



QUARTERLY REPORT FOR I QUARTER OF 2022



CPD S.A.

QUARTERLY REPORT FOR 1st QUARTER 2022

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the first quarter 2022 report of CPD S.A. published on 30 May 2022.

In Poland statutory accounts must be prepared and presented in accordance with Polish legislation and in accordance with the accounting principles and practices generally used in Poland. The accompanying translated financial statements have not been reclassified or adjusted in any way to conform to accounting principles generally accepted in countries other than in Poland, but certain terminology current in Anglo-Saxon countries has been adapted to the extent practicable.

In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

CONTENTS

I.	OPERATING REPORT.....	3
1.	INFORMATION OF CPD CAPITAL GROUP	3
2.	CAPITAL GROUP'S STRUCTURE.....	4
3.	SELECTED FINANCIAL DATA.....	6
4.	IMPORTANT ACHIEVEMENTS, FAILURES, AND THE MOST IMPORTANT EVENTS CONCERNING THE COMPANY IN REPORTING PERIOD.....	11
5.	IMPORTANT ACHIEVEMENTS, FAILURES, AND THE MOST IMPORTANT EVENTS CONCERNING THE COMPANY AFTER REPORTING PERIOD	11
6.	FACTORS AND EVENTS OF UNUSUAL NATURE HAVING AN IMPORTANT INFLUENCE ON FINANCIAL STATEMENT	12
7.	ACQUISITION AND SALE OF PROPERTY, PLANT AND EQUIPMENT.....	13
8.	TRANSACTIONS WITH RELATED PARTIES CONCLUDED ON OTHER THAN MARKET CONDITIONS	14
9.	THE MANAGEMENT BOARD'S POSITION ON THE PREVIOUSLY PUBLISHED FINANCIAL FORECASTS	14
10.	SHAREHOLDERS ENTITLED TO AT LEAST 5% OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	14
11.	THE COMPANY'S SHARES HELD BY THE MANAGING AND SUPERVISORY PARTIES.....	16
12.	IMORTANT COURT, ADMINISTRATIVE AND ARBITRATION PROCEEDINGS.....	16
13.	LOAN GUARANTEES	16
14.	THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD	17
15.	OTHER IMPORTANT INFORMATION	17
16.	FACTORS AFFECTING RESULTS OF THE FOLLOWING QUARTERS	17
II.	INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2022 ALONG WITH CONDENSED FINANCIAL STATEMENTS OF CPD S.A. ...	19

I. OPERATING REPORT**1. INFORMATION OF CPD CAPITAL GROUP**

CPD Group started its activities in Poland in 1999 from the foundation of Celtic Asset Management Sp. z o.o. In subsequent years, 1999-2005, the activities of the company focused on building and managing a real estate portfolio for external institutions in Poland, Czech Republic, Lithuania, Romania, Hungary, and Germany. In 2005 Celtic Asset Management Sp. z o.o started development activity in cooperation with several funds managed by Laxey Partners. In 2007 the consolidation of the group under the name Celtic Property Developments SA (BVI) was performed and in 2008 the listing of the company Celtic Property Developments SA (BVI) began on a deregulated market (Freiverkehr) in Frankfurt. In the period from 2005 to 2010 the Company's main market of activity was Poland. At the same time, the Group conducted and managed projects in Montenegro, Hungary, Italy, Belgium, the United Kingdom, the Netherlands, Germany, and Spain. International experience and practical knowledge of experts and managers of CPD Group contributed to creation of a strong and stable Capital Group, which debuted on the Warsaw Stock Exchange on 23 December 2010. 17th of September 2014 the Company changed its name from Celtic Property Developments S.A. to CPD S.A.

Today, CPD S.A. is the holding company controlling a group of 18 subsidiaries and two jointly controlled entities, conducting activities in the office and residential segments, mostly in Poland. In the first quarter of 2022 the Group's activities were focused on continuation of residential development, through the implementation of its leading project in the Warsaw district of Ursus, and monetization of projects owned Ursus district.

In April 2021 CPD sold the final residential plots of land it held in Ursus. It plans to finish its final residential construction project in Ursus in 2022 enabling it to return the proceeds to its shareholders. It is currently converting one of its office assets into a residential project.

2. CAPITAL GROUP'S STRUCTURE

As of the day of publication hereof, the CPD Group (hereinafter referred to as "the Group" or "CPD Group" or "the Capital Group") was composed of a dominant entity – CPD S.A. (hereinafter referred to as "the Company") and 18 subsidiaries and two jointly controlled entities. Development activities of the Group are conducted via investment companies, direct subsidiaries of Antigo Investments sp. z o.o. and Lakia Enterprises Ltd (Cyprus). The dominant entity - CPD S.A. - coordinates and supervises the activities of subsidiaries and at the same time is the centre for making decisions on the development strategy. CPD S.A. performs actions aiming at optimising the operating costs of the Capital Group, designs the Group's investment and marketing policies and serves as the coordinator of this activity.

During the reporting period, CPD Group structure was changed in the following manner:

- On 15 February 2022, liquidation proceedings of Challenge Eighteen sp. z o.o. were initiated.

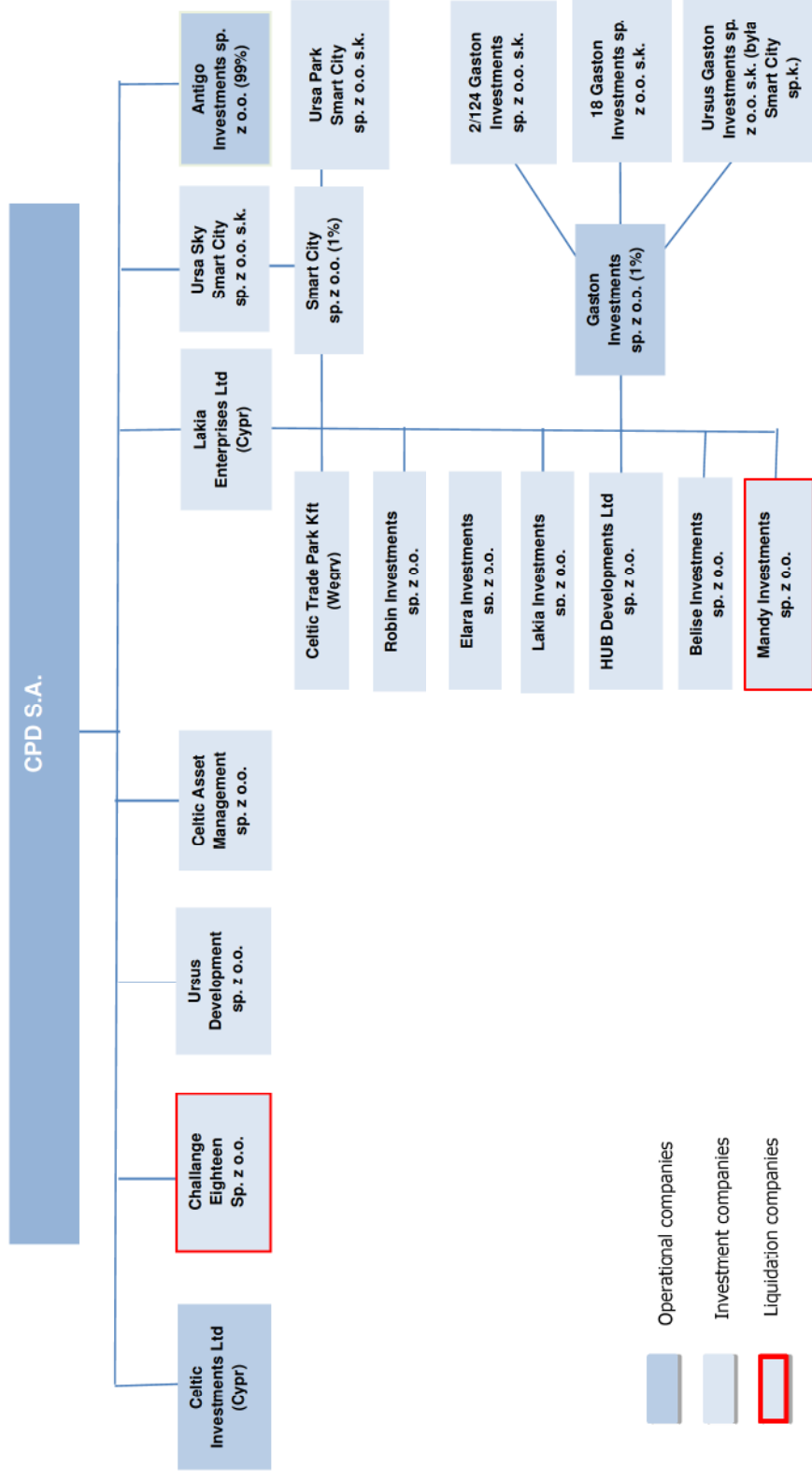
After the balance sheet date, there were no changes in the structure of the Company.

As of the day of publication hereof all the Group companies are consolidated by the full method, except for two Group companies – Ursa Sky Smart City sp. z o.o. sp. k. and Ursa Park Smart City sp. z o.o. sp. k., which are consolidated with the equity method in accordance with the requirements of the International Financial Reporting Standards.

CPD S.A.

QUARTERLY REPORT FOR 1ST QUARTER 2022

CPD Group's structure as on 31 March 2022.



3. SELECTED FINANCIAL DATA

Selected items of the consolidated statement of comprehensive income

	3 months period		Change (%)
	From 01.01.2022 to 31.03.2022 (PLN thous.)	From 01.01.2021 to 31.03.2021 (PLN thous.)	
Revenue	5 294	4 826	9,7%
Cost of sales	-395	-478	-17,4%
Sales profit	4 899	4 348	12,7%
Administrative expenses - property related	-2 592	-3 104	-16,5%
Other administrative expenses	-1 185	-1 057	12,1%
Selling and marketing costs	0	-6	-100,0%
Gain (loss) on disposal of investment properties	0	79	-100,0%
Other income	264	2 685	-90,2%
Gain (loss) on revaluation of investment properties	1 367	1 293	5,7%
Gain (loss) on revaluation of assets held for sale	0	293	-100,0%
Post-tax share of the profit or loss of the joint-venture accounted for using the equity method	5 920	18 646	-68,3%
Impairment of receivables	11	-4	
Profit from operations	8 684	23 173	-62,5%
Finance income	110	191	-42,4%
Finance costs	-2 118	-1 702	24,4%
Profit/loss before tax	6 676	21 662	-69,2%
Income tax	-524	-547	-4,2%
Profit/loss for the period	6 152	21 115	-70,9%

In the first quarter of 2022 CPD SA Group generated a net profit of PLN 6.15 M. The result was lower by PLN 14.96 M in comparison with the analogous period of 2021.

There were two main factors that had a positive impact on CPD Group's financial results in the first quarter of 2022 in comparison with the first quarter of 2021. The sales profit amounted to PLN 4.9 M and was higher by PLN 0.55 M. What is more, property related administrative expenses dropped by PLN 0.51 M.

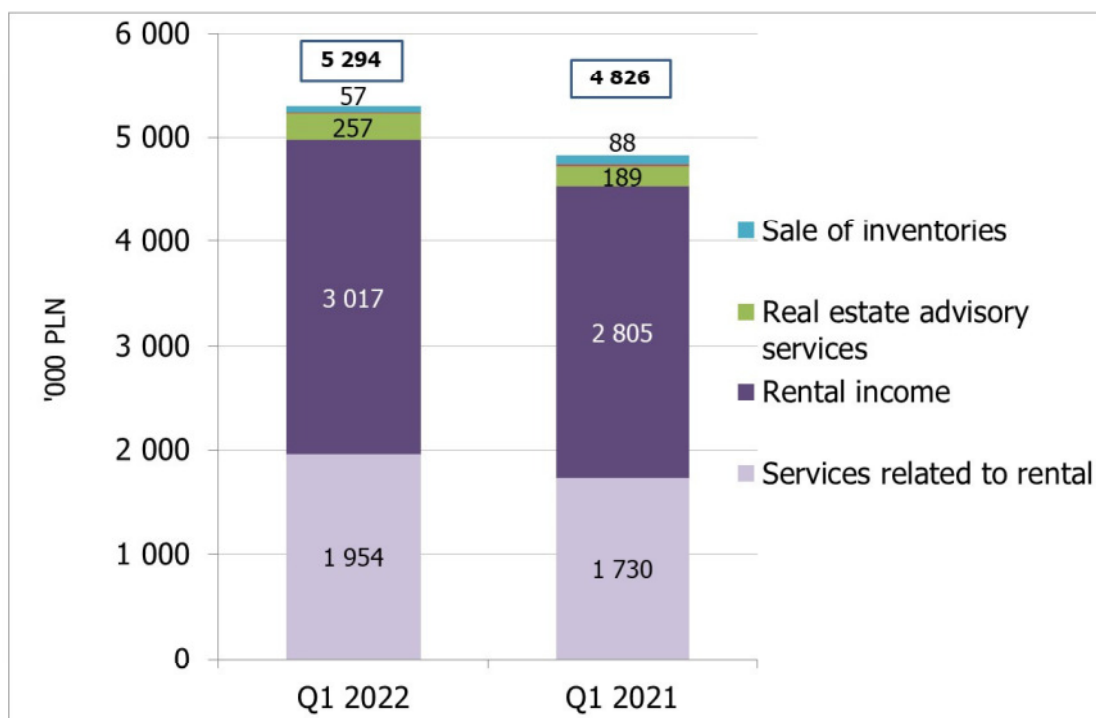
The rise in sales profit resulted from higher revenue and lower cost of sales. Property related administrative expenses declined in Q1 2022 due to lower employee, property maintenance and perpetual usufruct costs.

On the other hand, a much lower post-tax share of the profit of the joint-venture was the main factor that had a negative impact on CPD Group's financial results in the first quarter of 2022 in comparison with the first quarter of 2021.

The following table shows the selected items of the consolidated statement of comprehensive income translated into euro. The figures for the first quarter of 2022 assumed an average quarterly fx rate published by the National Bank of Poland, i.e. 4.6253. The figures for the first quarter of 2021 assumed an average quarterly fx rate published by the National Bank of Poland, i.e. 4.5493.

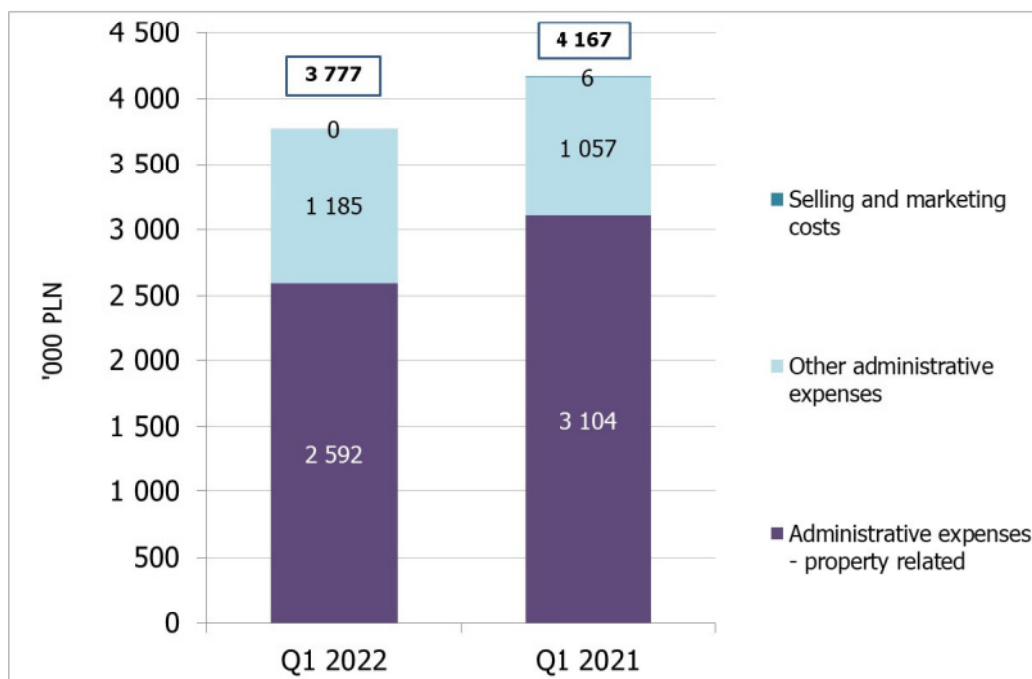
	3 months period		Change (%)
	From 01.01.2022 to 31.03.2022 (EUR thous.)	From 01.01.2021 to 31.03.2021 (EUR thous.)	
Revenue	1 145	1 061	7,9%
Cost of sales	-85	-105	-18,7%
Sales profit	1 059	956	10,8%
Administrative expenses - property related	-560	-682	-17,9%
Other administrative expenses	-256	-232	10,3%
Selling and marketing costs	0	-1	-100,0%
Gain (loss) on disposal of investment properties	0	17	-100,0%
Other income	57	590	-90,3%
Gain (loss) on revaluation of investment properties	296	284	4,0%
Gain (loss) on revaluation of assets held for sale	0	64	-100,0%
Post-tax share of the profit or loss of the joint-venture accounted for using the equity method	1 280	4 099	-68,8%
Impairment of receivables	2	-1	
Profit from operations	1 877	5 094	-63,1%
Finance income	24	42	-43,4%
Finance costs	-458	-374	22,4%
Profit/loss before tax	1 443	4 762	-69,7%
Income tax	-113	-120	-5,8%
Profit/loss for the period	1 330	4 641	-71,3%

The following chart shows the structure of revenue in the first quarter of 2022 and 2021.



Revenue went up in comparison with the first quarter of 2021 as a result of higher rental income, higher services related to rental and higher real estate advisory services.

The following chart shows the structure of operating costs in the first quarter of 2022 and 2021.



The value of property related administrative expenses decreased as a result of lower employee, property maintenance and perpetual usufruct costs.

Selected items of the consolidated statement of financial position

	As at:		Change (%)
	2022-03-31 (PLN thous.)	2021-12-31 (PLN thous.)	
TOTAL ASSETS	281 923	275 322	2,4%
Non-current assets, including:	172 895	181 654	-4,8%
<i>Investment properties</i>	<i>168 963</i>	<i>167 667</i>	<i>0,8%</i>
<i>Investments in joint ventures accounted for using the equity method</i>	<i>3 105</i>	<i>12 795</i>	<i>-75,7%</i>
Current assets, including:	109 028	93 668	16,4%
<i>Assets held for sale</i>	<i>4 744</i>	<i>4 744</i>	<i>0,0%</i>
<i>Inventory</i>	<i>3 858</i>	<i>3 887</i>	<i>-0,7%</i>
<i>Trade and other receivables</i>	<i>4 457</i>	<i>3 264</i>	<i>36,6%</i>
<i>Cash and cash equivalents</i>	<i>95 969</i>	<i>81 773</i>	<i>17,4%</i>
TOTAL EQUITY AND LIABILITIES	281 923	275 322	2,4%
Equity, including:	150 710	144 663	4,2%
<i>Share capital</i>	<i>897</i>	<i>2 637</i>	<i>-66,0%</i>
<i>Reserve capital</i>	<i>987</i>	<i>987</i>	<i>0,0%</i>
<i>Own shares for redemption</i>	<i>0</i>	<i>-288 973</i>	<i>-100,0%</i>
<i>Fair value of capital element at inception date</i>	<i>-27 909</i>	<i>-27 909</i>	<i>0,0%</i>
<i>Translation reserve</i>	<i>-6 348</i>	<i>-6 243</i>	<i>1,7%</i>
<i>Retained earnings</i>	<i>183 083</i>	<i>464 164</i>	<i>-60,6%</i>
Total liabilities, including:	131 213	130 659	0,4%
<i>Non-current liabilities</i>	<i>74 771</i>	<i>74 412</i>	<i>0,5%</i>
<i>Current liabilities</i>	<i>56 442</i>	<i>56 247</i>	<i>0,3%</i>

At the end of March 2022 the value of assets was 2,4% higher compared to December 2021.

The value of investment properties was 0.8% higher as a result of a slight depreciation of the Polish currency in the first quarter of 2022.

The value of current assets went up by 16.4% as a consequence of, among other things, getting CPD's equity in joint venture back in the amount of PLN 14.94 M.

At the end of March 2022 the value of equity amounted to PLN 150.7 M, which accounted for 53.5% of total assets. Total liabilities accounted for 46.5% of total assets. These ratios changed slightly in comparison with December 2021, when they amounted to 52.5% and 47.5% respectively.

The value of liabilities rose by 0.4% (PLN 0.55 M) in the first quarter of 2022 as a consequence of, among other things, a rise in the balance of deferred income tax liabilities in the amount of PLN 0.48 M.

The following table shows the selected items of the consolidated statement of financial position translated into euro. The figures for 31 March 2022 assumed an fx rate published by the National Bank of Poland as at March 31, 2022, i.e. 4.6525. The figures for 31 December 2021 assumed an fx rate published by the National Bank of Poland as at December 31, 2021, i.e. 4.5994.

	As at:		Change (%)
	2022-03-31 (EUR thous.)	2021-12-31 (EUR thous.)	
TOTAL ASSETS	60 596	59 860	1,2%
Non-current assets, including:	37 162	39 495	-5,9%
<i>Investment properties</i>	<i>36 317</i>	<i>36 454</i>	<i>-0,4%</i>
<i>Investments in joint ventures accounted for using the equity method</i>	<i>667</i>	<i>2 782</i>	<i>-76,0%</i>
Current assets, including:	23 434	20 365	15,1%
<i>Assets held for sale</i>	<i>1 020</i>	<i>1 031</i>	<i>-1,1%</i>
<i>Inventory</i>	<i>829</i>	<i>845</i>	<i>-1,9%</i>
<i>Trade and other receivables</i>	<i>958</i>	<i>710</i>	<i>35,0%</i>
<i>Cash and cash equivalents</i>	<i>20 627</i>	<i>17 779</i>	<i>16,0%</i>
TOTAL EQUITY AND LIABILITIES	60 596	59 860	1,2%
Equity, including:	32 393	31 453	3,0%
<i>Share capital</i>	<i>193</i>	<i>573</i>	<i>-66,4%</i>
<i>Reserve capital</i>	<i>212</i>	<i>215</i>	<i>-1,1%</i>
<i>Own shares for redemption</i>	<i>0</i>	<i>-62 828</i>	<i>-100,0%</i>
<i>Fair value of capital element at inception date</i>	<i>-5 999</i>	<i>-6 068</i>	<i>-1,1%</i>
<i>Translation reserve</i>	<i>-1 364</i>	<i>-1 357</i>	<i>0,5%</i>
<i>Retained earnings</i>	<i>39 352</i>	<i>100 918</i>	<i>-61,0%</i>
Total liabilities, including:	28 203	28 408	-0,7%
<i>Non-current liabilities</i>	<i>16 071</i>	<i>16 179</i>	<i>-0,7%</i>
<i>Current liabilities</i>	<i>12 132</i>	<i>12 229</i>	<i>-0,8%</i>

The following table shows the structure of liabilities as at March 2022 and December 2021.

	2022-03-31	2021-12-31
Liabilities to total assets	46,5%	47,5%
Non-current liabilities to total assets	26,5%	27,0%
Borrowings including leases	20,4%	20,9%
Deferred income tax liabilities	5,2%	5,2%
Trade and other payables	0,9%	1,0%
Current liabilities to total assets	20,0%	20,4%
Borrowings including leases	13,2%	13,6%
Trade and other payables	6,0%	6,1%
Payables linked to assets held for sale	0,8%	0,8%

The structure of liabilities changed slightly in the first quarter of 2022. The share of non-current liabilities in total assets went down from 27% as at December 31, 2021 to 26.5% as at March 31, 2022. The share of current liabilities in total assets decreased from 20.4% to 20%.

At the end of March 2022 non-current liabilities accounted for 57% of total liabilities.

4. IMPORTANT ACHIEVEMENTS, FAILURES, AND THE MOST IMPORTANT EVENTS CONCERNING THE COMPANY IN THE REPORTING PERIOD

- **REGISTRATION OF SHARES REDEMPTION, REDUCTION OF THE SHARE CAPITAL AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

16 March 2022 Company received the decision of the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register issued on March 14, 2022 on registration by the court of amendments to the Issuer's Articles of Association and changes in the Company's share capital in connection with the resolutions adopted by the Extraordinary General Meeting of the Company on October 18, 2021 (submitted by The Company to the public in the current report No. 32/2021 of October 18, 2021):

1. Changes in connection with the content of Resolution No. 4 of the Extraordinary General Meeting of the Company of October 18, 2021 on the reduction of the share capital of CPD S.A. and changes to the Company's Articles of Association:

4 section 1 of the Company's Articles of Association received a new, following wording:

1. The share capital of the Company amounts to PLN 896,618.50 (say: eight hundred ninety six thousand six hundred and eighteen zlotys fifty groszy) and is divided into 8,966,185

(say: eight million nine hundred sixty six thousand one hundred eighty five) series AA shares with a nominal value of PLN 0.10 (ten groszy) each.

The above amendments to the Articles of Association became effective from the date of their registration in the register of entrepreneurs, which took place on 14 March 2022.

Changes in the share capital in connection with the content of Resolution No. 3 of the Extraordinary General Meeting of the Company of October 18, 2021 on the redemption of own shares of CPD S.A. – as a result, a total of 17,404,946 (in words: seventeen million four hundred four thousand nine hundred and forty six) own shares marked with ISIN PLCELPD00013 code, entitling to exercise 17,404,946 votes (in words: seventeen million four hundred and four thousand nine hundred and forty-six) were redeemed.

Accordingly, the share capital of the Company currently amounts to PLN 896,618.50 (say: eight hundred ninety six thousand six hundred and eighteen zlotys fifty groszy) and is divided into 8,966,185 (say: eight million nine hundred sixty six thousand one hundred eighty five) series AA shares with a nominal value of PLN 0.10 (ten groszy) each, which entitle to exercise a total of 8,966,185 votes (say: eight million nine hundred sixty six thousand one hundred eighty five).

5. IMPORTANT ACHIEVEMENTS, FAILURES, AND THE MOST IMPORTANT EVENTS CONCERNING THE COMPANY AFTER THE REPORTING PERIOD

• RESIGNATION OF SUPERVISORY BOARD MEMBER

19 April 2022, company received the resignation of Supervisory Board Member.

Ms Hanna Karwat-Ratajczak, previously a Member of the Supervisory Board of the Company, resigned of the position with effect on the date of the Ordinary General Meeting, the subject of which is to review and approve the Management Board Activity Report and financial statements for 2021 and to validate the operation of management 2021.

Ms Hanna Karwat-Ratajczak meets the criteria of an independent Member of the Supervisory Board. Ms Hanna Karwat-Ratajczak did not give reasons for her resignation.

6. FACTORS AND EVENTS OF AN UNUSUAL NATURE HAVING AN IMPORTANT INFLUENCE ON THE FINANCIAL STATEMENT

Since 2020 the COVID-19 pandemic continues, but it has no significant impact on the Group's results for first quarter 2022.

Real estate development is characterized by a long production cycle; therefore, the effects of negative events can be felt in the long term. In the jointly controlled company Ursa Sky Smart City Sp. z o.o. Sp. k. revenues from the sale of apartments, service premises and parking spaces for first quarter 2022 amounted to PLN 10,35 million and were generated by transactions from about a year ago with payment in instalments. Therefore, the events that took place in first quarter 2022 will be visible in the income statement for subsequent periods. In the jointly controlled company Ursa Park Smart City Sp. z o.o. Sp. k. revenues from the sale of apartments, service premises and parking spaces for first quarter 2022 amounted to PLN 0,52 million and were generated by transactions from about a year ago with payment

dates spread in instalments. However, it should be noted that the construction industry, including the development of apartments in multi-family buildings, did not record any declines in sales or a slowdown in the growth dynamics observed in the previous years.

Due to the global pandemic and Russia's aggression against Ukraine that began in March this year, the company assumes that its effects may affect the activities of property development companies in the following areas:

- the level and dynamics of sales of flats, in particular in the event of a decrease in demand for flats and a potential tightening of mortgage lending criteria by banks or other disruptions on the housing or banking market,
- decrease in revenues from office space rents,
- demand for office rent and investment demand for office buildings,
- timeliness of implementation of projects by companies from the CPD capital group and its related entities, i.e., resulting from the pace of issuing administrative decisions leading to obtaining building permits and admission of ready facilities for use,
- process of extracting and transferring ownership of premises to buyers and selling real estate,
- availability and terms of new financing if banks and other lenders are severely affected by the protracted economic downturn,
- level and deadline for meeting contractors' financial obligations,
- obtaining administrative decisions
- fluctuations in the value of assets because of changes in the exchange rate of PLN in relation to foreign currencies, especially EUR.

The Ursa Sky stage is being conducted in accordance with the assumed schedule. Taking into account the fact that the construction works were completed in the first quarter of 2022 and the sales level of this project is very advanced and the management board of CPD S.A. as at the date of publication of the report, he did not notice the resignation from the already signed development contracts, therefore he expects the project to be completed according to the schedule.

CPD S.A. and subsidiaries have taken intensive steps to adapt their activities to the existing conditions, while maintaining common recommendations of sanitary services and WHO guidelines, and actively engage in helping refugees from Ukraine residing on Polish territory.

7. ACQUISITION AND SALE OF PROPERTY, PLANT AND EQUIPMENT

During the reporting period the Group did not make any significant acquisitions or disposals of property, plant or equipment.

8. TRANSACTIONS WITH RELATED PARTIES CONCLUDED ON OTHER THAN MARKET CONDITIONS

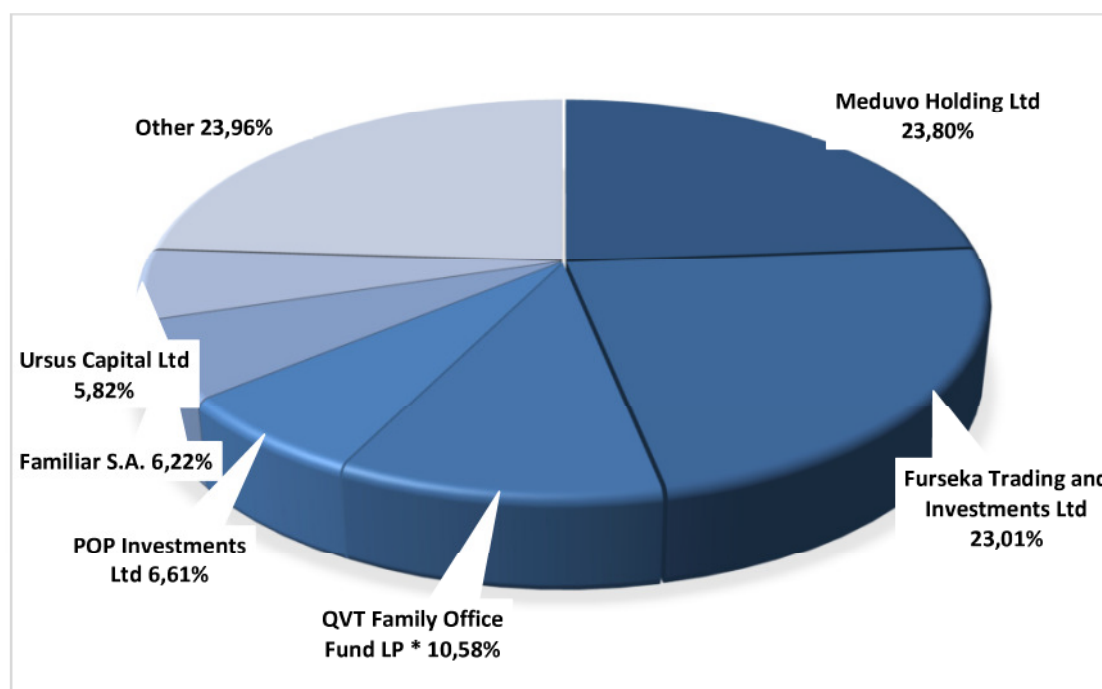
During the reporting period, the Company did not conclude any transactions with related parties on terms other than the market.

9. THE MANAGEMENT BOARD'S POSITION ON PREVIOUSLY PUBLISHED FINANCIAL FORECASTS

Neither the CPD Group nor its parent company – CPD S.A. – has published any forecasts of financial results.

10. SHAREHOLDERS ENTITLED TO AT LEAST 5% OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS

According to the Company's information in reporting period, shareholders who own, either directly or indirectly through subsidiaries, at least 5 % of the total votes at the General Meeting of Shareholders (number of shares on the basis of notices provided by shareholders pursuant to art. 69 of the Act on Public Offering or the information contained in the prospectus).



Shareholder	Number of held shares	Type of shares	Number of held votes	Shareholding structure by held votes	Shareholding structure by held shares
Meduvo Holding Ltd	2 133 604	bearer shares	2 133 604	23.80 %	23.80 %
Furseka Trading and Investments Ltd	2 063 234	bearer shares	2 063 234	23.01 %	23.01 %
QVT Family Office Fund LP*	948 922	bearer shares	948 922	10.58 %	10.58 %
POP Investments Ltd	592 585	bearer shares	592 585	6.61 %	6.61 %
Ursus Capital Ltd	522 216	bearer shares	522 216	5.82 %	5.82 %
Familiar S.A.	557 608	bearer shares	557 608	6.22 %	6.22 %
Other	2 148 016	bearer shares	2 148 016	23.96 %	23.96 %

* data on the basis of the list of persons authorized to participate in the General Meeting

Compared to the status presented in the consolidated annual report for 2021, published on April 27, 2022, the following changes occurred in the ownership structure of significant blocks of shares in the Company as at the balance sheet date:

- On 16 March 2022, the Company received the decision of the District Court for the Capital City of Warszawy w Warszawie, issued on March 14, 2022 on registration by the court of a change in the share capital of the Company
- On 21 March 2022, the Company received a notification pursuant to Art. 69 of the Act on public offering and the conditions for introducing financial instruments to an organized trading system and on public companies of 29 July 2005 (Journal of Laws No. 184, item 1539, as amended) from FAMILIAR S.A., SICAV-SIF.
- On 21 March 2022, the Company received a notification pursuant to Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005 (Journal of Laws No. 184, item 1539, as amended) from POP Investments Limited.
- On 21 March 2022, the Company received a notification pursuant to Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005 (Journal of Laws No. 184, item 1539, as amended) from Ursus Capital Limited.
- On 22 March 2022, the Company received a notification pursuant to Art. 69 of the Act on public offering and conditions for introducing financial instruments to an organized trading system and on public companies of 29 July 2005 (Journal of Laws No. 184, item 1539, as amended) by Furseka Trading and Investment Limited.
- On 22 March 2022, the Company received a notification pursuant to Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005 (Journal of Laws No. 184, item 1539, as amended) by Meduvo Holding Limited.

11. COMPANY SHARES HELD BY MANAGING AND SUPERVISING PARTIES

The table below presents the Company's shares held by Management Board members as at the date of this report according to the Company's information:

Name	Function	No. of owned shares	Nominal value of shares (PLN)	% of total no. of shares	% of total no. of votes
Elżbieta Wiczowska	Member	14 002	1 400	0.15%	0.15%
Iwona Makarewicz	Member	2 310	231	0.02%	0.02%
Colin Kingsnorth	President	0	0	0	0
John Purcell	Member	0	0	0	0
RAZEM		16 312	1 631	0,17%	0,17%

Compared to the state presented in the consolidated annual report for 2021, published on 27 April 2022, no changes have occurred in the statement of shares held by managing and supervising persons in the reporting period as of 31 March 2022.

The Company does not hold any other information regarding the fact of holding shares in the Company by other persons being members of the management or supervisory bodies.

12. IMPORTANT COURT, ADMINISTRATIVE AND ARBITRATION PROCEEDINGS

On 6 February 2019, a customs and tax inspection was initiated against Celtic Investments Limited with its registered office in Cyprus, part of the Group. The scope of the audit covers the accuracy of the declared tax bases and the correctness of calculating and paying the corporate income tax for 2016 by Blaise Investments sp. z o.o., which was acquired by Celtic Investments Limited as a result of a cross-border merger completed on 31 December 2017. On 29 June 2020, Celtic Investments Limited received a decision to transform the customs and tax control into tax proceedings.

New court, administrative and arbitration proceedings Did not occur in the period until the publication of this report.

13. LOAN GUARANTEES

As of 31 March 2022 CPD SA guaranteed to Santander Bank Polska SA payable and due amounts that are required (or may be required) to cover debt service or any other payments due to be paid to Bank Santander by its subsidiary doing business as Belise Investments sp. z o.o. based on a payment request up to a maximum of EUR 20,666,000.

On 31 March 2022 the balance of the secured loan was EUR 12,022,560. The guarantee period ends on the day on which Bank Santander considers that the secured claims have been irrevocably, unconditionally and fully repaid and satisfied, but in any case not later 31 May 2029.

The remuneration of CPD SA for the guarantee granted is EUR 200,000 per year.

14. THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

At 31 March 2022, the composition of the Management Board of the Company was as follows:

- Mr. Colin Kingsnorth – President of the Management Board
- Mr. John Purcell – Member of the Management Board
- Mrs. Elżbieta Wiczowska – Member of the Management Board
- Mrs. Iwona Makarewicz - Member of the Management Board

At 31 March 2022, the composition of the Supervisory Board of the Company was as follows:

- Mr. Andrew Pegge – President of Supervisory Board
- Mr. Wiesław Oleś – Secretary of Supervisory Board
- Mr. Mirosław Gronicki - Supervisory Board Member
- Ms. Hanna Karwat - Ratajczak - Supervisory Board Member
- Mr. Krzysztof Laskowski - Supervisory Board Member

At 31 March 2022, the composition of the Audit Committee of the Company was as follows:

- Mr. Mirosław Gronicki - Chairman of the Audit Committee
- Mr. Krzysztof Laskowski- Member of the Audit Committee
- Mr. Andrew Pegge - Member of the Audit Committee.

15. OTHER IMPORTANT INFORMATION

Nothing other than the information provided above.

16. FACTORS AFFECTING RESULTS OF THE FOLLOWING QUARTERS

The most important factors which will affect the results of the following quarters are as follows:

- The situation on the financial markets which may affect the valuation of properties in the Group's portfolio.
- Start and conducting construction works in the subsequent phase of the Smart City Ursus project;
- Commercialization of the IRIS project;
- The economic trend in the housing market, on which the Company operates,

- The state of global financial markets and their impact on the Polish economy and the national banking system,
- Availability of mortgages, and in particular their attractiveness to potential customers,
- Timely, compliant with schedules, completion of the following phase of the Smart City Ursus project,
- The availability of external financing (loans, bonds) for real estate development entities,
- Changes in the legal and tax regulations that may influence the market demand for products offered by the Company in an uncontrollable manner;
- Maintaining a stable political situation and creating a positive economic climate by the government and local authorities,
- The economic situation affecting regular income from the rental of office space,
- Selling, general and administrative expenses,
- Quarterly revaluation at fair value of the Group's properties and receivables,
- Higher prices of construction work observed on the development market,
- Risk related to the COVID-19 pandemic in the world.

CPD S.A.QUARTERLY REPORT FOR 1st QUARTER 2022

**II. INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENT FOR THE PERIOD OF 3 MONTHS ENDED 31
MARCH 2022 ALONG WITH CONDENSED FINANCIAL
STATEMENTS OF CPD S.A.**

CPD S.A.

Condensed interim consolidated financial statements
for the period of 3 months ended 31 March 2022

and the condensed interim financial statements of CPD S.A.
for the period of 3 months ended 31 March 2022

prepared in accordance with the International Financial Reporting Standards
approved by the European Union concerning the interim reporting

(unaudited financial data)

	Page
Condensed consolidated statement of comprehensive income	3
Condensed consolidated statement of financial position	4
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial statements	8
1 General information	8
2 The accounting principles	8
2.1 Basis of preparation	8
2.2 Changes in Group structure	9
3 Significant changes in major accounting estimates and judgments	9
3.1 Managing financial risk	13
4 Investment properties	14
5 Trade receivables and other receivables	14
6 Inventories	14
7 Cash and cash equivalents	14
8 Joint ventures	15
9 Share capital	17
10 Trade payables and other liabilities	17
11 Borrowings, including leasing	18
12 Deferred income taxes	19
13 Revenue by nature	19
14 Cost of sales	19
15 Administrative costs property related	19
16 Administrative expenses-other	20
17 Other income	20
18 Financial income and expenses	20
19 Income tax	20
20 Cash generated from operations	21
21 Related party transactions	21
22 Payment of dividends	22
23 Earnings per share	22
24 Contingent liabilities	22
25 Segment reporting	22
26 Seasons of activity and unusual events	22
27 Assets and liabilities held for sale	23
28 Events after the end of the reporting period	23
29 Interim financial information of the parent	24
29.1 Condensed statement of comprehensive income	24
29.2 Condensed statement of financial position	25
29.3 Condensed statement of changes in equity	26
29.4 Condensed statement of cash flows	27
29.5 Shares in subsidiaries	28
29.6 Long-term receivables	29
29.7 Trade receivables and other receivables	30
29.8 Share capital	31
29.9 Borrowings	31
29.10 Earnings (loss) per share	32
29.11 Administrative costs	32
29.12 Financial income and expenses and fair value adjustment on loans granted	33
29.13 Cash flow from operating activities	33
29.14 Related party transactions	34
29.15 Events after the balance sheet date	35

Condensed consolidated statement of comprehensive income

	Note	For the 3 month period ended	
		31/03/2022 (unaudited)	31/03/2021 (unaudited)
Revenues	13	5 294	4 826
Cost of sales	14	(395)	(478)
PROFIT ON SALES		4 899	4 348
Administrative costs property related	15	(2 592)	(3 104)
Administrative expenses-other	16	(1 185)	(1 057)
Selling and marketing expenses		0	(6)
Loss on investment property disposal		0	79
Other income	17	264	2 685
Net gain/(loss) from fair value adjustments on investment properties	4		
		1 367	1 293
Post-tax share of the profit or loss of the joint-venture accounted for using the equity method	8	5 920	18 646
Receivables valuation allowances		11	(4)
Net gain/(loss) from value adjustments on assets held for sale		0	293
OPERATING RESULT		8 684	23 173
Financial income	18	110	191
Financial costs	18	(2 118)	(1 702)
PROFIT (LOSS) BEFORE INCOME TAX		6 676	21 662
Income tax	19	(524)	(547)
PROFIT FROM CONTINUED OPERATIONS		6 152	21 115
Result of discontinued operations		0	0
PROFIT (LOSS) FOR THE PERIOD		6 152	21 115
Currency translation adjustment		(105)	(75)
TOTAL COMPREHENSIVE INCOME		6 047	21 040
Profit attributable to:			
Equity holders of the Group		6 152	21 115
Total comprehensive income attributable to:			
Equity holders of the Group		6 047	21 040
BASIC EARNINGS PER SHARE (PLN)	23	0,69	1,19
DILUTED EARNINGS PER SHARE (PLN)		0,69	1,19

Colin Kingsnorth
Chairman of the Board

John Purcell
Board Member

Elzbieta Donata Wiczowska
Board Member

Iwona Makarewicz
Board Member

The notes are an integral part of these condensed interim consolidated financial statements

Condensed consolidated statement of financial position

	Note	31/03/2022 (unaudited)	31/12/2021
ASSETS			
Non-current assets			
Investment properties	4	168 963	167 667
Property, plant and equipment		81	103
Investments in joint ventures accounted for using the equity method	8	3 105	12 795
Derivative financial instruments		325	595
Long-term receivables		421	494
Non-current assets		172 895	181 654
Current assets			
Inventories	6	3 858	3 887
Trade receivables and other receivables	5	4 457	3 264
Cash and cash equivalents	7	95 969	81 773
Current assets excluding assets held for sale		104 284	88 924
Assets held for sale	27	4 744	4 744
Current assets		109 028	93 668
Total assets		281 923	275 322

Condensed consolidated statement of financial position - cont.

	Note	31/03/2022 (unaudited)	31/12/2021
EQUITY			
Equity attributable to owners of the parent company			
Share capital	9	897	2 637
Own shares for redemption		0	(288 973)
Other reserves		987	987
Embedded element at inception date	11	(27 909)	(27 909)
Translation reserve		(6 348)	(6 243)
Retained earnings/(accumulated losses)		183 083	464 164
Capital and reserves attributable to the Group equity holders		150 710	144 663
Non-controlling interest		0	0
Total equity		150 710	144 663
LIABILITIES			
Non-current liabilities			
Trade and other payables		2 648	2 629
Borrowings, including leasing	11	57 410	57 551
Deferred income tax liabilities	12	14 713	14 232
Non-current liabilities		74 771	74 412
Current liabilities			
Trade and other payables		17 006	16 694
Borrowings, including leasing	11	37 192	37 309
Current liabilities		54 198	54 003
Liabilities directly associated with assets held for sale		2 244	2 244
Total liabilities		131 213	130 659
Total Equity and liabilities		281 923	275 322

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Chairman of the Board

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Board Member

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Board Member

The notes are an integral part of these condensed interim consolidated financial statements

CPD S.A.

Condensed interim consolidated financial statements for the period of 3 months ended 31 March 2022

(All amounts in PLN thousands unless otherwise stated)

Condensed consolidated statement of changes in equity

	Share capital CPD S.A.	Embedded element at inception date	Own shares	Translation reserve	Reserve capital	Retained earnings	Capital and reserves attributable to the Group equity holders	Non- controlling interest	Total equity
Balance as at 01/01/2021	2 637	(27 909)	(117 396)	(6 262)	987	432 991	285 048	0	285 048
Comprehensive income									
Currency translation adjustment	0	0	0	(75)	0	0	(75)	0	(75)
Profit (loss) for the period	0	0	0	0	0	21 115	21 115	0	21 115
Balance as at 31/03/2021 /unaudited	2 637	(27 909)	(117 396)	(6 337)	987	454 106	285 048	0	306 088
Balance as at 01/01/2021	2 637	(27 909)	(117 396)	(6 262)	987	432 991	285 048	0	285 048
Transactions with owners									
Own shares acquired for redemption	0	0	(171 577)	0	0	0	(171 577)	0	(171 577)
Comprehensive income									
Currency translation adjustment	0	0	0	19	0	0	19	0	19
Profit (loss) for the period	0	0	0	0	0	31 173	31 173	0	31 173
Balance as at 31/12/2021	2 637	(27 909)	(288 973)	(6 243)	987	464 164	113 471	0	144 663
Balance as at 01/01/2022	2 637	(27 909)	(288 973)	(6 243)	987	464 164	144 663	0	144 663
Transactions with owners									
Share capital reduction	(1 740)	0	288 973	0	0	(287 233)	0	0	0
Comprehensive income									
Currency translation adjustment	0	0	0	(105)	0	0	(105)	0	(105)
Profit (loss) for the period	0	0	0	0	0	6 152	6 152	0	6 152
Balance as at 31/03/2022 /unaudited	897	(27 909)	0	(6 348)	987	183 083	6 047	0	150 710

Colin Kingsnorth
*Chairman of the Board*Elzbieta Donata Wiczowska
*Board Member*Iwona Makarewicz
*Board Member*John Purcell
Board Member

The notes are an integral part of these condensed interim consolidated financial statements

Condensed consolidated statement of cash flows

Note	For the 3 month period ended	
	31/03/2022 (unaudited)	31/03/2021 (unaudited)
Cash flow from operating activities		
PROFIT (LOSS) BEFORE INCOME TAX	6 676	21 662
Operating activity adjustments	(5 464)	(16 934)
Basic cash generated from (used in) operations	1 212	4 728
Interest paid	(1 470)	(476)
Net cash generated from investing activities	(258)	4 252
Cash flows from investing activities		
Capital expenditure on investment properties	(152)	0
Expenses for assets held for sale	0	(5)
Purchase of property, plant and equipment	0	(11)
Cash in acquired subsidiary	0	143
Proceeds from disposal of investment properties	0	12 134
Proceeds from reduction of the own contribution in joint venture	15 610	0
Net cash used in investing activities	15 458	12 261
Cash flows from financing activities		
Repayments of borrowings	(1 004)	(1 295)
Net cash used in financing activities	(1 004)	(1 295)
Net (decrease)/increase in cash and cash equivalents	14 196	15 218
Cash and cash equivalents at beginning of year	81 773	170 146
Cash and cash equivalents at the end of the period	7 95 969	185 364

Colin Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

John Purcell
Board Member

Iwona Makarewicz
Board Member

The notes are an integral part of these condensed interim consolidated financial statements

Notes to the interim condensed consolidated financial statements

1 General information

CPD S.A. ("Company", "CPD") with its registered office in Warsaw (02-677), Cybertyki 7B str., was established on the basis of statute on 23 February 2007 (as Celtic Development Corporation S.A., then on 22 February 2008 the Company changed its name to Poen S.A.). On 23 March 2007 District Court in Cracow, XI Business Department of the National Court Register entered the Company into the Register of Businesses with the KRS number 0000277147. The Company's shares are quoted on the Warsaw Stock Exchange.

On September 2, 2010 the General Shareholder's Meeting adopted a resolution changing the Company's name from Poen S.A. to Celtic Property Developments S.A.

On May 29, 2014 the Extraordinary General Shareholder's Meeting adopted a resolution changing the Company's name from Celtic Property Developments S.A. to CPD S.A. The change of name was registered in the National Court Register on September 17, 2014.

The currency of the presentation of consolidated financial statements is Polish Zloty.

Information about the Capital Group

As at balance sheet date CPD Group comprised CPD S.A. as a parent entity, 18 subsidiaries and 2 under common control.

2 The accounting principles

The accounting principles in these interim consolidated financial statements are consistent with those applied in the annual consolidated financial statements for the year ended 31 December 2021, except for the application of the following new or revised standards and interpretations applicable for annual periods beginning on or after 1 January 2022.

These interim consolidated financial statements as at 31 March 2022 have been prepared under going concern assumption in the foreseeable future.

2.1 Basis of preparation

These interim condensed consolidated financial statements of the CPD group were prepared in accordance with international accounting standard approved by the EU-IAS 34 Interim financial reporting and in accordance with all applicable the application of IFRS adopted by the European Union.

The following new standards, interpretations and amendments which came into force in 2022 and description of the impact of applying the amendments:

Amendments to **IAS 16 Proceeds before Intended use**.

Amendments to **IAS 37 Cost of Fulfilling a Contract**.

Set of amendments **Annual Improvements 2018–2020**.

New standards and interpretations that have been published, and, have not yet entered into force:

The Group has not early adopted of the following standards, amendments to existing standards and interpretations have not been adopted by the European Union or are not applicable on 1 January 2022:

IFRS 17 Insurance Contracts, issued by the International Accounting Standards Board on 18 May 2017, is effective for annual periods beginning on or after 1 January 2023. The standard is to replace the current insurance regulations (IFRS 4).

Notes to the interim condensed consolidated financial statements**2.1 Basis of preparation - cont.**

Amendment to **IAS 1 Classification of Liabilities as Current or Non-current** - issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2023.

Amendments to **IAS 8 Definition of Accounting Estimates** - issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023.

Amendments to **IAS 1 Presentation of Financial Statements** - issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023.

Amendments to **IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction** - issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023.

The abovementioned standards and their amendments do not relate to the activities of the Group or relate only remotely. As a result their adoption will not affect the consolidated financial statements of the Group significantly.

2.2 Changes in Group structure

On 31 January 2022 20/140 Gaston Investments Spółka z ograniczoną odpowiedzialnością Sp.k. has been cancelled from the entrepreneurs' register.

3 Significant changes in major accounting estimates and judgments

During preparation of these condensed consolidated financial statements the Board has made an assessment of the significant estimates and judgments, which have an impact on the accounting principles applied and the amounts recognised in the financial statements for a period of 3 months ended 31 March 2022.

Major estimates and judgments are based on past experience and other factors including anticipation of future events that seem reasonable in a given case. Resulting accounting estimates, by definition, bear inherent risk.

Major estimates and judgments adopted for the purpose of preparation of these condensed consolidated financial statements are consistent with the those applied in the annual consolidated financial statements for the period ended 31 December 2021.

Estimates and assumptions involving significant risk of a major adjustment of the carrying value of assets and liabilities during the following financial year being required are discussed below.

Determination of the fair value of investment properties

The fair value of investment class real properties recognized in the balance sheet is calculated based on pricing established annually by third party experts base on Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards 2020 Incorporating the IVSC International Valuation Standards (the "RICS Red Book"). Valuation fees are not related to the value of the real properties or the valuation results. Bearing in mind the market environment, the Management Board reviewed and confirmed experts' assumptions underlying the valuation models applied for the last annual financial statements being valid as at the end of the period covered by these condensed consolidated financial statements.

CPD Group distinguishes the following classes of assets included in its real property portfolio:

- (i) non-developed land,
- (ii) investment properties generating significant rent income (office buildings in Warsaw),
- (iii) property with an office building in Warsaw under consideration to convert into residential property.

Notes to the interim condensed consolidated financial statements**3 Significant changes in accounting estimates - cont.**

The Group valued Individual real Investment properties using the following methods:

The Group has real estate valued annually at fair value as at the balance sheet date. Results of the valuations imply decisions on impairment write-offs of the properties valued at cost or update of the valuation of the fair value properties.

Fair value changes of investment properties are recognized in the profit and loss under 'Net result from fair value adjustments on investment property' header, while changes in the impairment allowances are recognised within "Costs of goods sold".

Non-developed lands were valued using the comparative method (comparison in pairs). The comparative method determines the value of a real estate assuming that such value is equal to prices obtained for similar properties traded in the market. The value of real properties is adjusted according to their differentiating features and stated taking into account volatility of prices in time. The comparative method is used, if prices of real properties similar to the property valued are known. The price per square meter is the variable affecting the valuation result the most.

The income approach (investment method) was applied to properties generating income. The income approach defines the value of a real property based on the assumption that the buyer will pay the price depending on the anticipated income to be earned on the same real property provided that such price will not exceed that of another property featuring the same profitability and risk that it could buy.

Assuming rental or lease market rates can be defined market value of the real property generating rent income is determined based on direct capitalization, as the quotient of a stable yearly income flow obtainable from the real property valued and the capitalization rate.

Net future operating income were estimated separately for each investment class property based on rental agreements existing as at the balance sheet date, contracted income and the expected cost of operation of the properties. Useful areas underlying the calculations are based on construction documents in force. As most rentals concluded by the Group are expressed in EUR, the investment class properties were valued in EUR and values were then translated into PLN using the NBP average rate as at the balance sheet date.

Capitalisation rates were estimated by third party experts separately for each major investment class property taking into account situation and type of the property. The capitalization rates are determined at least annually by third party property experts and the net operating income is based on rentals in force.

The property where conversion for residential purposes is considered was valued based on income approach and residual method.

The residual method determines the property value by deducting costs to completion and expected developer's profit from estimated market value of the completed investment. The market value of the completed investment as well as construction costs and developers profit are estimated by the surveyor based on average market values for similar properties.

The land designated for public purposes has been valued at nil.

In the first quarter of 2022, the Group recorded profit on the revaluation of investment properties to their fair values, which amounted to PLN 1 367 thousand.

Notes to the interim condensed consolidated financial statements**3 Significant changes in accounting estimates - cont.****Accounting treatment of joint ventures**

On 10 September 2014, an investment agreement was signed by CPD S.A. and its subsidiaries (Smart City Spółka z ograniczoną odpowiedzialnością Sp.k., Lakia Enterprises Ltd), of the one part, and entities not associated with the Group, i.e. Unidevelopment S.A. and Unibep S.A., of the other part. The agreement stipulates a joint venture consisting in the construction of a complex of multiple residential units with services and related infrastructure at a property belonging to Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.

On 31 March 2021 the part of the investment agreement related to Smart City project was dissolved, as a consequence of completion of the project. As a result Smart City Spółka z ograniczoną odpowiedzialnością Sp. z o.o. returned to be 100% subsidiary.

On 22 February 2017 next investment agreement was signed by CPD S.A. and its subsidiaries (Challenge Eighteen Sp. z o.o., 4/113 Gaston Investments z ograniczoną odpowiedzialnością Sp.k., Lakia Enterprises Ltd), of the one part, and entities not associated with the Group, i.e. Unidevelopment S.A. and Unibep S.A., of the other part. The agreement stipulates a joint venture created for construction of a complex of multiple residential units with services and related infrastructure at a property belonging to 4/113 Gaston Investments Spółka z ograniczoną odpowiedzialnością Sp.k.

Subsequently the scope of the investment agreement has been extended on the whole property of Ursa Park Smart City spółka z ograniczoną odpowiedzialnością Sp.k. on 26 October 2018. The investment agreement assumes construction of three joint ventures: Ursa Park, Ursa Home and Ursa Sky, each consisting of two stages.

The first one - Ursa Park - has been completed in 2019 and comprised of 385 flats. Ursa Home consists of 341 flats (153 in the first stage and 188 flats in the second one). As at the balance sheet date all flats in this project are sold.

Based on annex dated 22 September 2020 Unidevelopment joined Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością Sp. k., who bought land and cumulated project outlays related to Ursa Sky from Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością Sp. k. Since that moment the company is accounted for as joint venture. Sales contracts were concluded for all of 183 flats in the first stage and 161 flats in the later one.

Following requirements of IFRS 11, the joint ventures are accounted for based on property rights to the joint ventures' net assets. The Group's property rights to the net assets of the joint ventures calculations are based on the binding investment agreements.

Further details of the valuation of the joint ventures were presented in Note 8.

Determination of fair value of derivatives

In February 2016 Belise Investments Sp. z o.o., the Group subsidiary, concluded interest rate swap (IRS) contract. The value of the contract corresponds to 80% of the Santander Bank borrowings.

During 2021 IRS contract expired, instead CAP contract has been acquired.

Both instruments are presented at fair value based on valuation by Santander Bank. The results of changes in the valuation are reflected in the consolidated statement of comprehensive income as finance cost or finance income.

As at 31 March 2022 the CAP instrument is valued at PLN 325 thousand.

Notes to the interim condensed consolidated financial statements**3 Significant changes in major accounting estimates and judgments - cont.****Balance sheet valuation of shares in subsidiaries and loans granted to subsidiaries (related to the standalone financial statements)**

As at the balance sheet date, the Company analysed the impairment indicators regarding shares in subsidiaries by comparing the book value of shares and their recoverable amount. The recoverable amount is established by the higher of the two amounts: the fair value of assets less the costs of sale or the value in use. In the Company's opinion the value in use is similar to the fair value as at the balance sheet date. In consequence, the analysis of impairment of shares' value was based on the fair value.

In case of investment in Challenge Eighteen Sp. z o.o., IMES Poland Sp. z o.o., Ursus Development Sp. z o.o., Ursa Sky Smart City Sp. z o.o. SK and Lakia Enterprises Ltd, their fair value was estimated based on net assets of these companies, constituting an approximate value of future cash flows available for shareholders related to the shares held by them. The value of these cash flows was estimated, among others, based on either book value (not lower than fair value) or based on fair value of properties owned by subsidiaries.

With respect to shares in Celtic Investments Ltd, the operating activity of which was suspended as at the balance sheet date and which did not have any significant assets, the fair value of these assets was estimated based on the net assets of this company.

As at 31 March, 2022 the value of impairment with respect to shares in Challenge Eighteen Sp. z o.o. and Antigo Investments Sp. z o.o. was updated. With respect to shares in Lakia Enterprises Ltd, Ursus Development Sp. z o.o., IMES Poland Sp. z o.o. and Celtic Investments Ltd which are written down in full no indicators of impairment reversal were observed.

At the same time, as at the balance sheet date, the Company analysed the possibility of recovering receivables from loans granted to its subsidiaries. The Company impairs the value of loans granted to its subsidiaries if the value of their net assets was negative as at 31 March 2021. In the Company's opinion, due to the negative value of net assets of these subsidiaries, there is a substantial risk that these companies will not be able to repay the loans in full.

Tax settlements/deferred tax and activation of tax losses

Resulting from the fact that the companies subject to consolidation reside in various fiscal jurisdictions, which complicates transactions between them and results in ambiguities in the interpretation of the provisions of law, tax settlements, including the determination of the right or obligation to include as well as the way of including separate transactions in the tax bill of individual Group entities, require extremely thorough consideration. In complicated cases, the decision of the Management Board is based on opinions of specialist tax advisers.

Income tax for interim periods is calculated using the tax rate reflecting the total foreseeable annual profit or loss. The difference between the income tax expenses and the tax rate of 19% results primarily from unrecognized deferred income tax assets due to tax losses and the surplus of positive temporary differences over negative temporary differences in the subsidiaries in which recognizing deferred income tax assets for the full financial year is not planned. As at each balance sheet date, the Management Board analyses the possibility of recovering tax losses based on business plans of individual companies forming part of the Group and tax forecasts for these entities, and based on this, decisions on recognition of tax losses for previous years are made.

Notes to the interim condensed consolidated financial statements**3.1 Managing financial risk****Financial risk factors**

CPD Group is exposed to the following financial risks in connection with its business activity: market risk (including the risk of changes in exchange rates, risk of the change of goodwill or cash flows in consequence of a change of interest rates), credit risk and liquidity risk.

Risk of changes in interest rates

The Group's exposure to the risk caused by changes in interest rates relates primarily to the fact that the cash flows are subject to change as a result of changes in market interest rates. The Group partly finances its operations and investment of foreign capital with interest-bearing variable rate. In connection with the current debt level, the Group is exposed to the risk of changes in interest rates in terms of the obligations arising from the issue of debt securities and credit on the nature of the supported products.

Within the Group, only Belise Investments hedges the risk of fluctuations in cash flows resulting from debt incurred based on the reference rate EURIBOR with IRS transaction.

Other financial risks CPD Group have been presented in the consolidated financial statements for the year ended 31 December 2021.

Liquidity risk

Increase in cash balance as compared to 31 December 2021 results mainly from proceeds from reduction of contribution in Ursa Sky joint venture. The details of the current borrowings were presented the consolidated financial statements for the year ended 31 December 2021.

Notes to the interim condensed consolidated financial statements**4 Investment properties**

	01/01/2022 - 31/03/2022	01/01/2021 - 31/12/2021
At the beginning of the reporting period	167 667	165 618
Capitalized financial liability concerning the property transferred from the joint venture	0	2 464
Capital expenditure	152	708
Change in the balance of capitalized financial liability concerning the property disposed	(220)	(75)
Change in the balance of capitalized financial liability concerning the properties transferred to assets held for sale	0	(2 244)
Change in balance of capitalised financial liability (RPU)	(3)	(3)
Transfer to assets held for sale	0	(2 500)
Net gain/(loss) from fair value adjustments on investment properties	1 367	3 699
At the end of the reporting period	168 963	167 667

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Direct operating costs for investment properties:		
- generating rental incomes	1 440	1 464
- other	12	44
	1 452	1 508

5 Trade receivables and other receivables

	31/03/2022	31/12/2021
Trade receivables	1 484	1 160
Receivables from the state	1 046	1 271
Receivables from related parties	188	231
Prepaid expenses	1 732	602
Other receivables	7	0
Short-term receivables	4 457	3 264
Long-term receivables	421	494
Total receivables	4 878	3 758

6 Inventories

	31/03/2022	31/12/2021
At the beginning of the reporting period	3 887	3 601
Disposal	(57)	(353)
Revaluation of Inventory	0	679
Foreign exchange gains/ (losses)	28	(40)
At the end of the reporting period	3 858	3 887

Notes to the interim condensed consolidated financial statements**7 Cash and cash equivalents**

	31/03/2022	31/12/2021
Cash at bank and on hand	82 659	75 254
Restricted cash	3 277	3 234
Short term bank deposits	10 033	3 285
	95 969	81 773

Restricted cash means the funds deposited as a result of the implementation of the credit agreements with Santander Bank and mBank Hipoteczny and cash on split payment VAT accounts.

8 Joint ventures

The below table summarizes the carrying amounts of the Group major investments in joint ventures:

	31/03/2022	31/12/2021
a) Smart City Spółka z ograniczoną odpowiedzialnością sp.k.	0	0
b) Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp.k.	1 161	1 105
c) Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp.k.	1 944	11 690
	3 105	12 795

On 31 March 2021 the part of the investment agreement related to Smart City project was dissolved, as a consequence of completion of the project. As a result Smart City Spółka z ograniczoną odpowiedzialnością Sp. z o.o. returned to be 100% subsidiary.

	31/03/2022	31/12/2021
a) <u>Smart City Spółka z ograniczoną odpowiedzialnością sp.k.</u>		
Opening balance as at 1 January	0	85
Group's share of the net profit or loss of the joint ventures presented in theses interim condensed consolidated financial statements	0	26
Conversion into subsidiary	0	(111)
Closing balance	0	0

	31/03/2022	31/12/2021
b) <u>Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp.k.</u>		
Opening balance as at 1 January	1 105	0
Group's share of the net profit or loss of the joint ventures presented in these interim consolidated financial statements	56	18 025
Other adjustments	0	(16 920)
Closing balance	1 161	1 105

	31/03/2022	31/12/2021
c) <u>Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp.k.</u>		
Opening balance as at 1 January	11 690	27 136
Group's share in contributions to the joint venture	0	3 514
Group's share in withdrawals of the contributions to the joint venture	(5 905)	(11 253)
Group's share in future contributions to the joint venture	0	(5 278)
Group's share in joint venture's profit distributions	(266)	(8 545)
Amendment of the property rights to the joint venture's net assets	(3 766)	(1 415)
Group's share of the net profit or loss of the joint ventures presented in these interim consolidated financial statements	191	7 531
Closing balance	1 944	11 690

Notes to the interim condensed consolidated financial statements**8 Joint ventures - cont.**

Condensed financial information of individually material joint ventures of the Group is presented in the below table:

a) Smart City Spółka z ograniczoną odpowiedzialnością sp.k.

	31/03/2022	31/12/2021
<i>Financial information coming from statement of financial position</i>		
Total non-current assets, including	0	0
<i>Fixed assets</i>	0	0
Total current assets, including:	0	0
<i>Trade receivables and other receivables</i>	0	0
<i>Cash and cash equivalents</i>	0	0
Total assets	0	0
Total current liabilities, including:	0	0
<i>Trade payables and other liabilities</i>	0	0
Total liabilities	0	0
Net assets	0	0
% held by the Group	50%	50%
Carrying amount of investment in joint venture presented in the interim	0	0

Financial information from statement of comprehensive income

	31/03/2022	31/12/2021
Revenue	0	0
Result from continued operations	0	(58)

b) Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp.k.

	31/03/2022	31/12/2021
Total non-current assets, including	616	659
<i>Deferred tax asset</i>	616	659
Total current assets, including:	5 709	6 108
<i>Inventory</i>	0	354
<i>Trade receivables and other receivables</i>	150	1 962
<i>Cash and cash equivalents</i>	5 559	3 792
 Trade payables and other liabilities	 4 003	 4 557
Net assets	2 322	2 210
% held by the Group	50%	50%
Carrying amount of investment in joint venture presented in the consolidated financial statements	1 161	1 105

Financial information from statement of comprehensive income

	31/03/2022	31/12/2021
Revenue	538	68 047
Interest cost	0	3
Result from continued operations	112	22 492

Notes to the interim condensed consolidated financial statements**8 Joint ventures - cont.**c) Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp.k.

	31/03/2022	31/12/2021
Total non-current assets, including	291	261
<i>Intangible assets</i>	291	261
Total current assets, including:	77 953	84 346
<i>Inventory</i>	66 713	73 809
<i>Trade receivables and other receivables</i>	559	539
<i>Cash and cash equivalents</i>	10 681	9 998
Total assets	78 244	84 607
Non-current liabilities	3 766	3 273
Trade payables and other liabilities	69 561	61 291
Total liabilities	73 327	64 564
Net assets	4 917	20 043
% held by the Group	40%	58%
Carrying amount of investment in joint venture presented in the consolidated financial statements	1 944	11 690

Financial information from statement of comprehensive income

	31/03/2022	31/12/2021
Revenue	10 741	82 046
Interest cost	0	8
Result from continued operations	484	12 912

9 Share capital

	Number of shares		Par value of shares	
	31/03/2022	31/12/2021	31/03/2022	31/12/2021
Ordinary shares (in thousands)	8 966	26 371	897	2 637

As at the moment of preparation of these condensed interim financial statements share capital amounts to PLN 897 thousand.

During 2019 - 2021 CPD SA acquired 17.404.946 own shares intended for cancellation.

On 14 March 2022 the court registered share capital reduction resulting from the cancellation of the whole stake of the acquired own shares.

10 Trade and other payables**Non-current liabilities**

	31/03/2022	31/12/2021
Tenants' deposits	2 648	2 629

Notes to the interim condensed consolidated financial statements**10 Trade and other payables - cont.****Current liabilities**

	31/03/2022	31/12/2021
Trade payables	707	1 053
Output VAT and other tax liabilities	11 365	10 236
Tenants' deposits	249	230
Other liabilities	191	503
Advanced sales payments	2 500	2 506
Accruals and deferred income	1 994	2 166
	17 006	16 694

The main item of short term liabilities relates to VAT and income tax payables.

11 Borrowings, including leasing

	31/03/2022	31/12/2021
Non-current		
Bank loans	52 039	51 957
Lease liabilities	5 371	5 594
	57 410	57 551
Current		
Bank loans	37 192	37 309
	37 192	37 309
Total borrowings	94 602	94 860

As of the balance sheet date bank loans consist of the payables of PLN 55.707 thousand to Santander Bank Polska SA and of PLN 33.524 thousand to mBank Hipoteczny SA.

In February 2016 Belise Investments entered into a swap transaction rate IRS, in order to hedge the interest payments, for an amount corresponding to 80% of the loan Santander Bank. The IRS expired during the second quarter of 2021 and CAP type interest rate option has been acquired on 31 May 2021 in order to continue the hedging. The instrument is presented as long term investment in the balance sheet.

During 2017 Lakia Investments reported non-compliance with one of credit facility covenants, which entitles the bank to request repayment of the whole outstanding loan amounts of both Lakia Investments Sp. z o.o and Robin investments Sp. z o.o. Until the moment of preparation of these interim condensed consolidated financial statements the bank has not issued such a request. These loans are being serviced in full on a timely basis.

Lease liabilities relate to the right to perpetual usufruct and are recognized due to the increase in the fair value of investment property for accounting purposes (note 4).

Notes to the interim condensed consolidated financial statements**12 Deferred income taxes**

	31/03/2022	31/12/2021
Deferred tax assets before offset	1 411	1 379
Offset against deferred tax liability	(1 411)	(1 379)
Deferred tax assets	0	0
Deferred income tax liabilities before offset	16 124	15 611
Offset against deferred tax asset	(1 411)	(1 379)
Deferred income tax liabilities after offset	14 713	14 232

13 Revenue by nature

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Rent income	3 017	2 805
Services relating to rental	1 954	1 730
Sales of inventories	57	88
Real estate advisory services	257	189
Accounting services	9	14
	5 294	4 826

Rental income is earned by office properties in Warsaw: Aquarius (Połczyńska St.), Solar and Iris (both Cybernetyki St.).

14 Cost of sales

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Cost of inventories sold	57	92
Cost of services provided	338	386
	395	478

15 Administrative costs property related

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Employee expenses	750	1 098
Property maintenance	1 440	1 499
Real estate tax	211	219
Perpetual usufruct	169	258
Depreciation and amortization	22	30
	2 592	3 104

Notes to the interim condensed consolidated financial statements**16 Administrative expenses-other**

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Advisory services	706	244
Legal fees	152	244
Audit fees	38	13
Transportation	1	0
Taxes	14	21
Office maintenance	103	105
Other services	130	385
Costs of not deductible VAT	41	45
	1 185	1 057

17 Other income

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Provisions reversal	262	273
Received penalties and compensations	0	1 854
Other income	2	558
	264	2 685

18 Financial income and expenses

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Interest expense:		
- Bank loans	(658)	(566)
- Leasing interest	(97)	(3)
- Other interest	(133)	(228)
Revaluation of derivatives (IRS)	(269)	0
Net exchange differences	(961)	(905)
Financial costs	(2 118)	(1 702)
Interest income:		
- Bank interest	19	1
- Interest from third parties	63	0
Revaluation of derivatives	0	100
Other financial income	28	90
Financial income	110	191

19 Income tax

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Current income tax	43	41
Deferred taxes	481	506
	524	547

Notes to the interim condensed consolidated financial statements**20 Operating activity adjustments**

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Adjustments for:		
- depreciation of tangible fixed assets	22	30
- foreign exchange differences	969	953
- (gains) losses on revaluation to fair value of investment property	(1 367)	(1 293)
venture	(5 920)	(18 646)
- gain/(loss) from value adjustments on assets held for sale	0	(293)
- currency translation adjustments	(133)	(115)
- interest costs	1 470	480
- loss on investment property disposal	0	(96)
- loss on derivatives valuation	270	(100)
- other adjustments	0	(43)
Changes in working capital		
- changes in receivables	(1 120)	14 701
- changes in inventories	57	92
- change in trade liabilities and other	288	(12 604)
	(5 464)	(16 934)

21 Related party transactions

CPD S.A. does not have a direct parent nor ultimate controlling entity. Coöperatieve Laxey Worldwide W.A. is a significant investor.

CPD Group also includes transactions with key management personnel and other related parties, controlled by key staff of the Group.

These interim condensed consolidated financial statements include the following balances resulting from transactions with related parties:

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
(a) Transactions with key management personnel		
Remuneration of the Management Board members	451	447
Remuneration of the Supervisory Board members	19	138
	31/03/2022	31/12/2021
Total receivables	19	19
(b) Transactions with the other related parties		
<u>Costs</u>		
Kancelaria Oleś i Rodzyńkiewicz	6	0
<u>Revenues</u>		
Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.	0	8
Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.	5	98
Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.	292	99
	31/03/2022	31/12/2021
Total liabilities		
Kancelaria Radców Prawnych Oleś i Rodzyńkiewicz	0	7
Total receivables		
Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.	11	16
Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.		

Notes to the interim condensed consolidated financial statements**22 Payment of dividends**

During the reporting period CPD did not pay nor declare dividends.

23 Earnings per share

	01/01/2022 - 31/03/2022	01/01/2021 - 31/03/2021
Profit attributable to the shareholders of the parent company	6 152	21 115
Weighted average number of ordinary shares (in '000)	8 966	17 671
Earnings per share	0,69	1,19
company	6 152	21 115
Weighted average number of ordinary shares (in '000)	8 966	17 671
Diluted earnings per share	0,69	1,19
	31/03/2022	31/12/2021
Net assets at book value	150 710	144 663
Number of ordinary shares (in '000)	8 966	8 966
Net assets per share	16,81	16,13

24 Contingent liabilities

On 23 September 2021 subsidiary Antigo Investments spółka z ograniczoną odpowiedzialnością concluded preliminary property disposal agreement for part of Ursus property.

As at the balance sheet date the above properties are presented as assets held for sale.

25 Segment reporting

In accordance with a definition in IFRS 8, the CPD Group represents one operating segment and is recognized by the Management Board as such.

Therefore, both revenue and profit segment are equal revenue and profits of the group mentioned in the report of the CPD total revenue.

26 Seasons of activity and unusual events

The activity of the Group of the CPD is not seasonal or cyclical. There were no untypical events in the first quarter of 2022.

Notes to the interim condensed consolidated financial statements**27 Assets and liabilities held for sale**

As at 31 March 2022 part of the Ursus property and leasing creditors is presented as held for sale.

Assets held for sale

	31/03/2022	31/03/2021
Investment property	2 500	2 500
Capitalised leasing liabilities from perpetual usufruct	2 244	2 244
	4 744	4 744

Liabilities classified as held for sale

Borrowings, including leasing	2 244	2 244
	2 500	2 500

Net assets**28 Events after the end of the reporting period**

There were no significant post balance sheet events.

These condensed interim consolidated financial statements were prepared and approved by the CPD SA Management Board of on 30 May 2022 and signed by:

Colin Kingsnorth
Chairman of the Board

Iwona Makarewicz
Board Member

John Purcell
Board Member

Elżbieta Donata Wiczowska
Board Member

29 Interim financial information of the parent

These interim condensed financial statements of CPD S.A. were prepared in accordance with International Accounting Standard approved by the European Union - IAS 34 Interim financial reporting and in accordance with all applicable IFRS adopted by the European Union.

Information required by IAS 34 is presented in note 2.1 to the consolidated condensed financial statements of CPD Group.

29.1 Condensed statement of comprehensive income

	Note	1/1/2022 - 31/3/2022 (unaudited)	1/1/2021 - 31/3/2021 (unaudited)
Revenues		6	39
Administrative costs	29.11	(786)	(914)
Fair value adjustment on loans granted	29.12	(101)	3 732
OPERATING RESULT		(881)	2 857
Financial income	29.12	758	39
Financial costs	29.12	(127)	(124)
PROFIT (LOSS) BEFORE INCOME TAX		(250)	2 772
Income tax		(144)	(92)
PROFIT (LOSS) FOR THE PERIOD		(394)	2 680
OTHER COMPREHENSIVE INCOME		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(394)	2 680
BASIC EARNINGS PER SHARE (IN PLN)	29.10	(0,04)	0,15
DILUTED EARNINGS PER SHARE (IN PLN)	29.10	(0,04)	0,15

Colin Kingsnorth
Chairman of the Board

John Purcell
Board Member

Elżbieta Donata Wiczowska
Board Member

Iwona Makarewicz
Board Member

29.2 Condensed statement of financial position

	Note	31/3/2022 (unaudited)	31/12/2021
ASSETS			
Non-current assets			
Long-term receivables	29.6	36 008	37 657
Shares in subsidiaries	29.5	4 976	19 993
Total non-current assets		40 984	57 650
Current assets			
Trade receivables and other receivables, including:	29.7	22 219	22 276
- receivables and loans		22 132	22 270
- prepayments		87	6
Income tax receivables		195	195
Cash and cash equivalents		80 161	64 384
Total current assets		102 575	86 855
Total assets		143 559	144 505
EQUITY			
Share capital	29.8	897	2 637
Treasury shares		0	(288 972)
Share premium		389 803	677 034
Embedded element at inception date		(27 909)	(27 909)
Other reserves		987	987
Retained earnings		(233 903)	(233 509)
Total equity		129 875	130 268
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		5 088	4 944
Total non-current liabilities		5 088	4 944
Current liabilities			
Borrowings	29.9	8 377	9 069
Trade payables and other payables		219	224
Total current liabilities		8 596	9 293
Total equity and liabilities		143 559	144 505

Colin Kingsnorth
Chairman of the Board

Elzbieta Donata Wiczowska
Board Member

John Purcell
Board Member

Iwona Makarewicz
Board Member

29.3 Condensed statement of changes in equity

	Note	Share capital	Treasury shares	Share premium	Embedded element at inception date	Other reserves	Retained earnings	Total
As of 1/1/2021		2 637	(117 395)	677 034	(27 909)	987	(332 546)	202 808
<u>Comprehensive income:</u>								
Profit (loss) for the period		0	0	0	0	0	2 680	2 680
		0	0	0	0	0	2 680	2 680
As of 31/03/2021/unaudited		2 637	(117 395)	677 034	(27 909)	987	(329 866)	205 488
As of 1/1/2021		2 637	(117 395)	677 034	(27 909)	987	(332 546)	202 808
Treasury shares acquisition		0	(171 577)	0	0	0	0	(171 577)
		0	(171 577)	0	0	0	0	(171 577)
<u>Comprehensive income:</u>								
Profit (loss) for the period		0	0	0	0	0	99 037	99 037
		0	0	0	0	0	99 037	99 037
As of 31/12/2021		2 637	(288 972)	677 034	(27 909)	987	(233 509)	130 268
As of 1/1/2022		2 637	(288 972)	677 034	(27 909)	987	(233 509)	130 268
Treasury shares redemption		(1 740)	288 972	(287 231)	0	0	0	0
		(1 740)	288 972	(287 231)	0	0	0	0
<u>Comprehensive income:</u>								
Profit (loss) for the period		0	0	0	0	0	(394)	(394)
		0	0	0	0	0	(394)	(394)
As of 31/03/2022/unaudited		897	0	389 803	(27 909)	987	(233 903)	129 874

Colin Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

John Purcell
Board Member

Iwona Makarewicz
Board Member

29.4 Condensed statement of cash flows

	Note	1/1/2022 - 31/3/2022 (unaudited)	1/1/2021 - 31/3/2021 (unaudited)
Cash flow from operating activities			
Cash generated from operations	29.13	(18)	(896)
Net cash generated from operating activities		(18)	(896)
Cash flows from investing activities			
Return of contribution from jointly controlled entity		14 938	0
Loans granted		(172)	(53)
Loan repayments received		1 769	35 240
Interest received		0	211
Net cash generated from investing activities		16 535	35 398
Cash flows from financing activities			
Loans repaid		(740)	(771)
Net cash generated from financing activities		(740)	(771)
Net (decrease)/increase in cash and cash equivalents		15 777	33 731
Cash and cash equivalents at beginning of year		64 384	15 529
Cash and cash equivalents at the end of the period		80 161	49 260

Colin Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

John Purcell
Board Member

Iwona Makarewicz
Board Member

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**29.5 Shares in subsidiaries**

Name	Country	Share	31/3/2022	31/12/2021
Celtic Investments Ltd	Cyprus	100%	48 000	48 000
Impairment			(48 000)	(48 000)
Lakia Enterprises Ltd	Cyprus	100%	105 000	105 000
Impairment			(105 000)	(105 000)
Celtic Asset Management (*)	Poland	100%	0	0
Challenge Eighteen	Poland	100%	5 032	5 032
Impairment			(1 603)	(1 566)
Imes Poland	Poland	100%	23 769	23 769
Impairment			(23 769)	(23 769)
Antigo Investments	Poland	100%	16 614	16 614
Impairment			(15 068)	(15 026)
Ursa Sky Smart City	Poland	49%	1	14 939
Ursus Development	Poland	100%	5	5
Impairment			(5)	(5)
			4 976	19 993

(*) The value of shares in Celtic Asset Management is 1 PLN.

During the first quarter, the jointly controlled entity Ursa Sky Smart City returned the portion of contribution made by the Company amounting to PLN 14 938 thousand.

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**29.6 Long-term receivables**

Long-term loans with related parties, including:

- loans

- fair value adjustment

	31/3/2022	31/12/2021
	55 483	63 073
	(19 474)	(25 416)
	36 009	37 657

Details of the loans granted to related parties 31.03.2022

Related party	Currency of the loan	Date of agreement	Fair value of granted loans	Interest Rate	Margin	Maturity
Belise Investments	PLN	2014	9 936	3M WIBOR	1,55%	on demand, not later than 24.09.2024
Celtic Asset Management	PLN	2015	457	3M WIBOR	1,55%	on demand, not later than 12.02.2025
Lakia Enterprises Limited	PLN	2012	3 769	3M WIBOR	1,55%	on demand
Lakia Enterprises Limited	PLN	2014	7 028	3M WIBOR	1,55%	on demand
Lakia Enterprises Limited	PLN	2015	14 819	3M WIBOR	1,55%	on demand
			36 009			

Details of the loans granted to related parties 31.12.2021

Related party	Currency of the loan	Date of agreement	Fair value of granted loans	Interest Rate	Margin	Maturity
Belise Investments	PLN	2014	9 914	3M WIBOR	1,55%	on demand, not later than 24.09.2024
Elara Investments	PLN	2013	1 074	3M WIBOR	1,55%	on demand, not later than 24.01.2023
Celtic Asset Management	PLN	2015	459	3M WIBOR	1,55%	on demand, not later than 12.02.2025
Lakia Enterprises Limited	PLN	2012	4 031	3M WIBOR	1,55%	on demand
Lakia Enterprises Limited	PLN	2014	7 143	3M WIBOR	1,55%	on demand
Lakia Enterprises Limited	PLN	2015	15 036	3M WIBOR	1,55%	on demand
			37 657			

In accordance with the intention of the Board the loans will be repaid over a period of from 3 to 5 years. The maximum value of the credit risk associated with the loans is equal to their carrying amount. Loans are not secured.

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**29.7 Trade receivables and other receivables**

	31/3/2022	31/12/2021
Short-term loans with related parties, including:	20 214	20 262
- loans	54 495	47 698
- fair value adjustment	(34 282)	(27 437)
Other receivables from related parties	1 894	1 985
Other receivables from other parties	24	23
Prepayments	87	6
Short-term receivables	22 219	22 276

Details of the loans granted to related parties 31.03.2022

Related party	Currency of the loan	Date of agreement	Fair value of granted loans	Interest Rate	Margin	Maturity
Antigo Investments	PLN	2012	501	3M WIBOR	1,55%	on demand, not later than 16.10.2022
HUB Developments	PLN	2012	2 139	3M WIBOR	1,55%	on demand, not later than 01.05.2022
Belise Investments	PLN	2012	15 315	3M WIBOR	1,55%	on demand, not later than 01.05.2022
Elara Investments	PLN	2012	1 084	3M WIBOR	1,55%	on demand, not later than 01.05.2022
Elara Investments	PLN	2013	1 175	3M WIBOR	1,55%	on demand, not later than 24.01.2023
			20 214			

Details of the loans granted to related parties 31.12.2021

Related party	Currency of the loan	Date of agreement	Fair value of granted loans	Interest Rate	Margin	Maturity
Antigo Investments	PLN	2012	2 185	3M WIBOR	1,55%	on demand, not later than 16.10.2022
HUB Developments	PLN	2012	2 053	3M WIBOR	1,55%	on demand, not later than 01.05.2022
Belise Investments	PLN	2012	14 997	3M WIBOR	1,55%	on demand, not later than 01.05.2022
Elara Investments	PLN	2012	1 027	3M WIBOR	1,55%	on demand, not later than 01.05.2022
			20 262			

Notes to the interim condensed financial statements**29.8 Share capital**

	The number of shares (in thousands), including treasury shares		Value of shares	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
Ordinary shares (in thousands)	8 966	26 371	897	2 637

As at 31 December 2021, the share capital amounted to PLN 2,637 thousand. On 14 March 2022, the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, registered a decrease in the Company's share capital as a result of redemption of treasury shares. As a result, the Company's share capital currently amounts to PLN 896,618.50 (in words: eight hundred and ninety-six thousand, six hundred and eighteen zloty and fifty groszy) and is divided into 8,966,185 (in words: eight million, nine hundred and sixty-six thousand, one hundred and eighty-five) series AA shares with the nominal value of PLN 0.10 (ten groszy) each, entitling to exercise 8,966,185 (in words: eight million, nine hundred and sixty-six thousand, one hundred and eighty-five) votes in total.

All shares issued by the Company to date are ordinary bearer shares. The Company's Articles of Association do not grant any special rights to the Company's shares, including voting privileges and preferences with respect to the appointment of members of the Company's bodies. The Company's shareholders do not hold shares conferring special control rights.

29.9 Borrowings

	31/3/2022	31/12/2021
Loans from related parties	8 377	9 069
- long-term	0	0
- short-term	8 377	9 069
	8 377	9 069

Loan liabilities as at 31 December 2021 and 31 March 2022 relate to loans from subsidiaries: from a subsidiary Lakia Enterprises (loan interest rate amounts to 3M Wibor + margin 0.50%), a loan from a subsidiary Lakia Investments (loan interest rate amounts to 3M Wibor + margin 1.55%), a loan from a subsidiary Robin Investments (loan interest rate amounts to 3M Wibor + margin 1.55%). As at March 31st 2022, the balance of the loan from Lakia Enterprises amounts to PLN 3,637 thousand (principal: PLN 1,014 thousand, interest: PLN 2,623 thousand), PLN 134 thousand of principal was repaid during the period; the balance of the loan from Lakia Investments amounts to PLN 2,897 thousand (principal: PLN 2,088 thousand, interest: PLN 809 thousand), during the period PLN 606 thousand of principal was repaid; the balance of the loan from Robin Investments amounts to PLN 1,843 thousand (principal: PLN 1,600 thousand, interest: PLN 243 thousand).

The loans are not secured.

Notes to the interim condensed financial statements**29.10 Earnings (loss) per share**

	1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
Profit / (loss) attributable to the shareholders	(394)	2 680
Weighted average number of ordinary shares (in '000)	8 966	17 671
Earnings per share (in PLN)	(0,04)	0,15
Diluted profit / (loss) attributable to shareholders	(394)	2 680
Weighted average number of ordinary shares (in '000)	8 966	17 671
Diluted earnings per share (in PLN)	(0,04)	0,15

29.11 Administrative costs

	1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
Advisory services	57	14
Salaries	652	828
Costs of non deductible VAT	27	12
Other services	50	60
	786	914

Notes to the interim condensed financial statements**29.12 Financial income and expenses and fair value adjustment on loans granted**

	1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
Fair value adjustment on loans granted	(101)	3 732

Effective 1 January 2018, the Company, for the purpose of measuring loans granted, applies IFRS 9 "Financial Instruments". The Company presents the cumulative effect of accrual of interest on loans granted and the effect of measurement of loans to fair value in one line of the statement of comprehensive income as the result of revaluation of loans to fair value.

	1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
Interest income:		
- Bank interest	9	0
Dividends received	672	0
Other financial income	28	0
Net exchange differences	49	39
Financial income	758	39
Interest costs:		
- Interest from related parties	48	124
Impairment of investments in subsidiaries	79	0
Net exchange differences	0	0
Other financial costs	0	0
Financial costs	127	124

29.13 Cash flow from operating activities

	1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
Profit / (loss) before tax	(250)	2 772
Adjustments for:		
- interest costs	48	124
- impairment of investments in subsidiaries	79	0
- fair value adjustment on loans granted	101	(3 732)
Changes in working capital:		
- changes in trade receivables and other receivables, excluding loans	9	(37)
- change in trade liabilities and other payables, excluding loans	(5)	(23)
	(18)	(896)

Notes to the interim condensed financial statements**29.14 Related party transactions**

CPD S.A. has no direct parent company or ultimate parent company. Meduvo Holding and Furseka Trading are significant investors with significant influence on the Company.

CPD S.A. also enters into transactions with key management personnel, subsidiaries and other related parties (related through members of the Supervisory Board) controlled by the Company's key management personnel.

These condensed financial statements contain the following balances resulting from transactions with related parties:

a) Transactions with key management personnel

	1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
Remuneration of members of the Supervisory Board	19	138
Remuneration of members of the Board of Directors	445	441

b) Transactions with subsidiaries and jointly controlled entities

		1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
Revenues			
<i>Ursa Sky Smart City</i>	<i>jointly controlled entity</i>	28	0
<i>16/88 Gaston Investments</i>	<i>subsidiary</i>	0	4
<i>18 Gaston Investments</i>	<i>subsidiary</i>	0	4
<i>Antigo Investments</i>	<i>subsidiary</i>	15	10
<i>Belise Investments</i>	<i>subsidiary</i>	201	56
<i>Celtic Asset Management</i>	<i>subsidiary</i>	10	5
<i>Celtic Investments Ltd</i>	<i>subsidiary</i>	1	1
<i>Challange Eighteen</i>	<i>subsidiary</i>	0	34
<i>Elara Investments</i>	<i>subsidiary</i>	33	14
<i>Gaston Investments</i>	<i>subsidiary</i>	61	59
<i>Hub Developments</i>	<i>subsidiary</i>	25	11
<i>Lakia Enterprises Ltd</i>	<i>subsidiary</i>	265	114
<i>Lakia Investments</i>	<i>subsidiary</i>	6	6
<i>Mandy Investments</i>	<i>subsidiary</i>	172	74
<i>Ursus Development</i>	<i>subsidiary</i>	12	484

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**29.14 Related party transactions - continued**

		1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
Costs			
<i>Lakia Enterprises Ltd</i>	<i>subsidiary</i>	8	12
<i>Lakia Investments</i>	<i>subsidiary</i>	24	16
<i>Robin Investments</i>	<i>subsidiary</i>	16	7
<i>Imes Poland</i>	<i>subsidiary</i>	0	88
<i>Gaston Investments</i>	<i>subsidiary</i>	2	2
Liabilities		31/3/2022	31/12/2021
<i>Lakia Enterprises Ltd</i>	<i>subsidiary</i>	3 637	3 763
<i>Lakia Investments</i>	<i>subsidiary</i>	2 897	3 479
<i>Robin Investments</i>	<i>subsidiary</i>	1 843	1 827
<i>Gaston Investments</i>	<i>subsidiary</i>	4	9
Receivables		31/3/2022	31/12/2021
<i>Ursa Sky Smart City</i>	<i>jointly controlled entity</i>	28	94
<i>Antigo Investments</i>	<i>subsidiary</i>	501	2 185
<i>Belise Investments</i>	<i>subsidiary</i>	27 111	26 750
<i>Celtic Asset Management</i>	<i>subsidiary</i>	457	459
<i>Elara Investments</i>	<i>subsidiary</i>	2 259	2 100
<i>Gaston Investments</i>	<i>subsidiary</i>	1	48
<i>Hub Developments</i>	<i>subsidiary</i>	2 139	2 053
<i>Lakia Enterprises Ltd</i>	<i>subsidiary</i>	25 616	26 210
<i>Lakia Investments</i>	<i>subsidiary</i>	2	2
c) Transactions with other related party			
Costs		1/1/2022 - 31/3/2022	1/1/2021 - 31/3/2021
<i>Kancelaria Radców Prawnych Oleś&Rodzyńkiewicz sp. komandytowa</i>		7	13

29.15 Events after the balance sheet date

There were no significant post balance sheet events.