CLCF Real Estate Opportunities S.C.Sp.
Management Report 2024

REO Holding strategy for 2024 and following years was based on actual market situation on Prague residential segment, fundamental valuation of projects and expected development of demand/supply balance including consequences for secondary market pricing levels.

Main strategic priorities for 2024 and 2025 were set:

1. Rigorous investment process focusing on quality of location and project
2. Disciplined pricing towards potential sellers of assets including fair and transparent disclosure of needed investments and expected final sales prices
3. Focus on slightly distressed or unrealised redevelopment opportunities with additional upside
4. Gradual diversification of investment portfolio by acquiring midsized transactions in different districts of Prague

AT 4Q 2024, deinvestment from "Bulharská project" started:

Acquisition of a set of 17 flats in the apartment building, Prague 10 – Vršovice "Bulharská street"

- Share deal acquisition in June 2023 in the amount of 68 000 000 CZK
- Total net floor area 852 m^2
- Close to amenities, public transport 3 minutes´ walk, trendy neighbourhood
- Current status: 16 from 17 flats were sold and fully settled, the remaining 1 flat will be sold in December 2025.
- The Loan provided by Oberbank AG was fully repaid at the beginning of May 2025
- Acquisition price of approx. 80 000 CZK/m^2 and selling prices in average 145 000 CZK/m^2
- Process of liquidation of the SPV companies has begun

Solitary luxury flat villa with the possibility of new construction "Vila Na Stráži" Prague 8 – Libeň

- Asset deal acquisition in the amount of 108 000 000 CZK finalized in November 2023
- Total net floor area of units 1 238 m^2 + terraces + commercial premises 345 m^2 + attic + common areas + summerhouse + bunker and 11 garages
- Land plot 3 442 m^2
- There will be 8 large apartments to be built, each apartment will have at least two garage and storage space
- Close to all civic amenities, public transport 3 minutes, excellent access to the city centre and exits from Prague
- Majority of permissions and opinions of public authorities Prague 8 obtained in September 2024, additional permission to enlarge floor area and build a new elevator will be received in March 2026

- The investor's entry into the SPV at the level of 20% of shares has been realised (co-financing the project at “Pari-passu“)
- The overall project structure, architectonical and technical documentation developed
- General supplier has been signed
- Acquisition price of approx. 80 000 CZK/m^2 and expected selling prices in the range of 210-250 000 CZK/m^2 depending on quality, position and size of the individual flat
- Renown Real Estate broker – Engel & Völkers will take care of sale process of individual units
- The viability of reasonable acquisition price of 108 mil. CZK was confirmed by independent external valuator Savills
- Project financing contract between Raiffeisen Bank a.s. and SPV REO Galaxie s.r.o. was signed. Amount of financing has reached 176,9 million of CZK (70% LTC)
- Steps to achieve additional income from sell of part of the plot, where a medical clinic or apartment house can be built, has begun. (Looking for suitable buyer and startup projections, engineering and legal actions.)

Currently REO Holding and CLCF REO evaluates number of projects for further extension of existing portfolio mainly in Prague districts 1, 2,6

The new project „Rytířská“ (Prague 1) has begun

Agreement on future Purchase agreement was signed in November 2025. Purchase agreement will be signed till the end of 2025.

Residential market development 2024

The market entered into the new year at full strength. It’s showing dynamic growth in all segments and in the second half of 2024 definitively surpassed pre-crisis values. Demand for premium properties has steadily increased and even broke the record previously held by 2021 in terms of yearly growth. The volume of realized transactions and the market value of the properties sold practically doubled in the half-year comparison.

The continuing strong demand and high volume of transactions have reduced the stock of quality properties and are putting upward pressure on prices. We see a more significant impact in the secondary market, where the average prices per m^2 increased by 6.5% in the half-year comparison and year-on-year by an incredible 11%. The prices for new builds also went up, half-yearly by 4.6% and year-on-year 6.7%. Buyers were most interested in one-bedroom and two-bedroom layouts.

Financial results and valuation

From financial point of view, the financial results in 2024 reflect the relevant stage of REO Holding with two running projects acquired at bottom of real estate market cycle. The expected returns after successful finalisation and exit of individual projects should provide very good returns above risk free rates.