



CPD S.A. QUATERLY REPORT FOR 1st QUARTER 2023



TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the first quarter 2023 report of CPD S.A. published on 30 May 2023.

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 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.

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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 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 S.A. (BVI) was performed and in 2008 the listing of the company Celtic Property Developments S.A. (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 December 23, 2010. September 17, 2014 the Company changed its name from Celtic Property Developments S.A. to CPD S.A.

In 2022, the CPD Group completed the process of monetization of the Ursus project and sold two leased office buildings located in Warsaw.

In the first quarter of 2023, the Group sold further assets. Currently, the CPD Capital Group is working on the restructuring of the group to enable the choice of the direction of the Company's development, including possible acquisition of a strategic investor or initiation of projects in industries where there has been no assessment so far.

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 15 subsidiaries and two jointly controlled entities.

CPD S.A. implements activities aimed at restructuring the Capital Group and optimizing operating costs.

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

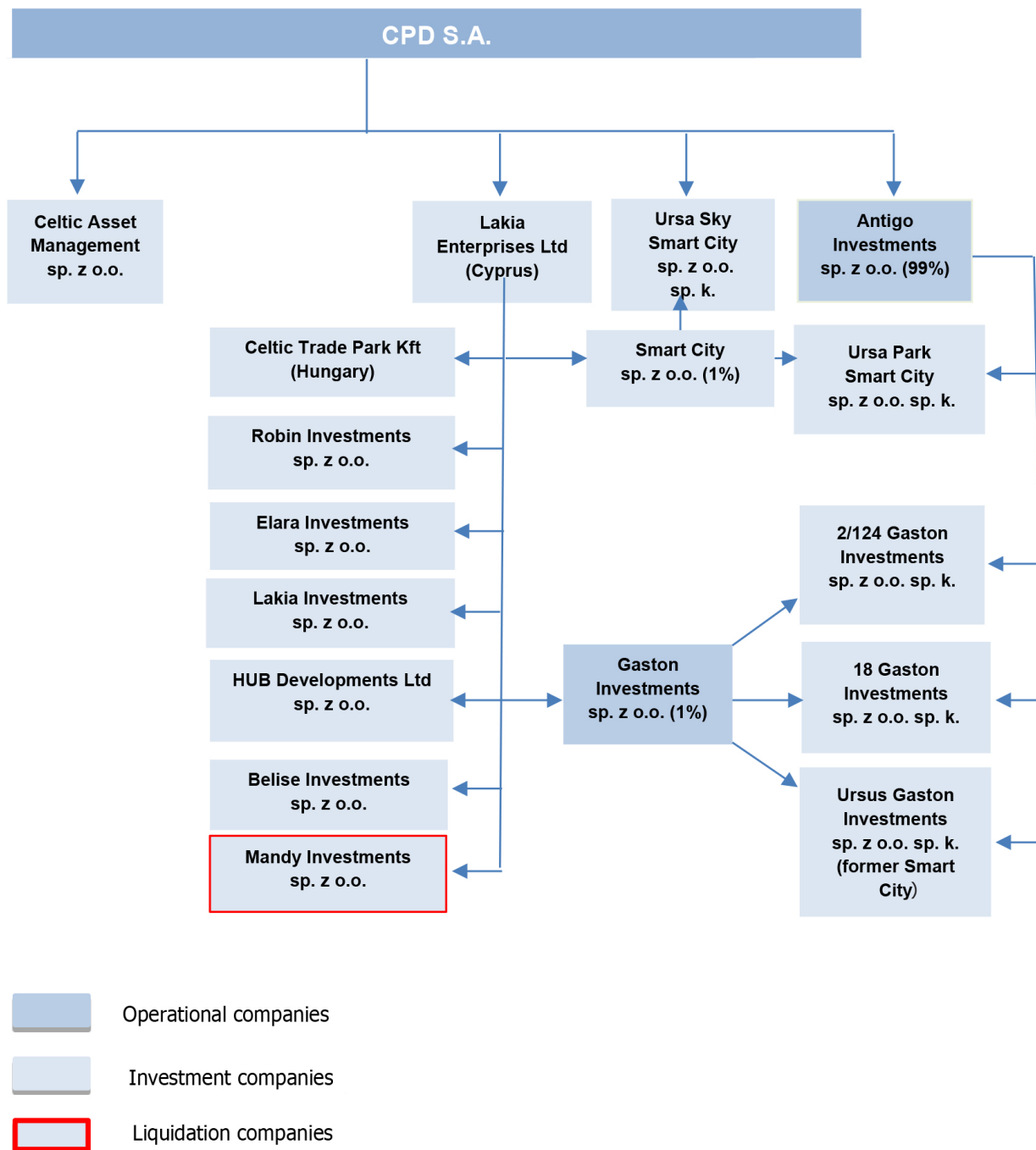
- January 31, 2023 CPD S.A. sold 100% of shares in Challenge Eighteen sp. z o.o. in liquidation
- February 1, 2023 CPD S.A. sold 100% of shares in Ursus Development sp. z o.o. in liquidation
- March 17, 2023 CPD S.A. sold 100% of shares in Celtic Investments Ltd.

After the balance sheet date, there were the following change in the structure of the Company:

- On April 19, 2023, proceedings were initiated to dissolve the company 2/124 Gaston Investments spółka z ograniczoną odpowiedzialnością sp. k.
- On May 18, 2023, the company 2/124 Gaston Investments spółka z ograniczoną odpowiedzialnością sp. k. were dissolved.

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 Group's structure as on March 31, 2023.



3. SELECTED FINANCIAL DATA

The description of financial results for the first quarter of 2023

Selected items of the consolidated statement of comprehensive income

	3 months period		Change (%)
	From 01.01.2023 to 31.03.2023 (PLN thous.)	From 01.01.2022 to 31.03.2022 (PLN thous.)	
Revenue	2 545	323	687,9%
Cost of sales	-2 737	-57	4701,8%
Sales profit	-192	266	
Administrative expenses - property related	-1	-143	-99,3%
Other administrative expenses	-4 144	-1 926	115,2%
Selling and marketing costs	-37	0	
Other income	299	264	13,3%
Gain (loss) on disposal of subsidiaries	5 213	0	
Post-tax share of the profit or loss of the joint-venture accounted for using the equity method	-354	5 920	
Impairment of receivables	13	11	18,2%
Profit from operations	797	4 392	-81,9%
Finance income	908	158	474,7%
Finance costs	-216	-138	56,5%
Profit/loss before tax	1 489	4 412	-66,3%
Income tax	6 338	-94	
Profit/loss from continued operations	7 827	4 318	81,3%
Profit/loss from discontinued operations	-1 691	1 834	
Profit/loss for the period	6 136	6 152	-0,3%

In the first quarter of 2023 CPD S.A. Group generated a net profit of PLN 6.14 M. The net profit was at the same level as in the first quarter of 2022.

There were three main factors that had a positive impact on CPD Group's financial results in the first quarter of 2023 in comparison with the first quarter of 2022. Firstly, deferred income tax liabilities dropped by PLN 8.84 M, which had a positive impact on Group's financial results. What is more, a gain on disposal of subsidiaries amounted to PLN 5.21 M in the first quarter of 2023. Moreover, finance income increased by PLN 0.75 M.

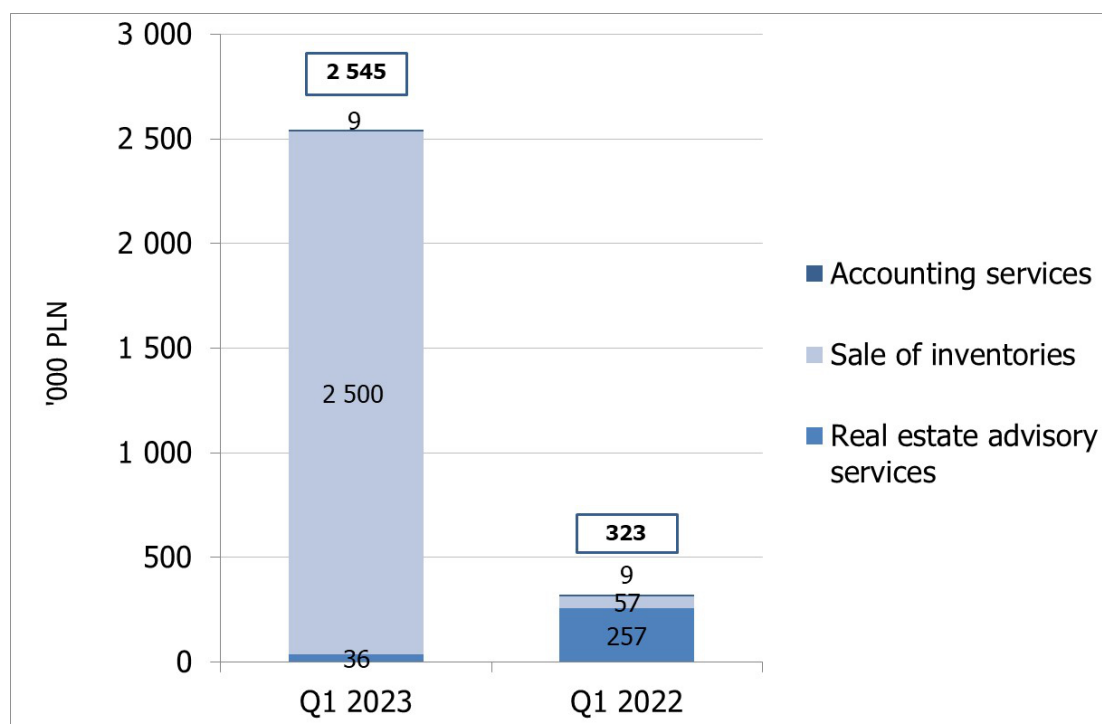
The decrease in deferred income tax liabilities in the amount of PLN 8.84 M stemmed mainly from the fact that CPD S.A. recognised deferred income tax assets resulting from write-downs of loan receivables. The increase in finance income resulted from higher amount of interest earned on bank deposits and higher amount of favourable foreign exchange differences.

On the other hand, there were three main factors that had a negative impact on CPD Group's financial results in the first quarter of 2023 in comparison with the first quarter of 2022. The Group's share in the loss of joint ventures amounted to PLN 0.35 M in the first quarter of 2023, whereas in the same period of 2022 the Group's share in the profit of joint ventures amounted to PLN 5.35 M. What is more, in the first quarter of 2023 CPD Group recorded a loss from discontinued operations in the amount of PLN 1.69 M, whereas in the same period of 2022 it recorded a profit from discontinued operations of PLN 1.83 M. Moreover, other administrative expenses rose by PLN 2.22 M due to higher legal costs.

The following table shows the selected items of the consolidated statement of comprehensive income translated into euro. The figures for the first quarter of 2023 assumed an average quarterly fx rate for the first quarter of 2023 published by the National Bank of Poland, i.e., 4.7096. The figures for the first quarter of 2022 assumed an average quarterly fx rate for the first quarter of 2022 published by the National Bank of Poland, i.e., 4.6253.

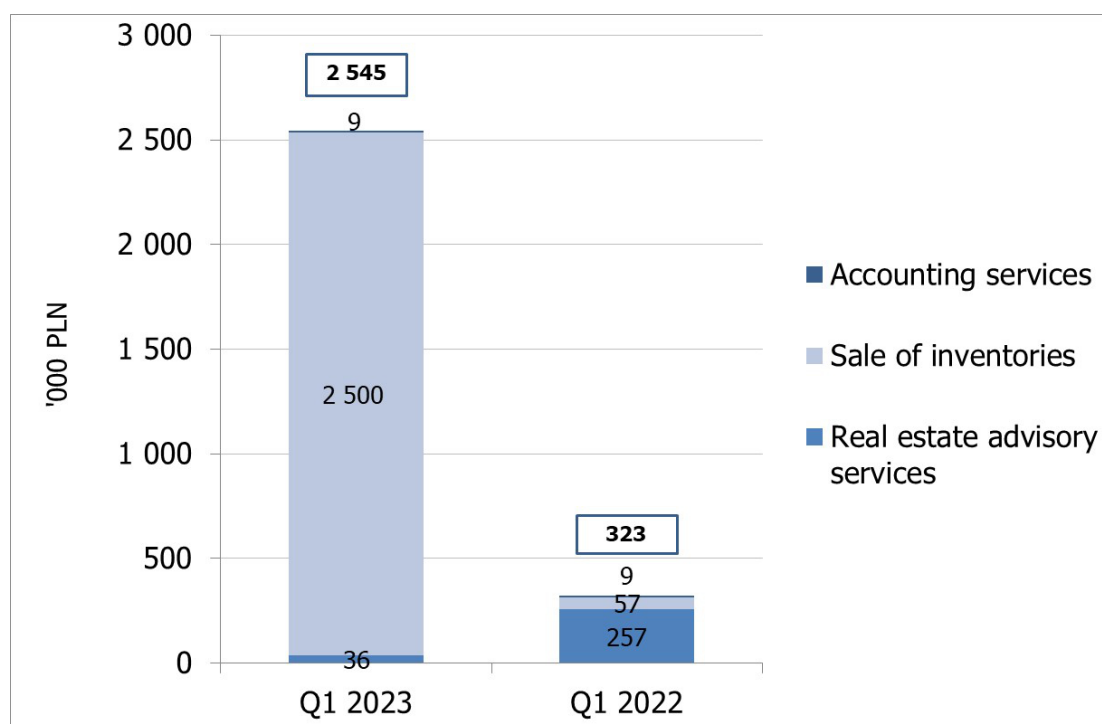
	3 months period		Change (%)
	From 01.01.2023 to 31.03.2023 (EUR thous.)	From 01.01.2022 to 31.03.2022 (EUR thous.)	
Revenue	540	70	673.8%
Cost of sales	-581	-12	4615.8%
Sales profit	-41	58	
Administrative expenses - property related	0	-31	-99.3%
Other administrative expenses	-880	-416	111.3%
Selling and marketing costs	-8	0	
Other income	63	57	11.2%
Gain (loss) on disposal of subsidiaries	1 107	0	
Post-tax share of the profit or loss of the joint-venture accounted for using the equity method	-75	1 280	
Impairment of receivables	3	2	16.1%
Profit from operations	169	950	-82.2%
Finance income	193	34	464.4%
Finance costs	-46	-30	53.7%
Profit/loss before tax	316	954	-66.9%
Income tax	1 346	-20	
Profit/loss from continued operations	1 662	934	78.0%
Profit/loss from discontinued operations	-359	397	
Profit/loss for the period	1 303	1 330	-2.0%

The following chart shows the structure of revenue in the first quarter of 2023 and 2022.



Total revenue went up in comparison with the first quarter of 2022 as a result of higher revenue resulting from the sale of inventories.

The following chart shows the structure of operating costs in the first quarter of 2023 and 2022.



THE VALUE OF TOTAL OPERATING EXPENSES INCREASED AS A RESULT OF HIGHER LEGAL COSTS.

Selected items of the consolidated statement of financial position

	As at:		Change (%)
	2023-03-31 (PLN thous.)	2022-12-31 (PLN thous.)	
TOTAL ASSETS	57 566	115 526	-50.2%
Non-current assets, including:	5 324	5 658	-5.9%
<i>Investment properties</i>	1 910	1 910	0.0%
<i>Investments in joint ventures accounted for using the equity method</i>	3 394	3 748	-9.4%
Current assets, including:	52 242	109 868	-52.5%
<i>Assets held for sale</i>	0	24 045	-100.0%
<i>Inventory</i>	3 820	6 631	-42.4%
<i>Trade and other receivables</i>	3 818	2 899	31.7%
<i>Cash and cash equivalents</i>	44 604	76 293	-41.5%
TOTAL EQUITY AND LIABILITIES	57 566	115 526	-50.2%
Equity, including:	43 213	81 129	-46.7%
<i>Share capital</i>	897	897	0.0%
<i>Reserve capital</i>	987	987	0.0%
<i>Own shares for redemption</i>	-95 924	-50 010	91.8%
<i>Fair value of capital element at inception date</i>	-27 909	-27 909	0.0%
<i>Translation reserve</i>	-4 615	-6 477	-28.7%
<i>Retained earnings</i>	169 777	163 641	3.7%
Total liabilities, including:	14 353	34 397	-58.3%
<i>Non-current liabilities</i>	0	9 028	-100.0%
<i>Current liabilities</i>	14 353	25 369	-43.4%

At the end of March 2023, the value of assets was 50% lower compared to December 2022.

The value of investment properties did not change in the first quarter of 2023.

The value of investments in joint ventures declined by 9.4% in the 3-month period.

The value of current assets went down by 52.5% as a consequence of a shares buy-back in the amount of PLN 45.9 M and paying substantial VAT and income tax liabilities in the first quarter of 2023.

At the end of March 2023, the value of equity amounted to PLN 43.2 M, which accounted for 75.1% of total assets. Total liabilities accounted for 24.9% of total assets. These ratios changed in comparison with December 2022, when they amounted to 70.2% and 29.8% respectively.

The value of total liabilities went down by 58.3% (PLN 20.04 M), among others, due to a decrease in the balance of tax liabilities of PLN 13.8 million and a drop in the balance of deferred income tax liabilities of PLN 8.84 million.

The following table shows the selected items of the consolidated statement of financial position translated into euro. The figures for March 31, 2023 assumed an fx rate published by the National Bank of Poland as of March 31, 2023, i.e., 4.6755. The figures for December 31, 2022 assumed an fx rate published by the National Bank of Poland as of December 31, 2022, i.e., 4.6899.

	As at:		Change (%)
	2023-03-31 (EUR thous.)	2022-12-31 (EUR thous.)	
TOTAL ASSETS	12 312	24 633	-50.0%
Non-current assets, including:	1 139	1 206	-5.6%
<i>Investment properties</i>	409	407	0.3%
<i>Investments in joint ventures accounted for using the equity method</i>	726	799	-9.2%
Current assets, including:	11 174	23 427	-52.3%
<i>Assets held for sale</i>	0	5 127	-100.0%
<i>Inventory</i>	817	1 414	-42.2%
<i>Trade and other receivables</i>	817	618	32.1%
<i>Cash and cash equivalents</i>	9 540	16 268	-41.4%
TOTAL EQUITY AND LIABILITIES	12 312	24 633	-50.0%
Equity, including:	9 242	17 299	-46.6%
<i>Share capital</i>	192	191	0.3%
<i>Reserve capital</i>	211	210	0.3%
<i>Own shares for redemption</i>	-20 516	-10 663	92.4%
<i>Fair value of capital element at inception date</i>	-5 969	-5 951	0.3%
<i>Translation reserve</i>	-987	-1 381	-28.5%
<i>Retained earnings</i>	36 312	34 892	4.1%
Total liabilities, including:	3 070	7 334	-58.1%

The following table shows the structure of liabilities as of March 31, 2023 and December 31, 2022.

	2023-03-31	2022-12-31
Liabilities to total assets	24.9%	29.8%
Non-current liabilities to total assets	0.0%	7.8%
Borrowings including leases	0.0%	0.2%
Deferred income tax liabilities	0.0%	7.7%
Current liabilities to total assets	24.9%	22.0%
Trade and other payables	24.9%	20.4%
Payables linked to assets held for sale	0.0%	1.6%

The structure of liabilities changed considerably in the first quarter of 2023. The share of non-current liabilities in total assets went down from 7.8% as of December 31, 2022 to 0% as of March 31, 2023. The share of current liabilities in total assets increased from 22% to 24.9%.

At the end of March 2023 current liabilities accounted for 100% of total liabilities, whereas at the end of December 2022 the share amounted to 74%.

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

● CONCLUSION OF THE SALE AGREEMENT BY THE ISSUER'S SUBSIDIARY

On February 28, 2023 the Issuer's subsidiary, i.e. Elara Investments sp. z o.o. concluded the promised agreement for the sale of the co-ownership right in the share amounting to 45415/168687 parts in the developed land property located in Warsaw, at 69 Koszykowa Street, Śródmieście District, precinct 5-05-05, District of the Capital City of Warsaw, Mazowieckie Voivodeship, consisting of a plot of land marked in the land register with the number 6 (six) with an area of 744 sq m (seven hundred and forty-four square meters) for which the District Court for Warszawa-Mokotów in Warsaw, 10th Land and Mortgage Registry Department keeps the land and mortgage register No. WA4M/00147891/9. The sales contract with a total gross value of PLN 3,075,000 was concluded with Revan sp. z o.o. with its registered office in Żywiec. The provisions of the above agreement do not differ from the standards commonly applicable to this type of agreement.

● **CONCLUSION OF THE SALE AGREEMENT BY THE ISSUER'S SUBSIDIARY**

On March 1, 2023 the Issuer's subsidiary, i.e. Lakia Investments sp. z o.o. concluded the promised agreement for sale of perpetual usufruct right to real estate consisting of a built-up land plot no. 8/7, precinct no. 146505_8.0813, located in Warsaw in the Mokotów District, at 7b Cybernetyki Street, with an area of 3,908 sq m, described in the land and mortgage register WA2M/00139786/7 kept by the District Court for Warszawa-Mokotów in Warsaw, 7th Division of Land and Mortgage Registers, as well as the sale of the ownership right to the Solar office building located on the ground, together with the ownership right buildings and other devices located on the land and all rights related to it and the right of perpetual usufruct of the property consisting of a built-up land plot no. 8/12, precinct no. 146505_8.0813, located in Warsaw in the Mokotów District, at 7 Cybernetyki Street, with an area of 2,410 sq m, described in the land and mortgage register WA2M/00457211/1 kept by the District Court for Warsaw-Mokotów in Warsaw, 7th Land and Mortgage Register Division. The sales contract with a total gross value of PLN 28,290,000 was concluded with Flora Development 22 spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw. The provisions of the above agreement do not differ from the standards commonly applicable to this type of agreement.

● **REVIEW OF STRATEGIC OPTIONS**

On March 1, 2023 Management Board of CPD S.A. decided to start the process of reviewing strategic options, the purpose of which is to identify possible directions of development of the Issuer. The review will result in an assessment of possible courses of action aimed at maximizing shareholder value. The Company is considering a few possible courses of action, which may include acquiring a strategic investor or carrying out alternative actions, which may result in a change in the Company's shareholding structure. The Management Board also does not rule out initiating projects in industries where the Company has not been present so far. However, the Issuer does not guarantee that the review will lead to any transaction changing this structure, and furthermore that the review will lead to the selection of any strategic option. The decision to start the Review results from the finalization of the Issuer's key project in the Ursus district in Warsaw, including the completion of the process of monetization of the land located there, as well as the sale of the last key assets, which the company informed about in recent reports.

● **INFORMATION ON THE INVITATION TO SUBMIT OFFERS FOR SALE OF SHARES OF CPD S.A.**

On March 7, 2023 the Management Board of CPD S.A., acting on the basis of Resolution No. 2/III/2023 of the Management Board of the Company of March 7, 2023 on determining the detailed conditions for the purchase of the Company's shares, in connection with Resolution No. 21 of the Ordinary General Meeting of CPD Spółka Akcyjna with its registered office in Warsaw of June 28, 2022 on authorizing the Company's Management Board to purchase own shares for redemption, invited the Company's shareholders to submit offers for the sale of its shares for redemption under the conditions set out in the Invitation to Submit Sale Offers.

● **CONCLUSION OF A SALE AGREEMENT OF SHARES IN A SUBSIDIARY COMPANY**

On March 17, 2023 an agreement was concluded under which the Company sold 100% of the shares it held in the share capital of the company under the business name Celtic Investments Ltd with its registered office in Nicosia ("Agreement"). Due to the conclusion of the Agreement described above, the Company ceased to have share rights in the share capital of Celtic Investments Ltd with its registered office in Nicosia and the above company is no longer part of the CPD Capital Group. Celtic Investments Ltd with its registered office in Nicosia did not have any significant assets. The sale price of 100% of shares i.e. 1,000 shares with a value of EUR 1,000, specified in the agreement, amounted to EUR 1,000 (one thousand). As a result of the above agreement, the Company's consolidated statement of financial position does not include the liability described in the section „Significant Court, Administrative and Arbitration Proceedings“ in the Company's periodic reports since 2019.

● **INFORMATION ON ACCEPTANCE OF SHARES SALE OFFERS**

In connection with the Invitation to submit Offers for the Sale of the Company's Shares announced on March 7, 2023 based on which the Company proposed the purchase of no more than 1 535 558 (one million five hundred thirty five thousand five hundred fifty eight) ordinary bearer shares of the Company marked with the ISIN code PLCELPD00013 („Shares“), during the period of accepting Share Sale Offers from March 9 to March 21, 2023, 155 valid Share Sale Offers were submitted for a total of 6 800 469 (six million eight hundred thousand four hundred sixty nine) shares of the Company. On March 22, 2023, the Company decided to accept all valid offers for the sale of the Shares and to reduce them in accordance with the principles set out in the Invitation. Since the sale offers covered a larger number of shares than the 1 535 558 shares proposed by the Company, each Share Sale Offer was executed in part and reduced by approximately 77.66% on average.

● **PURCHASE OF OWN SHARES FOR REDEMPTION**

On March 24, 2023 as a result of the settlement of the purchase of shares in CPD S.A. as a result of the invitation to submit offers for the sale of the Company's shares announced on March 7, 2023, the Company purchased 1 535 558 shares of the Company (treasury shares). The Own Shares acquisition will take place outside the regulated market, through the National Depository for Securities. The shares were acquired in accordance with Resolution No. 21 of the Extraordinary General Meeting of CPD S.A. of June 28, 2022 on authorizing the Company's Management Board to purchase own shares for redemption, in accordance with Art. 362 § 1 point 5) k.s.h. the purchase price per share was PLN 29.90. All purchased shares are ordinary shares with a nominal value of PLN 0.10 each. Acquired shares of CPD S.A. (in the number of 1 535 558 shares) constitute 17.13% of the share capital of the Company and represent 1 535 558 votes at the General Meeting of the Company (21.05% of the total number of votes at the General Meeting of the Company), however, in accordance with applicable regulations, the Company is not entitled to exercise voting rights from own shares.

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

After the balance sheet date, until the date of publication of the Report, the Company did not record any significant achievements, failures and no other significant events concerning the Company.

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

The SARS-CoV-2 pandemic, still ongoing in the first quarter of 2023, and the prolonged war in Ukraine had no significant impact on the Group's results for the first quarter of 2023.

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 2022 amounted to PLN 122.8 million and were generated by transactions from about a year ago with payment in instalments. Since II Task of Ursa Sky Smart City project completed in 2022 was the last stage of the residential project realised by CPD S.A. Group, the significant decline of apartments sales after mid-2022 did not affect the Group's results in Q1 2023. Due to end of sale of the apartments in last CPD's Group residential project will not affect the Group's results subsequent.

Due to the global pandemic from 2020 to 2022 and Russia's aggression against Ukraine that began in February 2022, 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 as a result of changes in the exchange rate of PLN in relation to foreign currencies, especially EUR.

However, it should be noted that, the Ursa Sky II Task has been realised in accordance with the assumed schedule. The construction works were completed in the first quarter of 2022 and the sales of apartments and retail premises were completed in the first quarter of 2023. Completion of sale of Task II of Ursa Sky ended the process of monetisation of Ursus project purchased as an investment land by the company from CPD S.A. Group from 2006 to 2015.

CPD S.A. and subsidiaries took intensive steps from 2020 to 2021 to adapt their activities to the existing conditions, while maintaining common recommendations of sanitary services and WHO guidelines, and actively engaged in helping refugees from Ukraine residing on Polish territory.

Due to the fact that the SARS-CoV-2 epidemic did not have a significant impact on the Group's results for the previous periods, the announcement of the end of the SARS-CoV-2 epidemic in April 2023 should not affect the Group's results. At the same time, the Company's Management Board will continue to take intensive measures to adapt its activities to the changing macro- and microeconomic conditions.

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

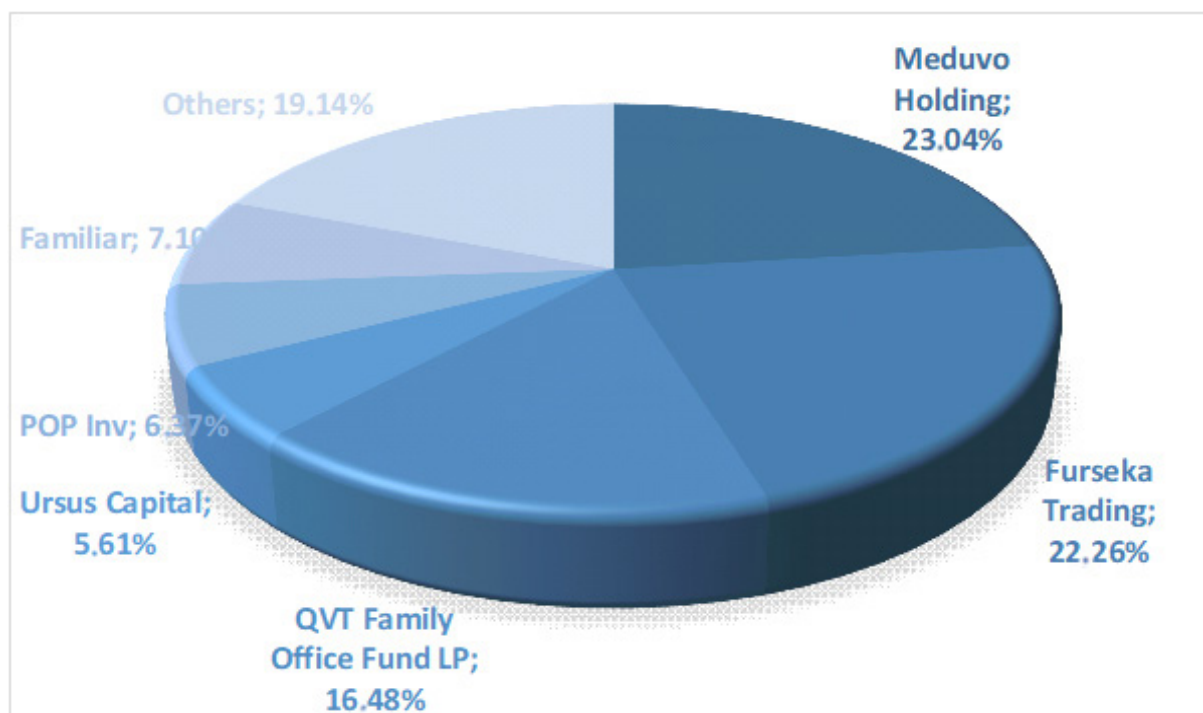
In first quarter 2023, the Company did not conclude any transactions with related parties on terms other than the market.

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	1 326 439	bearer shares	1 326 439	23.04 %	14.79 %
Furseka Trading and Investments Ltd	1 281 944	bearer shares	1 281 944	22.26 %	14.30 %
QVT Family Office Fund LP*	948 922	bearer shares	948 922	16.48 %	10.58 %
POP Investments Ltd	366 672	bearer shares	366 672	6.37 %	4.09 %
Ursus Capital Ltd	323 130	bearer shares	323 130	5.61 %	3.60 %
Familiar S.A.	408 706	bearer shares	408 706	7.10 %	4.56 %
Others	1 102 223	bearer shares	1 102 223	19.14 %	12.29 %
Own shares	3 208 149		0	0 %	35.78 %

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

Compared to the status presented in the consolidated half year report for 2022, published on April 27, 2023 the following changes occurred in the ownership structure of significant blocks of shares in the Company as at the balance sheet date:

– On February 6, 2023, 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 FAMILIAR S.A., SICAV-SIF. that in connection with the purchase transaction on January 27, 2023 (settled on January 31, 2023), 57,096 shares of the company under the business name CPD S.A. with its registered office in Warsaw (the „Company”), the Fund exceeded 5% of the total number of votes in the Company.

- On March 22, 2023, 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 FAMILIAR S.A., SICAV-SIF, that in connection with the sale transaction on March 17, 2023 (settled on March 21, 2023), 40,107 shares of the company under the business name CPD S.A. with its registered office in Warsaw (the „Company”), the Fund reduced its share in the total number of votes in the Company below 5%.
- March 24, 2023, as a result of the settlement of the purchase transaction of shares in CPD S.A. as a result of the invitation to submit offers for the sale of the Company’s shares announced on March 9, 2023, the Company acquired 1 535 558 shares of the Company (treasury shares), which constitutes 21.05% of the non-voting shareholding.
- On March 27, 2023, the Company received from Mrs. Iwona Makarewicz and Mrs. Elżbieta Wiczowska, members of the management board at CPD S.A., a notification of transactions on shares referred to in Art. 19 sec. 3 of the MAR Regulation, concluded on March 24, 2023.
- On March 30, 2023, the Company received notifications 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. Mr. Colin Kingsnorth notified that his subsidiary: Ursus Capital Limited, a company established and operating in accordance with the laws of Great Britain with its registered office in Newton Aycliffe, Durham („Controlled Entity”), on March 24, 2023, as a result of the response to the call of CPD S.A., sold 94,250 shares of CPD S.A. and thus reduced the total number of votes at the General Meeting of the Company from 4.66% to 3.60% of the total number of votes in the Company.
- On March 30, 2023, the Company received notifications 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. Meduvo Holding Limited, a company incorporated and operating under Cypriot law, with its registered office at 3 Thasous Street, Dadlow House, 1520 Nicosia, informed that on March 24, 2023, as a result of responding to the call of CPD S.A., it sold 386,891 CPD shares and thus reduced the total number of votes at the General Meeting of the Company from 19.11% to 14.79% of the total number votes in the company.

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	8 665	866.50	0.10%	0.12%
Iwona Makarewicz	Member	1 430	143	0.02%	0.02%
Colin Kingsnorth	President	0	0	0	0
John Purcell	Member	0	0	0	0
RAZEM		13 039	1 303	0.14%	0.18%

On March 27, 2023 the Company received from Mrs. Elżbieta Wiczowska and Mrs. Iwona Makarewicz, members of the management board at CPD S.A., notifications about share transactions concluded on March 24, 2023 referred to in Art. 19 sec. 3 of MAR.

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

As at the date of publication of the Report, no court, administrative or arbitration proceedings are pending against the Company.

13. LOAN GUARANTEES

As at the balance sheet date, the Company had no liabilities under sureties and guarantees.

14. THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

At March 31, 2023 the composition of the Management Board of the Company was as follows:

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

At March 31, 2023 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,
- Mr. Emil Tomaszewski – Supervisory Board Member,
- Mr. Krzysztof Laskowski – Supervisory Board Member.

At March 31, 2023 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:

- Inflation growth above the medium-term inflation target of the Monetary Policy Council from the „Monetary Policy Assumptions for 2023”, the aim of which was to keep inflation at the level of 2.5% with a band of deviations of ± 1 percentage point,
- The condition of global financial markets and their impact on the Polish economy and the national banking system,
- Macro and microeconomic situation in Poland
- Credit policy of banks and financial institutions (loans, bonds),
- Changes in legal and tax regulations that may affect demand and supply in an uncontrolled way,
- Maintaining a stable political situation and creating a positive economic climate by the government and local authorities,
- The economic situation affecting the systematic receipt of income from the rental of office space,
- Selling and general management costs,
- Quarterly update of the fair value of assets held by the Group,
- Observed increase in prices,
- Risk related to the ongoing war in Ukraine.

**II. INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENT FOR THE PERIOD OF
3 MONTHS ENDED MARCH 31, 2023 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 2023

and the condensed interim financial statements of CPD S.A.
for the period of 3 months ended 31 March 2023

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

(unaudited financial data)

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Condensed consolidated statement of comprehensive income

	Note	For the 3 month period ended	
		31/03/2023	31/03/2022
		(unaudited)	(unaudited)
Revenues	13	2 545	323
Cost of sales	14	(2 737)	(57)
PROFIT ON SALES		(192)	266
Administrative costs property related	15	(1)	(143)
Administrative expenses-other	16	(4 144)	(1 926)
Selling and marketing expenses		(37)	0
Other income	17	299	264
Post-tax share of the profit or loss of the joint-venture accounted for using the equity method	8	(354)	5 920
Receivables valuation allowances		13	11
Net gain / (loss) on sale of subsidiaries		5 213	0
OPERATING RESULT		797	4 392
Financial income	18	908	158
Financial costs	18	(216)	(138)
PROFIT (LOSS) BEFORE INCOME TAX		1 489	4 412
Income tax	19	6 338	(94)
PROFIT FROM CONTINUED OPERATIONS		7 827	4 318
Result of discontinued operations		(1 691)	1 834
PROFIT (LOSS) FOR THE PERIOD		6 136	6 152
Currency translation adjustment		1 862	(105)
TOTAL COMPREHENSIVE INCOME		7 998	6 047
Profit attributable to:			
Equity holders of the Group		6 136	6 152
Total comprehensive income attributable to:			
Equity holders of the Group		7 998	6 047
BASIC EARNINGS PER SHARE (PLN)	23	0,86	0,69
DILUTED EARNINGS PER SHARE (PLN)		0,86	0,69

Colin Kingsnorth
Chairman of the Board

John Purcell
Board Member

Elżbieta Donata Wiczowska
Board Member

Iwona Makarewicz
Board Member

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

Condensed interim consolidated financial statements for the period of 3 months ended 31 March 2023

(All amounts in PLN thousands unless otherwise stated)

Condensed consolidated statement of financial position

	Note	31/03/2023 (unaudited)	31/12/2022
ASSETS			
Non-current assets			
Investment properties	4	1 910	1 910
Investments in joint ventures accounted for using the equity method	8	3 394	3 748
Deferred tax assets	12	20	0
Non-current assets		5 324	5 658
Current assets			
Inventories	6	3 820	6 631
Trade receivables and other receivables	5	3 818	2 899
Cash and cash equivalents	7	44 604	76 293
Current assets excluding assets held for sale		52 242	85 823
Assets held for sale	27	0	24 045
Current assets		52 242	109 868
Total assets		57 566	115 526

CPD S.A.

Condensed interim consolidated financial statements for the period of 3 months ended 31 March 2023

(All amounts in PLN thousands unless otherwise stated)

Condensed consolidated statement of financial position - cont.

	Note	31/03/2023 (unaudited)	31/12/2022
EQUITY			
Equity attributable to owners of the parent company			
Share capital	9	897	897
Own shares for redemption		(95 924)	(50 010)
Other reserves		987	987
Embedded element at inception date	11	(27 909)	(27 909)
Translation reserve		(4 615)	(6 477)
Retained earnings/(accumulated losses)		169 777	163 641
Capital and reserves attributable to the Group equity holders		43 213	81 129
Non-controlling interest		0	0
Total equity		43 213	81 129
LIABILITIES			
Non-current liabilities			
Borrowings, including leasing	11	0	187
Deferred income tax liabilities	12	0	8 841
Non-current liabilities		0	9 028
Current liabilities			
Trade and other payables		14 353	23 539
Current liabilities		14 353	23 539
Liabilities directly associated with assets held for sale		0	1 830
Total liabilities		14 353	34 397
Total Equity and liabilities		57 566	115 526

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Board Member

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Board Member

Iwona Makarewicz
Board Member

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

Condensed interim consolidated financial statements for the period of 3 months ended 31 March 2023

(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 01/01/2022	2 637	(27 909)	(288 973)	(6 243)	987	464 164	144 663	0	144 663
<u>Transactions with owners</u>									
Share capital reduction	(1 740)	0	288 973	0	0	(287 233)	0	0	0
<u>Comprehensive income</u>									
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	144 663	0	150 710
Balance as at 01/01/2022	2 637	(27 909)	(288 973)	(6 243)	987	464 164	144 663	0	144 663
<u>Transactions with owners</u>									
Share capital reduction	(1 740)	0	288 973	0	0	(287 233)	0	0	0
Own shares acquired for redemption	0	0	(50 010)	0	0	0	(50 010)	0	(50 010)
<u>Comprehensive income</u>									
Currency translation adjustment	0	0	0	(234)	0	0	(234)	0	(234)
Profit (loss) for the period	0	0	0	0	0	(13 290)	(13 290)	0	(13 290)
Balance as at 31/12/2022	897	(27 909)	(50 010)	(6 477)	987	163 641	81 129	0	81 129
Balance as at 01/01/2023	897	(27 909)	(50 010)	(6 477)	987	163 641	81 129	0	81 129
<u>Transactions with owners</u>									
Own shares acquired for redemption	0	0	(45 914)	0	0	0	(45 914)	0	(45 914)
<u>Comprehensive income</u>									
Currency translation adjustment	0	0	0	1 862	0	0	1 862	0	1 862
Profit (loss) for the period	0	0	0	0	0	6 136	6 136	0	6 136
Balance as at 31/03/2023 /unaudited	897	(27 909)	(95 924)	(4 615)	987	169 777	43 213	0	43 213

Colin Kingsnorth
Chairman of the Board

Elżbieta 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

		For the 3 month period ended	
	Note	31/03/2023	31/03/2022
		(unaudited)	(unaudited)
Cash flow from operating activities			
PROFIT (LOSS) BEFORE INCOME TAX		1 489	4 412
Loss from discontinued operations before tax		(2 087)	2 264
Operating activity adjustments	20	1 489	(5 464)
Basic cash generated from (used in) operations		891	1 212
Interest paid		0	(1 470)
Income tax paid		(3 884)	0
Net cash generated from investing activities		(2 993)	(258)
Cash flows from investing activities			
Capital expenditure on investment properties		0	(152)
Proceeds from disposal of subsidiaries		7	0
Proceeds from disposal of investment properties		20 366	0
Proceeds from reduction of the owners contribution in joint venture		0	15 610
Cash in disposed subsidiaries		(3 155)	0
Net cash used in investing activities		17 218	15 458
Cash flows from financing activities			
Acquisition of own shares		(45 914)	0
Repayments of borrowings		0	(1 004)
Net cash used in financing activities		(45 914)	(1 004)
Net (decrease)/increase in cash and cash equivalents		(31 689)	14 196
Cash and cash equivalents at beginning of year		76 293	81 773
Cash and cash equivalents at the end of the period	7	44 604	95 969

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), Cybernetyki 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, 15 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 2022, except for the application of the following new or revised standards and interpretations applicable for annual periods beginning on or after 1 January 2023.

These interim consolidated financial statements as at 31 March 2023 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 2023 and description of the impact of applying the amendments:

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).

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.

Notes to the interim condensed consolidated financial statements

2.1 Basis of preparation - cont.

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 2023:

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 2024.

Amendments to **IFRS 16 Lease Liability in a Sale and Leaseback** - issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024.

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 2023 the Group disposed 100% of the shares in Challenge Eighteen Sp. z o.o. w likwidacji.

On 1 February 2023, CPD S.A. the Group disposed 100% of the shares in Ursus Development Sp. z o.o. w likwidacji.

The Group disposed 100% shares in the subsidiary Celtic Investments Ltd PLN with its headquarters in Nicosia on 17 March 2023.

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 2023.

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 2022.

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.

As at the end of 2022 the investment properties portfolio consisted of one estate only. The Management determined it's balance sheet value based on prior year external comparative method valuation, adjusted by additional 9,5% discount. The value remained unchanged as at 31 March 2023.

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

During 2014 - 2021 based on investment agreement signed by CPD S.A. and its subsidiaries (Smart City Spółka z ograniczoną odpowiedzialnością Sp.k., Lakia Enterprises Ltd), of the one part, and third parties i.e. Unidevelopment S.A. and Unibep S.A. the Group participated in the joint venture consisting of 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.

During 2017 - 2022 based on investment agreement signed by CPD S.A. and its subsidiaries (Smart City Spółka z ograniczoną odpowiedzialnością Sp.k., Challenge Eighteen Sp. z o.o., 4/113 Gaston Investments z ograniczoną odpowiedzialnością Sp.k., Lakia Enterprises Ltd), of the one part, and third parties i.e. Unidevelopment S.A. and Unibep S.A. the Group participated in subsequent joint ventures. 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. Ursa Sky is to consist of 183 and 201 flats respectively in the first and second stage. Also here all flats were sold by the end of the reporting period.

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.

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 Antigo investments Sp. z o.o., Celtic Asset Management Sp. z o.o. 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.

Based on the analysis performed no impairment indicators were identified with respect to shares in Ursa Park Sky City Sp. z o.o. Sk. With respect to shares in Celtic Asset Management Sp. z o.o. and Lakia Enterprises Ltd, which are written down in full no indicators of impairment reversal were observed. The value of previously recognised impairment of shares in Antigo Investments Sp. z o.o was adjusted in the reporting period.

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 2023. 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.

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

In the first quarter of 2023 the management reassessed recoverability of the deferred tax asset, which has not been recognised due to prudence principle. After the reassessment, still under prudent approach, the management decided to recognise part of the available deferred tax asset.

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 , credit risk and liquidity risk.

Liquidity risk

The Group's liquidity position during the first quarter of 2023 was mainly affected by proceeds from properties' disposals as well as expenses for acquisition of own shares.

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

	01/01/2023 - 31/03/2023	01/01/2022 - 31/12/2022
At the beginning of the reporting period	1 910	167 667
Capital expenditure	0	3 621
Change in the balance of capitalized financial liability concerning the property disposed	0	(506)
Change in the balance of capitalized financial liability concerning the properties transferred to assets held for sale	0	(4 899)
Change in balance of capitalised financial liability (RPU)	0	(3)
Transfer to assets held for sale	0	(130 360)
Net gain/(loss) from fair value adjustments on investment properties	0	(35 402)
Other reclassifications	0	1 792
At the end of the reporting period	1 910	1 910

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Direct operating costs for investment properties:		
- generating rental incomes	0	1 440
- other	1	12
	1	1 452

5 Trade receivables and other receivables

	31/03/2023	31/12/2022
Trade receivables	654	571
Receivables from the state	2 253	2 081
Receivables from related parties	73	31
Prepaid expenses	208	216
Other receivables	630	0
Short-term receivables	3 818	2 899
Long-term receivables	0	0
Total receivables	3 818	2 899

6 Inventories

	31/03/2023	31/12/2022
At the beginning of the reporting period	6 631	3 887
Disposal	(2 811)	(57)
Revaluation of Inventory	0	2 801
At the end of the reporting period	3 820	6 631

Condensed interim consolidated financial statements for the period of 3 months ended 31 March 2023

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements

7 Cash and cash equivalents

	31/03/2023	31/12/2022
Cash at bank and on hand	3 523	45 149
Restricted cash	0	3
Short term bank deposits	41 081	31 141
	44 604	76 293

8 Joint ventures

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

	31/03/2023	31/12/2022
a) Smart City Spółka z ograniczoną odpowiedzialnością sp.k.	0	0
b) Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp.k.	512	658
c) Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp.k.	2 882	3 090
	3 394	3 748

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

Opening balance as at 1 January

Group's share of the net profit or loss of the joint ventures presented in these interim consolidated financial statements

Closing balance

	31/03/2023	31/12/2022
Opening balance as at 1 January	658	1 105
Group's share of the net profit or loss of the joint ventures presented in these interim consolidated financial statements	(146)	(447)
Closing balance	512	658

c) Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp.k.

Opening balance as at 1 January

Group's share in withdrawals of the contributions to the joint venture

Group's share in joint venture's profit distributions

Amendment of the property rights to the joint venture's net assets

Group's share of the net profit or loss of the joint ventures presented in these interim consolidated financial statements

Closing balance

	31/03/2023	31/12/2022
Opening balance as at 1 January	3 090	11 690
Group's share in withdrawals of the contributions to the joint venture	0	(11 093)
Group's share in joint venture's profit distributions	(208)	(11 336)
Amendment of the property rights to the joint venture's net assets	0	(1 669)
Group's share of the net profit or loss of the joint ventures presented in these interim consolidated financial statements	0	15 498
Closing balance	2 882	3 090

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

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

	31/03/2023	31/12/2022
<i>Deferred tax asset</i>	784	745
<i>Trade receivables and other receivables</i>	179	159
<i>Cash and cash equivalents</i>	4 709	4 849
Total assets	5 672	5 753
 Trade payables and other liabilities	 4 648	 4 437
Net assets	1 024	1 316
 % held by the Group	 50%	 50%
Carrying amount of investment in joint venture presented in the consolidated financial statements	512	658

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

<i>Financial information from statement of comprehensive income</i>	31/03/2023	31/12/2022
Revenue	0	474
Interest cost	0	1
Result from continued operations	(285)	(894)

c) Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp.k.

	31/03/2023	31/12/2022
Investment property	1 262	1 133
<i>Inventory</i>	0	533
<i>Trade receivables and other receivables</i>	170	98
<i>Cash and cash equivalents</i>	11 196	12 196
Total assets	12 628	13 960
Trade payables and other liabilities	6 865	7 780
Net assets	5 763	6 180
% held by the Group	50%	50%
Carrying amount of investment in joint venture presented in the consolidated financial statements	2 882	3 090

<i>Financial information from statement of comprehensive income</i>	31/03/2023	31/12/2022
Revenue	739	124 025
Interest cost	3	29
Result from continued operations	(416)	30 996

9 Share capital

	Number of shares		Par value of shares	
	31/03/2023	31/12/2022	31/03/2023	31/12/2022
Ordinary shares (in thousands)	8 966	8 966	897	897

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

On 29 July 2022 and 24 March 2023 CPD SA acquired respectively 1.672.591 and 1.535.558 of own shares for redemption. The unit redemption price amounted to PLN 29,90, The shares represent 35,78% of CPD SA share capital. However based on the relevant regulations the Company is prevented from executing voting rights from own shares.

By the moment of preparation of these interim condensed consolidated financial statements the court has not registered reduction of the share capital.

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

	31/03/2023	31/12/2022
Trade payables	6 314	1 421
Output VAT and other tax liabilities	6 505	20 301
Tenants' deposits	394	0
Other liabilities	70	262
Accruals and deferred income	1 070	1 555
	14 353	23 539

11 Borrowings, including leasing

	31/03/2023	31/12/2022
Non-current		
Lease liabilities	0	187
	0	187
Current		
Bank loans	0	0
	0	0
Total borrowings	0	187

Resulting for repayment of previous bank loans and disposal of the properties with attached leasing liability, as at the end of the reporting period the group has no borrowings payable.

12 Deferred income taxes

	31/03/2023	31/12/2022
Deferred tax assets before offset	5 409	961
Offset against deferred tax liability	(5 409)	(961)
Deferred tax assets	0	0
Deferred income tax liabilities before offset	5 389	9 802
Offset against deferred tax asset	(5 409)	(961)
Deferred income tax liabilities after offset	(20)	8 841

13 Revenue by nature

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Sales of inventories	2 500	57
Real estate advisory services	36	257
Accounting services	9	9
	2 545	323

The revenues from sales of inventory relate to disposal of the Koszykowa property in Warsaw.

Condensed interim consolidated financial statements for the period of 3 months ended 31 March 2023

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**14 Cost of sales**

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Cost of inventories sold	2 737	57
	2 737	57

15 Administrative costs property related

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Property maintenance	0	9
Real estate tax	1	26
Perpetual usufruct	0	86
Depreciation and amortization	0	22
	1	143

16 Administrative expenses-other

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Employee expenses	742	750
Advisory services	510	699
Legal fees	2 410	152
Audit fees	68	38
Transportation	34	1
Taxes	16	12
Office maintenance	301	103
Other services	61	130
Costs of not deductible VAT	2	41
	4 144	1 926

17 Other income

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Provisions reversal	298	262
Other income	1	2
	299	264

18 Financial income and expenses

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Interest expense:		
- Leasing interest	0	(5)
- Other interest	(216)	(133)
Financial costs	(216)	(138)
Interest income:		
- Bank interest	509	19
- Interest from third parties	0	63
Other financial income	0	28
Net exchange differences	399	48
Financial income	908	158

Condensed interim consolidated financial statements for the period of 3 months ended 31 March 2023

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**19 Income tax**

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Current income tax	2 127	43
Deferred taxes	(8 862)	481
Tax effect of discontinued operations	397	(430)
	(6 338)	94

20 Operating activity adjustments

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Adjustments for:		
- depreciation of tangible fixed assets	0	22
- foreign exchange differences	0	969
- (gains) losses on revaluation to fair value of investment property venture	0	(1 367)
	354	(5 920)
- currency translation adjustments	(26)	(133)
- interest costs	0	1 470
- loss on investment property disposal	1 849	0
- loss on derivatives valuation	0	270
- result of sale of subsidiaries	(5 918)	0
Changes in working capital		
- changes in receivables	(988)	(1 120)
- changes in inventories	2 624	57
- change in trade liabilities and other	3 594	288
	1 489	(5 464)

21 Related party transactions

CPD S.A. does not have a direct parent nor ultimate controlling entity.

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:

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
(a) Transactions with key management personnel		
Remuneration of the Management Board members	458	451
Salaries and services provided by the Management Board members	1 367	0
Remuneration of the Supervisory Board members	16	19
Revenues	7	0
	31/03/2023	31/12/2022
Total receivables	19	19
Total liabilities	1 667	793
(b) Transactions with the other related parties		
<u>Costs</u>		
Kancelaria Oleś i Rodzynekiewicz	3	6
<u>Revenues</u>		
Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.	2	5
Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.	46	292



CPD S.A.

Notes to the interim condensed consolidated financial statements**21 Related party transactions - cont.**

	31/03/2023	31/12/2022
Total liabilities		
<i>Kancelaria Radców Prawnych Oleś i Rodzyńkiewicz</i>	0	0
Total receivables		
<i>Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.</i>	2	6
<i>Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością Sp.k.</i>	52	25

22 Payment of dividends

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

23 Earnings per share

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Profit attributable to the shareholders of the parent company	6 136	6 152
Weighted average number of ordinary shares (in '000)	7 174	8 966
Earnings per share	0,86	0,69
Diluted profit attributable to the shareholders of the parent company	6 136	6 152
Weighted average number of ordinary shares (in '000)	7 174	8 966
Diluted earnings per share	0,86	0,69
	31/03/2023	31/12/2022
Net assets at book value	43 213	81 129
Number of ordinary shares (in '000)	5 758	7 293
Net assets per share	7,50	11,12

24 Disposal of subsidiaries

During the first quarter of 2023 The Grupa disposed shares in Ursus Development sp. z o.o. w likwidacji, Challenge Eighteen sp. z o.o w likwidacji and Celtic Investments Ltd.

	01/01/2023 - 31/03/2023	01/01/2022 - 31/03/2022
Sales price	7	0
Net assets of disposed subsidiaries	5 910	0
Transactional costs	(704)	0
	5 213	0

One of the above transactions resulted in derecognition of a liability resulting from a dispute involving one of the disposed subsidiaries.

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.

Notes to the interim condensed consolidated financial statements**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.

27 Assets and liabilities held for sale

As at 31 December 2022 property and leasing creditors owned by Lakia Investments Sp. z o.o. were presented as held for sale. Those were disposed on 1 March 2023.

Assets held for sale

	31/03/2023	31/03/2022
Investment property	0	22 215
Capitalised leasing liabilities from perpetual usufruct	0	1 830
	0	24 045

Liabilities classified as held for sale

Borrowings, including leasing	0	1 830
	0	22 215

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

The court cancelled 2/124 Gaston Investments sp. z o.o. sk. from the entrepreneurs' register on 18 May 2023.

Except of the above there were no significant reportable post balance sheet events.

These condensed interim consolidated financial statements were prepared and approved by the CPD SA Management Board on 30 May 2023 and signed by:

Colin Kingsnorth
Chairman of the Board

Iwona Makarewicz
Board Member

John Purcell
Board Member

Elżbieta Donata Wiczowska
Board Member

CPD S.A.

Condensed interim consolidated financial statements for the period of 3 months ended 31 March 2023

(All amounts in PLN thousands unless otherwise stated)

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	1/1/2023 - 31/3/2023 (unaudited)	1/1/2022 - 31/3/2022 (unaudited)
Revenues		6	6
Administrative costs	29.11	(4 075)	(786)
Marketing costs		(21)	0
Fair value adjustment on loans granted	29.12	19 465	(101)
OPERATING RESULT		15 375	(881)
Financial income	29.12	330	758
Financial costs	29.12	(4 185)	(127)
PROFIT (LOSS) BEFORE INCOME TAX		11 520	(250)
Income tax		6 237	(144)
PROFIT (LOSS) FOR THE PERIOD		17 757	(394)
OTHER COMPREHENSIVE INCOME		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		17 757	(394)
BASIC EARNINGS PER SHARE (IN PLN)	29.10	2,48	(0,04)
DILUTED EARNINGS PER SHARE (IN PLN)	29.10	2,48	(0,04)

Colin Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

John Purcell
Board Member

Iwona Makarewicz
Board Member

29.2 Condensed statement of financial position

	Note	31/3/2023 (unaudited)	31/12/2022
ASSETS			
Non-current assets			
Long-term receivables	29.6	11 496	38 055
Shares in subsidiaries	29.5	796	3 751
Total non-current assets		12 292	41 806
Current assets			
Trade receivables and other receivables, including:	29.7	1 969	318
- receivables and loans		1 851	273
- prepayments		118	45
Cash and cash equivalents		19 247	24 371
Total current assets		21 216	24 689
Total assets		33 508	66 495
EQUITY			
Share capital	29.8	897	897
Treasury shares		(95 923)	(50 010)
Share premium		389 802	389 802
Embedded element at inception date		(27 909)	(27 909)
Other reserves		987	987
Retained earnings		(238 834)	(256 591)
Total equity		29 020	57 176
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		0	6 237
Total non-current liabilities		0	6 237
Current liabilities			
Borrowings	29.9	0	2 831
Trade payables and other payables		4 488	251
Total current liabilities		4 488	3 082
Total equity and liabilities		33 508	66 495

Colin Kingsnorth
Chairman of the Board

Elżbieta 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 1/1/2022		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
As of 1/1/2022		2 637	(288 972)	677 034	(27 909)	987	(233 509)	130 268
Treasury shares acquisition		0	(50 010)	0	0	0	0	(50 010)
Treasury shares redemption		(1 740)	288 972	(287 232)	0	0	0	0
		(1 740)	238 962	(287 232)	0	0	0	(50 010)
<u>Comprehensive income:</u>								
Profit (loss) for the period		0	0	0	0	0	(23 082)	(23 082)
		0	0	0	0	0	(23 082)	(23 082)
As of 31/12/2022		897	(50 010)	389 802	(27 909)	987	(256 591)	57 176
As of 1/1/2023		897	(50 010)	389 802	(27 909)	987	(256 591)	57 176
Treasury shares acquisition		0	(45 913)	0	0	0	0	(45 913)
		0	(45 913)	0	0	0	0	(45 913)
<u>Comprehensive income:</u>								
Profit (loss) for the period		0	0	0	0	0	17 757	17 757
		0	0	0	0	0	17 757	17 757
As of 31/03/2022/unaudited		897	(95 923)	389 802	(27 909)	987	(238 834)	29 020

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	1/1/2023 - 31/3/2023 (unaudited)	1/1/2022 - 31/3/2022 (unaudited)
Cash flow from operating activities			
Cash generated from operations	29.13	(1 086)	(18)
Net cash generated from operating activities		(1 086)	(18)
Cash flows from investing activities			
Investment into subsidiary		(123)	0
Return of contribution from jointly controlled entity		0	14 938
Income from sale of shares in subsidiaries		7	0
Loans granted		(222)	(172)
Loan repayments received		37 564	1 769
Interest received		7 498	0
Net cash generated from investing activities		44 724	16 535
Cash flows from financing activities			
Treasury shares acquisition		(45 913)	0
Loans repaid		(1 667)	(740)
Interest repaid		(1 182)	0
Net cash generated from financing activities		(48 762)	(740)
Net (decrease)/increase in cash and cash equivalents		(5 124)	15 777
Cash and cash equivalents at beginning of year		24 371	64 384
Cash and cash equivalents at the end of the period		19 247	80 161

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	31/3/2023	31/12/2022
Celtic Investments Ltd			0	48 000
Impairment				(48 000)
Lakia Enterprises Ltd	Cyprus	100%	105 647	105 524
Impairment			(105 647)	(105 524)
Celtic Asset Management (*)	Poland	100%	0	0
Challenge Eighteen			0	5 032
Impairment				(2 237)
Antigo Investments	Poland	100%	16 614	16 614
Impairment			(15 819)	(15 659)
Ursa Sky Smart City	Poland	49%	1	1
Ursus Development Sp. z o.o. w likwidacji			0	5
Impairment				(5)
			796	3 751

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

On 31 January 2023, CPD S.A. entered into an agreement with Securities Trust Sp. z o.o. for the sale of 100% of the shares in the share capital of its subsidiary Challenge Eighteen Sp. z o.o. in liquidation in exchange for a sale price of PLN 1 thousand. On 1 February 2023, CPD S.A. entered into an agreement with Securities Trust Sp. z o.o. to sell 100% of the shares in the share capital of its subsidiary Ursus Developement Sp. z o.o. in liquidation in exchange for a sale price equal to PLN 1 thousand. On 17 March 2023, CPD S.A. entered into an agreement with Securities Trust Sp. z o.o. for the sale of 100% of the shares in the share capital of its subsidiary Celtic Investment Limited in exchange for a sale price equal to EUR 1 thousand.

(All amounts in PLN thousands unless otherwise stated)

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

	31/3/2023	31/12/2022
Long-term loans with related parties, including:		
- loans	55 397	100 231
- fair value adjustment	(43 902)	(62 176)
	11 496	38 055

Details of the loans granted to related parties 31.03.2023

Related party	Currency of the loan	Date of agreement	Fair value of granted loans	Interest Rate	Margin	Maturity
Lakia Investments	PLN	2022	875	3M WIBOR	2,00%	on demand, not later than 04.08.2027
Belise Investments	PLN	2012	273	3M WIBOR	1,55%	on demand, not later than 01.05.2027
Belise Investments	PLN	2014	1 653	3M WIBOR	1,55%	on demand, not later than 24.09.2024
Elara Investments	PLN	2012	21	3M WIBOR	1,55%	on demand, not later than 01.05.2027
Celtic Asset Management	PLN	2015	509	3M WIBOR	1,55%	on demand, not later than 12.02.2025
HUB Developments	PLN	2012	1 332	3M WIBOR	1,55%	on demand, not later than 01.05.2027
Lakia Enterprises Limited	PLN	2015	6 833	3M WIBOR	1,55%	on demand
			11 496			

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**29.6 Long-term receivables - continued****Details of the loans granted to related parties 31.12.2022**

Related party	Currency of the loan	Date of agreement	Fair value of granted loans	Interest Rate	Margin	Maturity
Lakia Investments	PLN	2022	13 796	3M WIBOR	2,00%	on demand, not later than 04.08.2027
Belise Investments	PLN	2012	10 032	3M WIBOR	1,55%	on demand, not later than 01.05.2027
Belise Investments	PLN	2014	11 117	3M WIBOR	1,55%	on demand, not later than 24.09.2024
Elara Investments	PLN	2012	146	3M WIBOR	1,55%	on demand, not later than 01.05.2027
Elara Investments	PLN	2013	1 221	3M WIBOR	1,55%	on demand, not later than 24.01.2028
Celtic Asset Management	PLN	2015	484	3M WIBOR	1,55%	on demand, not later than 12.02.2025
HUB Developments	PLN	2012	944	3M WIBOR	1,55%	on demand, not later than 01.05.2027
Lakia Enterprises Limited	PLN	2015	312	3M WIBOR	1,55%	on demand
			38 055			

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**

	31/3/2023	31/12/2022
Short-term loans with related parties, including:	322	234
- loans	26 657	26 177
- fair value adjustment	(26 334)	(25 942)
Other receivables from related parties	1 497	11
Other receivables from other parties	32	28
Prepayments	118	45
Short-term receivables	1 969	318

Details of the loans granted to related parties 31.03.2023

Related party	Currency of the loan	Date of agreement	Fair value of granted loans	Interest Rate	Margin	Maturity
Gaston Investments	PLN	2013	322	3M WIBOR	1,55%	on demand, not later than 01.10.2023
			322			

Details of the loans granted to related parties 31.12.2022

Related party	Currency of the loan	Date of agreement	Fair value of granted loans	Interest Rate	Margin	Maturity
Gaston Investments	PLN	2013	234	3M WIBOR	1,55%	on demand, not later than 01.10.2023
			234			

(All amounts in PLN thousands unless otherwise stated)

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

	The number of shares (in thousands), including treasury shares		Value of shares	
	31/3/2023	31/12/2022	31/3/2023	31/12/2022
Ordinary shares (in thousands)	8 966	8 966	897	897

The share capital as at 31 December 2022 and 31 March 2023 amounted to PLN 897 thousand.

On 24 March 2023, a buyback of the Company's treasury shares took place. The acquisition of treasury shares took place over-the-counter through the National Securities Depository. In performance of the buyback, the Company acquired 1,535,558 (one million five hundred and thirty-five thousand five hundred and fifty-eight) ordinary bearer shares with a nominal value of PLN 0.10 (ten cents) each.

Treasury shares were purchased at a uniform price of PLN 29.90 (twenty-nine zlotys 90/100) per share and for a total price of PLN 45,913,184.20 (forty-five million nine hundred and thirteen thousand one hundred and eighty-four zlotys 20/100). The total nominal value of the acquired treasury shares equals to PLN 153,555.80 (one hundred and fifty-three thousand five hundred and fifty-five zloty 80/100).

The treasury shares acquired by CPD S.A. represent 17.13% of the Company's share capital and 21.05% of the total number of votes at the Company's general meeting (prior to the buyback, the Company already held 1,672,591 treasury shares). The Company will not exercise the rights attached to the treasury shares, except for the power to sell them or to perform actions aimed at preserving such rights. The Treasury Shares were acquired for the purpose of redemption.

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 granting any special control rights.

29.9 Borrowings

	31/3/2023	31/12/2022
Loans from related parties	0	2 831
- long-term	0	0
- short-term	0	2 831
	0	2 831

Loans payable as at 31 December 2022 related to loans from subsidiaries: a loan from a subsidiary of Lakia Investments (the loan bears interest at 3M Wibor + a margin of 1.55%) and a loan from a subsidiary of Robin Investments (the loan bears interest at 3M Wibor + a margin of 1.55%). As at 31 March 2023, both loans, including principal and interest have been repaid.

(All amounts in PLN thousands unless otherwise stated)

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

	1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
Profit / (loss) attributable to the shareholders	17 757	(394)
Weighted average number of ordinary shares (in '000)	7 174	8 966
Earnings per share (in PLN)	2,48	(0,04)
Diluted profit / (loss) attributable to shareholders	17 757	(394)
Weighted average number of ordinary shares (in '000)	7 174	8 966
Diluted earnings per share (in PLN)	2,48	(0,04)

29.11 Administrative costs

	1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
Advisory services	3 261	57
Salaries	593	652
Costs of non deductible VAT	0	27
Other services	221	50
	4 075	786

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements

29.12 Financial income and expenses and fair value adjustment on loans granted

	1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
Fair value adjustment on loans granted	19 465	(101)

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.

	1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
Interest income:		
- Bank interest	323	9
Dividends received	0	672
Other financial income	0	28
Net exchange differences	7	49
Financial income	330	758
Interest costs:		
- Interest from related parties	18	48
Impairment of investments in subsidiaries	1 379	79
Loss on sale of subsidiaries	2 788	0
Net exchange rate differences	0	0
Financial costs	4 185	127

The company reported a loss on the sale of its shares in Challenge Eighteen Sp. z o.o. in liquidation. Upon completion of the liquidation of Chalange Eighteen, CPD S.A. should receive an amount of approximately PLN 2.3 million as an increase in the sale price, which is treated as a contingent asset at this time.

29.13 Cash flow from operating activities

	1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
Profit / (loss) before tax	11 520	(250)
Adjustments for:		
- interest costs	18	48
- impairment of investments in subsidiaries	1 379	79
- loss on sale of shares in subsidiaries	2 788	0
- fair value adjustment on loans granted	(19 465)	101
Changes in working capital:		
- changes in trade receivables and other receivables, excluding loans	(1 563)	9
- change in trade liabilities and other payables, excluding loans	4 237	(5)
	(1 086)	(18)

(All amounts in PLN thousands unless otherwise stated)

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		1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
Remuneration of members of the Supervisory Board		16	19
Remuneration of members of the Board of Directors		455	445
b) Transactions with subsidiaries and jointly controlled entities		1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
Revenues			
<i>Ursa Sky Smart City</i>	<i>jointly controlled entity</i>	0	28
<i>Antigo Investments</i>	<i>subsidiary</i>	0	15
<i>Belise Investments</i>	<i>subsidiary</i>	212	201
<i>Celtic Asset Management</i>	<i>subsidiary</i>	20	10
<i>Celtic Investments Ltd</i>	<i>subsidiary</i>	15	1
<i>Elara Investments</i>	<i>subsidiary</i>	58	33
<i>Gaston Investments</i>	<i>subsidiary</i>	13	61
<i>Hub Developments</i>	<i>subsidiary</i>	54	25
<i>Lakia Enterprises Ltd</i>	<i>subsidiary</i>	562	265
<i>Lakia Investments</i>	<i>subsidiary</i>	285	6
<i>Mandy Investments</i>	<i>subsidiary</i>	361	172
<i>Ursus Development</i>	<i>subsidiary</i>	8	12

(All amounts in PLN thousands unless otherwise stated)

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

		1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
Costs			
<i>Lakia Enterprises Ltd</i>	<i>subsidiary</i>	0	8
<i>Lakia Investments</i>	<i>subsidiary</i>	0	24
<i>Robin Investments</i>	<i>subsidiary</i>	18	16
<i>Gaston Investments</i>	<i>subsidiary</i>	2	2
Liabilities		31/3/2023	31/12/2022
<i>Lakia Investments</i>	<i>subsidiary</i>	0	893
<i>Robin Investments</i>	<i>subsidiary</i>	0	1 939
<i>Gaston Investments</i>	<i>subsidiary</i>	0	2
<i>Ursus Capital Limited</i>	<i>subsidiary</i>	9	0
Receivables		31/3/2023	31/12/2022
<i>Ursa Sky Smart City</i>	<i>jointly controlled entity</i>	0	1
<i>Belise Investments</i>	<i>subsidiary</i>	3 420	21 150
<i>Celtic Asset Management</i>	<i>subsidiary</i>	509	484
<i>Elara Investments</i>	<i>subsidiary</i>	21	1 368
<i>Gaston Investments</i>	<i>subsidiary</i>	322	242
<i>Hub Developments</i>	<i>subsidiary</i>	1 332	944
<i>Lakia Enterprises Ltd</i>	<i>subsidiary</i>	6 833	312
<i>Lakia Investments</i>	<i>subsidiary</i>	878	13 799
c) Transactions with other related party			
Costs		1/1/2023 - 31/3/2023	1/1/2022 - 31/3/2022
<i>Kancelaria Radców Prawnych Oleś&Rodzyńkiewicz sp. komandytowa</i>		3	7

29.15 Events after the balance sheet date

There were no significant reportable post balance sheet events.