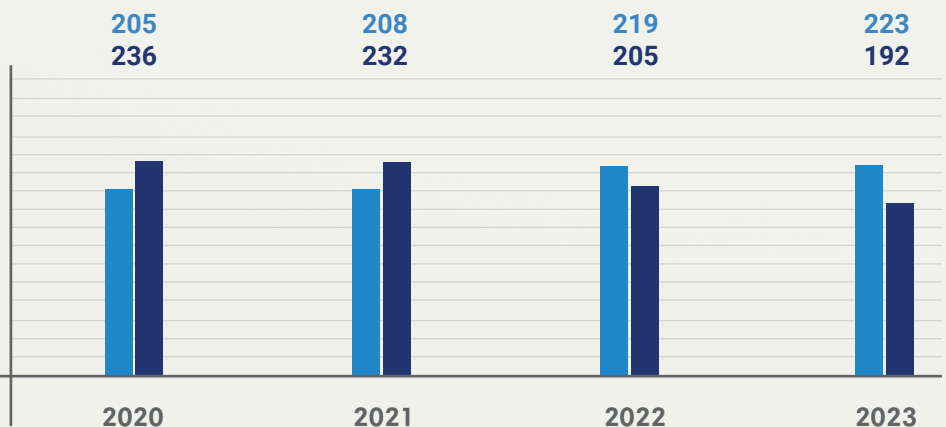
statutory in €m

Slovakia
Czech Republic



No. of all employees

Slovakia
Czech Republic



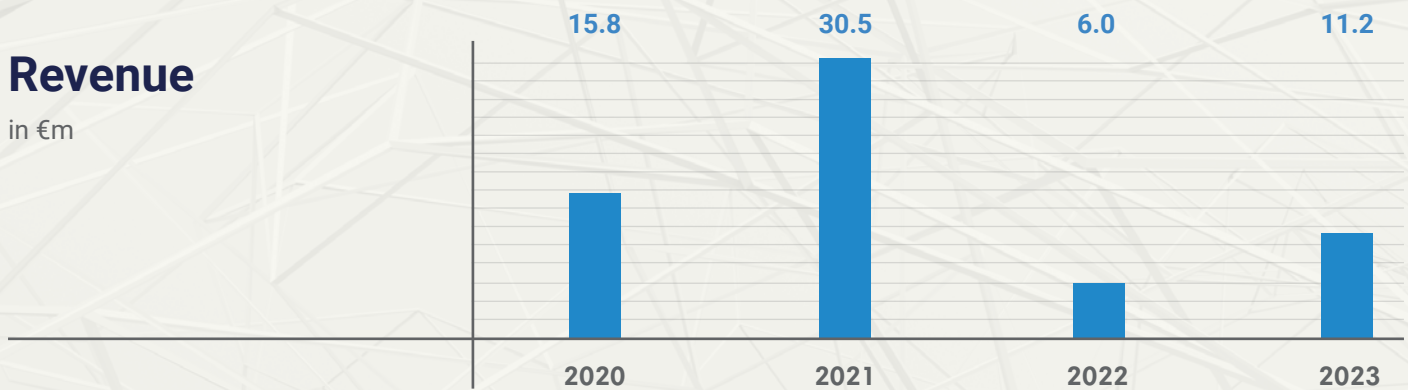
VOLTATECH

Acquired by MiddleCap Group in January 2020, VOLTATECH stands as a market leader in electrical and intelligent installations, with a strong emphasis on advanced design solutions. Given MiddleCap's significant real estate focus, the acquisition of VOLTATECH has created a strategic foundation for robust vertical integration, aligning seamlessly with the Group's broader operational objectives.

VOLTATECH ranks among the top companies in Slovakia for both high-voltage and low-voltage installations. It offers a comprehensive suite of services in power engineering, covering everything from design and electrical installations to switchboard production, inspections, and the maintenance of high- and low-voltage systems, as well as weak current devices. The company plays a critical role in large-scale infrastructure projects, including tunnel construction and major residential developments, underscoring its strong market presence and technical expertise.

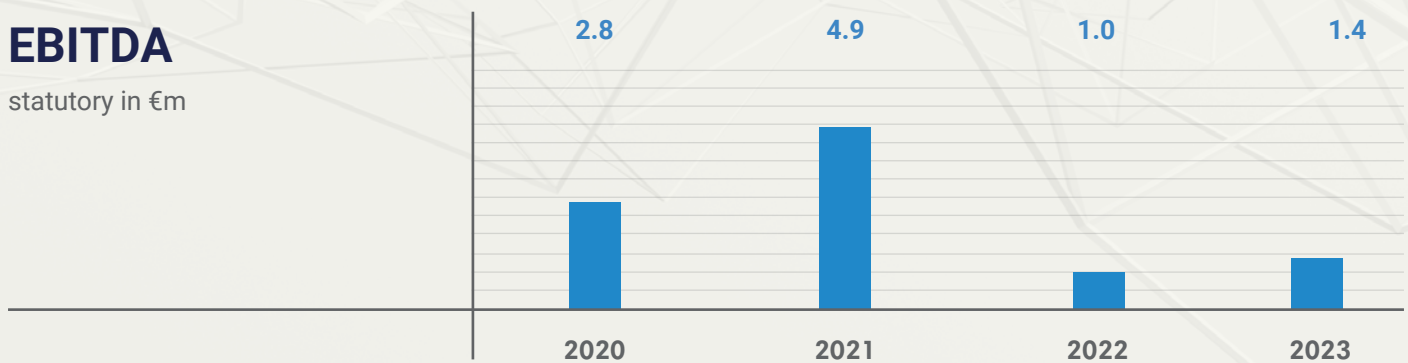
Revenue

in €m

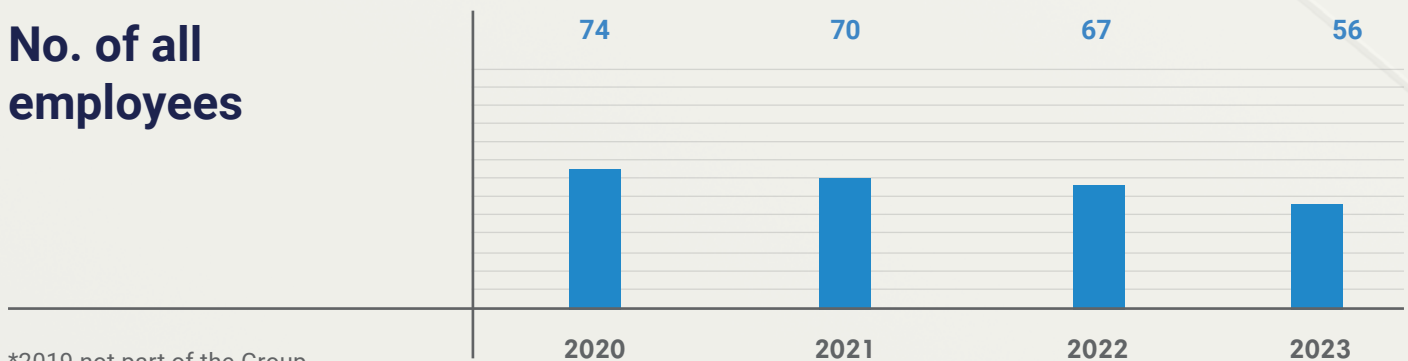


EBITDA

statutory in €m



No. of all employees



*2019 not part of the Group



R E V E N U E S
INCREASE BY

5.8 M€

E B I T D A
INCREASE BY

0.4 M€

Michal Kviečinský
CEO & PARTNER
MIDDLECAP GROUP



FOKUS

"Despite the challenges of recent years, we have remained resilient and can now see brighter times ahead. Each year, our financial performance continues to improve, and we remain committed to providing eyewear, that is not just fashionable but also enhances quality of life. FOKUS is well-positioned to continue growing and delivering exceptional value to both our customers and stakeholders."

VOLTATECH

"After overcoming tough years, VOLTATECH is ready to take on new challenges and projects. We're focused on delivering top-notch electrical solutions and expanding our role in major infrastructure developments with a commitment to innovation and excellence."

2024 OUTLOOK

FOKUS

CONTINUE TO BRING NEW BRANDS TO OUR STORES (I.E. DIOR, CELINE, CALVIN KLEIN)

•

NEW SUPPLIER OF LENSES

•

NEW SHOPS AND REFITS IN BOTH COUNTRIES

•

IMPROVEMENT OF CUSTOMER EXPERIENCE / EDUCATION OF PERSONAL

2023 IN SUMMARY

FOKUS

LAUNCH OF NEW FULLY AUTOMATED LENS EDGING CENTER IN SLOVAKIA

•

NEW HQ OFFICES FOR BOTH SLOVAKIA AND CZECH REPUBLIC

•

OPENING NEW SHOPS IN CITIES TRENČÍN AND ZVOLEN IN SLOVAKIA

•

LAUNCH OF NEW BRANDS OF FRAMES

•

SELECTION PROCESS OF KEY SUPPLIER FOR LENSES

•

RE-NEGOTIATION OF KEY SUPPLIER CONTRACTS

VOLTATECH

REVENUE GROWTH AND MAINTAINING STEADY PROFITABILITY

•

SECURED SIGNIFICANT PROJECTS ACROSS BOTH PRIVATE AND PUBLIC SECTORS

•

EXPANDED OPERATIONS INTO THE CZECH REPUBLIC,
LEVERAGING NEW MARKET OPPORTUNITIES FOR GROWTH

VOLTATECH

FOCUSED ON DRIVING SUSTAINABLE REVENUE GROWTH
WHILE ENSURING LONG-TERM PROFITABILITY

•

ACTIVELY ENGAGED IN DELIVERING HIGH-PROFILE, MAJOR PROJECTS.

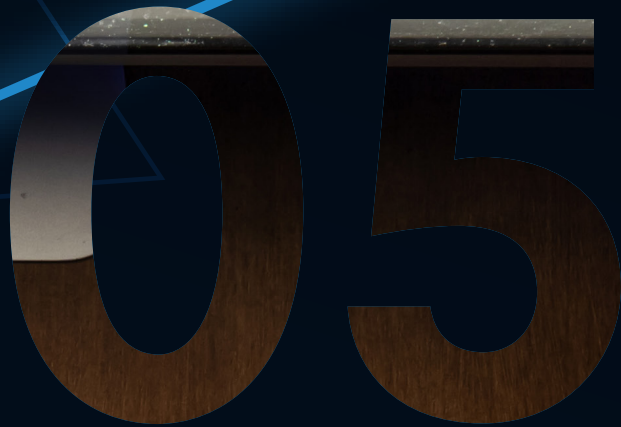
•

SUCCESSFULLY ENTERED NEW MARKET, EARNING TRUST OF KEY CLIENTS
BY PROVIDING TOP-TIER SERVICES

•

MAINTAINING AND FURTHER STRENGTHENING LEADERSHIP
IN THE ELECTROMECHANICAL INSTALLATION SECTOR





05

ADVISORY

As a trusted provider of Advisory services in Mergers & Acquisitions, Real Estate Advisory, Financing, Restructuring and Valuation, we pride ourselves a boutique advisory firm with a successful track record and a highly experienced Slovak and Czech team. Our client-first and tailored approach ensures that clients maximize value from every transaction. Whether they are seasoned investors or seizing a once-in-a-lifetime opportunity, clients repeatedly choose us because they trust our expertise, approach, and values.

Marcel Chrapek
HEAD OF ADVISORY SK



LEADING ADVISOR OF THE BUYER'S TEAM OF ADVISERS IN THE ACQUISITIONS.

"We are pleased that by closing these transactions, our clients acquired administrative buildings in the newly developed Eurovea City area on Bratislava's Danube embankment, latest generation technologically-advanced and LEED Gold certified buildings, within walking distance of Eurovea shopping centre."

"Building on the momentum from our successful completion of the Blumental office transaction in 2022, we continued to excel in 2023 by finalizing two more significant real estate transactions involving the Pribinova 19 and Landererova 12 office buildings in Bratislava, Slovakia, on behalf of the IAD and ZFP real estate funds."

2024 OUTLOOK

PRIORITIZE ADVISORY SERVICES FOR REAL ESTATE TRANSACTIONS

ACTIVE PITCHING FOR FURTHER POTENTIAL MANDATES AND SEEK NEW OPPORTUNITIES IN ACCOUNTING ADVISORY, LEGAL DISPUTES AND ARBITRAGES

2023 IN SUMMARY

IN 2023, GLOBAL ECONOMIES, PARTICULARLY IN EUROPE, FACED A CHALLENGING LANDSCAPE MARKED BY PERSISTENT INFLATION, ENERGY MARKET VOLATILITY, AND ONGOING GEOPOLITICAL TENSIONS, ESPECIALLY DUE TO THE RUSSIAN-UKRAINIAN CONFLICT. THESE PRESSURES WERE COMPOUNDED BY INTEREST RATE HIKES, SUPPLY CHAIN DISRUPTIONS, AND BROADER ECONOMIC UNCERTAINTY, CREATING A COMPLEX ENVIRONMENT FOR BUSINESSES, PARTICULARLY IN THE REAL ESTATE SECTOR.

Despite these headwinds, our Advisory division once again delivered an outstanding performance in 2023, achieving significant transaction volume and value. Notably, we successfully completed two major real estate transactions on Bratislava office market, further solidifying our position as a leader in the field. Throughout the year, we remained committed to providing exceptional service, reinforcing our reputation as a trusted and professional real estate advisor.

P R I B I N O V A 19

Our advisory team proudly served as the primary transaction advisor for the acquisition of the Pribinova 19 administrative building in Bratislava's prestigious Eurovea City district on behalf of IAD Investments. We were thrilled to lead this significant project, which contributed to the growth and diversification of IAD Investments' portfolio. This acquisition underscores our ongoing commitment to providing exceptional advisory services that drive value for our clients.

Pribinova 19 is a state-of-the-art office building, situated in the vibrant Eurovea City waterfront district. This technologically advanced structure offers 28,000 m² of leasable area and 346 parking spaces within its underground garage. The building also features a green park, complete with a fountain, playgrounds, and dog-friendly zones, contributing to a sustainable and user-friendly en-

vironment. With its LEED Gold certification, Pribinova 19 building meets the highest environmental standards, offering flexible office spaces with advanced air conditioning and intelligent thermal comfort control, ensuring an optimal working environment and home to notable tenants such as Allianz, Johnson Controls, Arval and Roche.

L A N D E R E R O V A 12

Our Advisory division successfully facilitated its second real estate acquisition in Bratislava's Eurovea City with the acquisition of Landererova 12 administrative building. This transaction demonstrates our dedication to improving and diversifying our clients' portfolios in crucial markets.

The successful acquisition of Landererova 12 not only broadened ZFP Investment's real estate holdings but also reinforced its presence in Slovakia. Located in the heart of Bratislava's Eurovea City district, this prime office building features 16 floors, a lettable area of 23,330 m², and state-of-the-art amenities, including a prominent LED advertising screen. Home to notable tenants such as the European Labour Authority, Lenovo and SWAN, Landererova 12 meets the highest sustainability standards with its LEED Gold certification.

•
**ENHANCE SUPPORT OF REAL ESTATE AND VENTURE CAPITAL DIVISIONS
PROVIDING STRATEGIC GUIDANCE AND EXPERTISE**
•

**TAILORED ADVISORY SERVICES TO HELP CLIENTS WITH NEW INITIATIVES,
OVERCOME FINANCIAL CHALLENGES AND OPTIMIZE
BUSINESS OPERATIONS**
•

**INVEST IN TEAM DEVELOPMENT AND STRENGTHEN EXPERTISE ACROSS
THE ADVISORY DIVISION**





06

**VENTURE
CAPITAL**

Insight Art

Insight Art is revolutionizing the art world with next-generation x-ray imaging technology, previously only available at the cutting-edge of particle physics research. 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 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 is provided by InsightArt.

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 related 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, MiddleCap Group is confident that InsightArt is the future of art authentication.





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.



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 do not 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 do not know how it affects our productivity, happiness, or health.

That is 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.







Nahmias

Self-taught designer Doni Nahmias moved from the small coastal town of Summerland to Los Angeles in pursuit of his design dreams, launching his brand, Nahmias, in 2018. With a strong emphasis on detail, silhouette, and luxurious materials like silk and Italian denim, the brand brings a refined touch to West Coast-inspired streetwear staples—think silk shirts, graphic tees, distressed jackets, and jeans that blend hip-hop and rock influences.

Nahmias has quickly established itself as a unique luxury menswear label, reimagining California youth culture from skateboarding to hip-hop through a high-end lens. MiddleCap Group, as the first seed investor in 2020, took a minority stake, fueling Nahmias' rise as a celebrity favorite with features in Vogue, WWD, Complex, and Rolling Stone. Now carried by top global menswear retailers and partnered with iconic stores like Maxfield, Harrods, The Webster, and Selfridges, Nahmias continues to redefine modern luxury with a distinctive California edge.

Since MiddleCap's initial investment in 2020, Nahmias has experienced substantial growth and established a strong brand presence. Revenue has increased impressively, yet the brand has faced challenges in achieving profitability due to the high costs of scaling, business development, marketing and payroll. However, management remains optimistic about reaching profitability in 2024 by focusing on direct-to-consumer online sales growth and improving production efficiencies to boost margins. MiddleCap has continued to advise Nahmias on optimizing its operations, with a strategic focus on seeing the brand strengthen its profitability in the year ahead.





07

**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
MiddleCap Group S.A.
7B, rue de Bonnevoie
L - 1260 Luxembourg

Opinion

The summary consolidated financial statements, which comprise the consolidated statement of financial position as of 31 December 2023 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 2023.

In our opinion, the accompanying summary consolidated financial statements (from pages 60 to 63) are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described on page 58 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 6 August 2024.

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

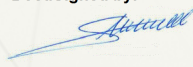
The Board of Directors is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described on page 58 under 'Basis of preparation'.

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, 20 December 2024

PKF Audit & Conseil Sàrl
Cabinet de révision agréé

DocuSigned by:

AA483A15CF014CD...
Jean Medernach

Basis of preparation

The summary of consolidated financial statements (pages 60 to 63) 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 6 August 2024. These Consolidated financial statements are available at the registered office of MiddleCap Group S.A., 7b Rue de Bonnevoie L – 1260 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 2023 and for comparative information presented in these consolidated financial statements as of 31 December 2022.

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 MiddleCap Group'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

MiddleCap 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 preexisting 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 Information on the Group.

Information on the Group

MiddleCap Group S.A. 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 2023 and 31 December 2022 is as follows:

	Country	31 December 2023		31 December 2022	
		Share	Control	Share	Control
MCP Rushworth Street S.á r.l.	LUX	0.00% *	direct	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
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
MiddleCap Real Estate Ltd	UK	0.00% *	direct	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	95.00%	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	100.00%	direct
EREF Holding a.s.	CZ	100.00%	direct	100.00%	direct
MiddleCap SealHouse Nominee Limited	UK	100.00%	indirect	100.00%	indirect

Note*: MiddleCap Rushworth Street S.à r.l. and MiddleCap Real Estate Ltd are consolidated in 2023 (2022: consolidated) as the criteria for consolidation were met.

Note**: Sytiq, a.s. and Sytiq qs, a.s. were disposed of in 2023.

MiddleCap Group S.A

Consolidated statement of financial position as of 31 December 2023

in thousands of EUR	31 December 2023	31 December 2022
ASSETS		
Property, plant and equipment	4 994	5 146
Right-of-use assets	11 642	12 089
Investment property	104 545	95 633
Intangible assets and goodwill	23 079	23 575
Equity-accounted investees	10 773	10 774
Other investments	1 151	1 174
Non-current loans provided	63 096	65 049
Trade and other receivables	3 199	2 775
Other assets	477	517
Deferred tax assets	847	611
Total non-current assets	223 803	217 343
Inventory	4 337	5 173
Contract assets	305	349
Trade and other receivables	4 943	12 440
Current tax assets	20	460
Other assets	1 446	2 007
Current loans provided	26 009	20
Cash and cash equivalents	7 019	39 691
Total current assets	44 079	60 140
Total assets	267 882	277 483

in thousands of EUR	31 December 2023	31 December 2022
EQUITY AND LIABILITIES		
Share capital	180	180
Other funds and contributions	12 188	12 188
Translation reserve	(195)	529
Accumulated losses	(7 130)	(1 027)
Equity attributable to owners of the Company	5 043	11 870
Non-controlling interests	1 092	1 546
Total equity	6 135	13 416
LIABILITIES		
Loans and borrowings	225 497	164 994
Lease liabilities	9 079	9 402
Trade and other payables	426	1 943
Other liabilities	280	0
Provisions	1 734	2 624
Deferred tax liabilities	1 412	1 217
Total non-current liabilities	238 428	180 180
Loans and borrowings	5 247	57 021
Lease liabilities	4 010	4 119
Income tax payable	152	30
Trade and other payables	9 412	16 436
Contract liabilities	1 440	3 188
Provisions	995	797
Other liabilities	2 063	2 296
Total current liabilities	23 319	83 887
Total liabilities	261 747	264 067
Total equity and liabilities	267 882	277 483


MiddleCap Group S.A

Consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2023

in thousands of EUR	2023	2022
Revenue from the sale of services	29 127	47 679
Revenue from the sale of merchandise	28 129	29 843
Revenue	57 256	77 522
Other operating income	1 475	10 668
Total operating income	58 731	88 190
Costs of goods sold	(7 420)	(9 404)
Raw materials and energy consumption	(6 524)	(9 352)
Services	(16 028)	(34 286)
Personnel expenses	(16 564)	(17 296)
Depreciation, amortization and impairment allowances to non-current assets	(5 635)	(6 889)
Creation and use or reversal of value adjustment to trade and other receivables	(36)	572
Other operating expenses	(2 440)	(2 400)
Total operating expenses	(54 647)	(79 055)
Total operating profit / (loss)	4 084	9 135
Finance income	8 751	7 260
Finance costs	(19 323)	(16 893)
Net finance income / (loss)	(10 572)	(9 633)
Loss on loss of control of a subsidiary	(151)	0
Gain on revaluation of investment property	-	6 307
Share of (loss) / profit of equity-accounted investees, net of tax	(22)	(64)
Profit / (loss) before tax	(6 661)	5 745
Income tax	(138)	(663)
Profit (loss) for the period	(6 799)	5 082
Profit (loss) for the period attributable to:		
Owners of the Company	(6 750)	4 609
Non-controlling interests	(49)	473
Profit (loss) for the period	(6 799)	5 082

in thousands of EUR	2023	2022
Foreign operations – foreign currency translation differences	(724)	(25)
Other comprehensive (loss) / income for the period, net of tax	(724)	(25)
Total comprehensive income / (loss) for the period	(7 523)	5 057
Comprehensive income / (loss) for the period attributable to:		
Owners of the Company	(7 474)	4 584
Non-controlling interests	(49)	473
Total comprehensive income for the period	(7 523)	5 057
Earnings before interest, tax, depreciation and amortization (EBITDA*)	9 420	20 409

*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.



www.middlecap.com