

REAL ESTATE

**OUR OFFER OF SERVICES
FOR THE REAL ESTATE SECTOR**

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select a service you are interested in

SERVICES FOR THE REAL ESTATE SECTOR

Our company offers services in the areas of auditing, accounting, tax consultancy, legal advisory, information technology solutions, digitisation, financial and transactional consulting and expertise. What sets us apart is our fusion of a robust international network with a personalised approach to clients, delivered through our offices located across the Czech Republic. We have been operating on the Czech market for 30 years, and with more than 600 seasoned professionals, we stand as a premier consulting firm in the Czech Republic.

The real estate and construction sector is confronting significant transformations and hurdles that demand attention. Real estate prices are rising sharply, and many construction companies are struggling to find suitable

employees. The shift from fossil fuel reliance towards renewable energy sources is gaining traction, paralleled by the sector's accelerated digitalisation. And the need for a new, circular approach to construction is growing relentlessly.

Thanks to the experience we have amassed in real estate, we can provide our clients with professional advice coupled with specialised and expert knowledge of the field. We support clients throughout the lifecycle of their real estate investments and help them overcome new industry challenges.

Here are the typical services we offer to our clients in the real estate sector:



Transaction services and due diligence



Due diligence checks



Tax and accounting advisory



Management consulting



Legal consulting



Asset valuation



Auditing services




ESG

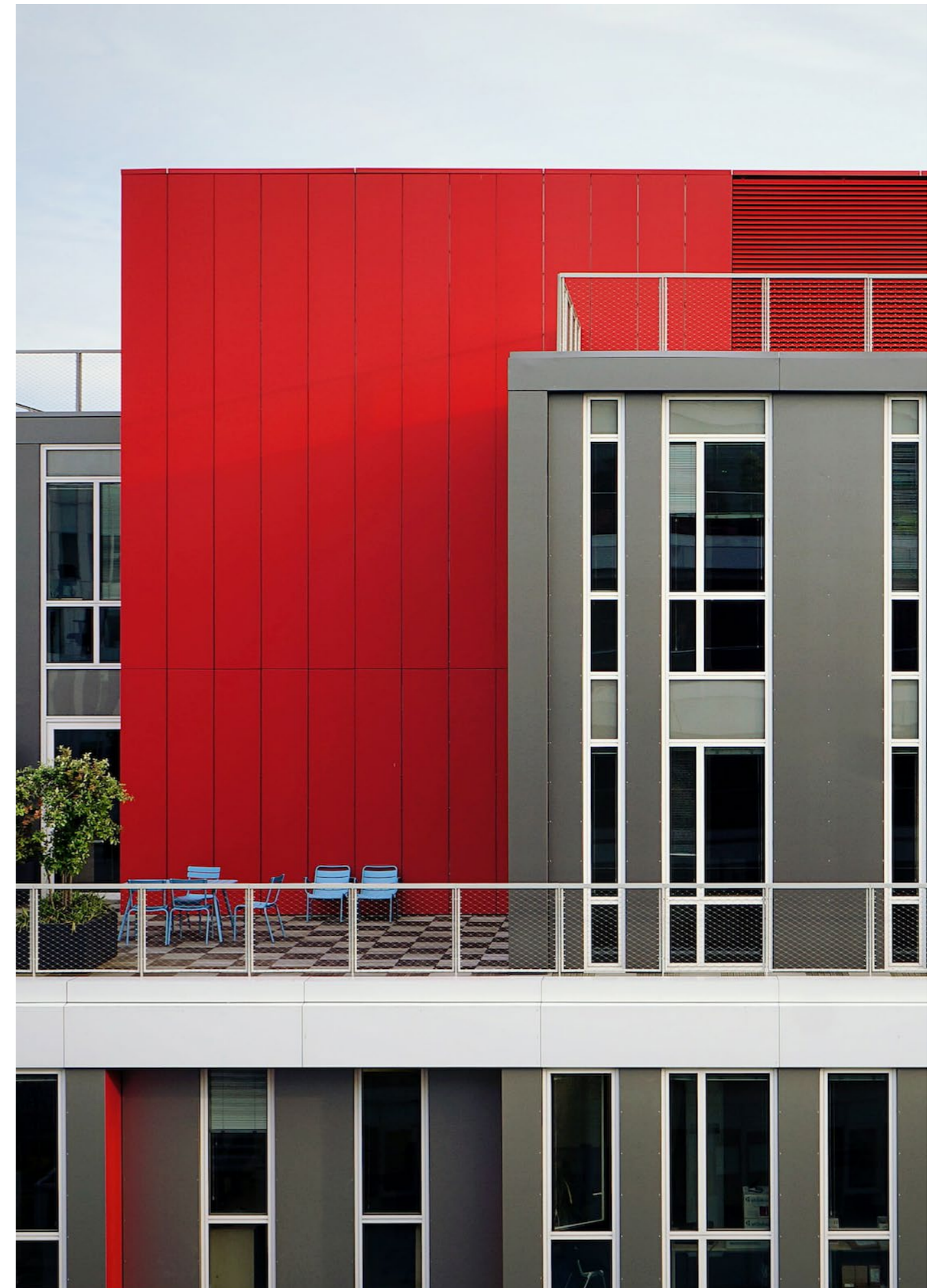


Technology consulting

Jiří Sedláček Director, Audit

 jiri.sedlacek@bdo.cz

 605 088 362





1. TRANSACTION SERVICES AND DUE DILIGENCE

We offer comprehensive support to our clients at every stage of their real estate investments, with a primary focus on structuring portfolios for optimal tax efficiency. Our approach is tailored to the specific objectives and needs of each client. We meticulously evaluate both national and international investment opportunities from tax and economic perspectives through thorough due diligence processes, guiding our clients on the most advantageous

courses of action. We provide support to providers offering open and closed real estate funds throughout the entire investment process. Our services encompass financial, tax and legal due diligence, as well as consultation on SPAs and transaction documentation. Upon request, we can advise on investment law, investment tax regulations, tax structuring and other related matters. Furthermore, we facilitate the closing and settlement of transactions.



Services we offer

- ▶ Identification of investment opportunities
- ▶ Structuring real estate acquisitions (taxes, law, ...)
- ▶ Financial, tax and legal background checks
- ▶ Transaction documentation
- ▶ Tax consequences of property transactions
- ▶ Solving accounting problems
- ▶ Post-transaction advice
- ▶ Leveraging our extensive expertise in real estate transactions and our collaboration with BDO's international member firms, we can offer comprehensive and targeted advice all under one roof.

Our other services in the area of transactions

- ▶ Valuation of property and expert opinions
- ▶ Documentation of all contracts, rights and obligations that are transferred to the buyer (in particular lease and service agreements, purchase, usufruct and neighbouring rights, lease or public rights, insurance).

We will help you design and implement a successful strategy through expert preparation, monitoring and implementation. Our structured approach and experience enable us to deliver the following to our clients:

- 1 High confidence of potential investors and banks
- 2 Professional time and project management (meticulous oversight of the entire process)
- 3 Preparation of a complete information package
- 4 Support in all phases of the sales transaction from preparation to the offer and implementation phase
- 5 Use of extensive experience from similar transactions
- 6 Our services in connection with sales transactions, incl. e.g. Vendor DD
- 7 Approaching clients and helping in the selection of investors
- 8 Subsequent processing and completion

DUE DILIGENCE

Our expertise can benefit both sides of a real estate transaction. We support both buyers and sellers of properties, portfolios and companies.

Services we offer

We offer our clients support in financial, tax and legal due diligence. For cross-border transactions, we collaborate closely with colleagues within the BDO global network. This partnership allows us to proficiently address our clients' expectations and fulfil their country-specific inquiries.

Ondřej Šnejdar Partner

✉ ondrej.snejdar@bdo.cz

☎ 777 312 365

Milan Svoboda Director

✉ milan.svoboda@bdo.cz

☎ 731 627 010



2. TAX AND ACCOUNTING ADVISORY

We offer continuous tax advisory services, handle bookkeeping, and prepare annual accounts to ensure our clients fulfil all their legal obligations. We strongly believe that well-founded recommendations necessitate a deep understanding of business intricacies and exceptional economic insight. Drawing from our extensive experience, we tailor our approach to meet the individual and industry-specific needs of each client. We assemble dedicated teams for each client, comprising multidisciplinary experts with diverse strengths. Every client is assigned a dedicated contact person who oversees their entire engagement. We view our clients as partners, striving to establish enduring and prosperous relationships.

Services we offer

- ▶ Tax planning and proactive ongoing tax advice
- ▶ Preparation of tax returns
- ▶ VAT consulting
- ▶ Representation before tax authorities
- ▶ Financial accounting
- ▶ Preparation of financial statements in accordance with accounting standards (e.g. Czech accounting standards, IFRS, UK/US GAAP, HBII)
- ▶ Payroll processing



Ivan Kovář Partner

✉ ivan.kovar@bdo.cz ☎ 377 360 113

Roman Kytlica Partner

✉ roman.kytlica@bdo.cz ☎ 603 477 502

Tomáš Klíma Senior Manager

✉ tomas.klima2@bdo.cz ☎ 607 012 066

Petr Linx Senior Manager

✉ petr.linx@bdo.cz ☎ 603 934 555



3. MANAGEMENT CONSULTING

We help companies thrive and achieve their growth objectives. We work together with our clients throughout the entire lifecycle of individual projects, from strategy to final realisation and implementation.

Operational review, setting KPIs and reporting

- ▶ setting key performance indicators according to individual processes and teams
- ▶ setup and digitisation of reporting

Lean management and six sigma in construction

- ▶ improving process efficiency using lean and six sigma methodologies
- ▶ process transformation and implementation of lean and six sigma methodology into internal processes

Project purchase, indirect purchase

- ▶ independent assessment of purchasing processes and purchasing contracts
- ▶ setting up indirect purchasing processes
- ▶ conducting independent procurement procedures

Organisation and human resources

- ▶ process revision and alignment and transformation of organisational charts
- ▶ assessment of capacities and competences and employee organisational charts

Operational restructuring and transformation

- ▶ review of the effectiveness of operating costs – within the framework of facility management, energy efficiency, indirect purchases
- ▶ reviewing the setting of key performance indicators and compensation models

Portfolio performance evaluation

- ▶ optimisation of economic models
- ▶ benchmarking portfolio performance
- ▶ strategic analysis of the locality

Project oversight and forecasting

- ▶ setting up internal processes across technical and economic roles, optimising the substantive component of reporting and reporting tools, including process digitisation, cash flow planning, profitability, execution and financial risks
- ▶ project viability assessment, competition analysis

Ondřej Šnejdar Partner

✉ ondrej.snejdar@bdo.cz ☎ 777 312 365

Kamil Vaníš Director

✉ kamil.vanis@bdo.cz ☎ 736 242 098



4. LEGAL CONSULTING

We advise both domestic and international clients on all matters concerning real estate and construction law, offering guidance at every stage of the transaction process. Our consultancy services extend across various sectors, including residential real estate, office buildings, commercial properties, logistics areas and other specialised real estate ventures.

Our services include advice on the purchase or sale of individual properties as well as entire portfolios, development projects, brownfields, commercial leases and project financing.

We prioritise the legitimate interests of our clients above all else. Rather than offering legal advice in isolation, we emphasise a comprehensive and pragmatic approach to every matter. To ensure comprehensive guidance, we frequently collaborate with other experts across the entire BDO network.

Our clients rely on us especially in the following areas:

- ▶ Real estate transactions (asset deal, share deal)
- ▶ Legal reviews (due diligence), including coordination with other due diligence projects (e.g. financial, tax, technical, environmental)
- ▶ Preparation and negotiation of contracts for the sale or purchase of real estate
- ▶ Preparation and negotiation of lease or usufructuary lease agreements
- ▶ Legal advice in the preparation of development projects
- ▶ Structuring and restructuring measures (e.g. leaseback)
- ▶ Consulting in the field of specialised real estate ventures (e.g. hospitals, hotels, shopping centres, logistics facilities, wind and solar energy parks)
- ▶ Legal representation, encompassing dealings with neighbours, relevant authorities, and proceedings before building authorities, potentially extending to administrative courts, execution proceedings and forced auctions.

Lukáš Regec Partner

✉ lukas.regec@bdolegal.cz

☎ 602 738 680

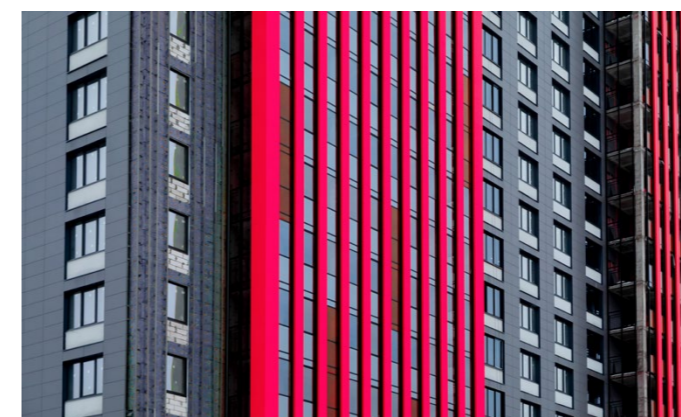


5. ASSET VALUATION

There are many reasons why clients seek real estate appraisals. A distinction can be made between the valuation of real estate as such (as part of an asset deal) and the valuation of companies owning real estate (as part of a share deal).

There are many possible reasons:

- ▶ Buying or selling
- ▶ Restructuring
- ▶ Accounting according to CAS or IAS/IFRS
- ▶ PPA = Purchase Price Allocation
- ▶ Determination of net asset value
- ▶ Financing and mortgages
- ▶ Inheritance/execution/divorce
- ▶ Project development (scenario analysis)
- ▶ Insurance purposes
- ▶ IPO
- ▶ Transformations
- ▶ Valuation of land/projects in various stages of construction



Štěpánka Kopecká Representative of BDO Valuation

✉ stepanka.kopecka@bdo.cz

☎ 602 444 110



The properties we evaluate include residential, commercial, public and purpose-built buildings (e.g. hospitals), land, building rights, easements and projects in various stages of construction. We provide individual and portfolio assessments. We can determine the usual amount of rent for the above-mentioned properties.

We determine the value of developed and undeveloped land or leasehold rights either ad hoc or continuously.

Searched value base:

- ▶ Market value
- ▶ Real value
- ▶ Usual price
- ▶ Determined price
- ▶ Usual amount of rent
- ▶ Depreciated replacement value
- ▶ Building value
- ▶ Restoration costs
- ▶ Land value
- ▶ Value of the project / easement / building rights



6. AUDIT SERVICES

Focus on the risks

Our audit methodology is systematically designed to prioritise effective risk management for both our clients and ourselves. By centring our audit planning and strategy around "business risks", we ensure that each audit is customised to fit the unique circumstances of every client. This approach considers the specific business and financial risks, as well as the legal environment in which the client operates, allowing us to deliver tailored audits.

This approach is accompanied and supported by discussions with the client about their business, at all levels. Our audit approach is supported by a comprehensive software tool enabling fully electronic documentation.

Our methodology

- ▶ We gather relevant information about the market and the main business/audit risks. This allows us to plan the appropriate audit procedures and then carry out the audit effectively and based on mutually agreed terms and prices.
- ▶ The gathering of information will also facilitate mutual agreement on a timetable for each phase of the audit, specifying the dates when we will require the client's cooperation and the documents necessary for the audit.
- ▶ Based on the identified risks and understanding of the activity and the internal and external environment of your company, we will calculate the level of significance specific to the given audit.
- ▶ The audit will be conducted by a team equipped with the requisite qualifications and skills to execute the audit efficiently and provide added value to the client. Recognising the benefits of maintaining stable project teams for both our clients and internal staff, we prioritise continuity as a guiding principle in our general management procedures. This commitment ensures continuity whenever feasible.
- ▶ We can promise clear and immediate communication of any audit findings, minimising the risk of unexpected complications disrupting smooth and timely reporting. Our auditors collaborate closely with experts proficient in various accounting methodologies, enabling us to swiftly identify optimal solutions without unnecessary delays.

What sets us apart?

Drawing from our extensive experience in auditing financial statements within the real estate sector, we have developed specific audit procedures that we will apply to your unique case.

BDO boasts a greater ratio of auditors and partners among its staff compared to our largest competitor. This results in a higher allocation of experienced auditors and partners to your company's projects.

Jiří Sedláček Director, Praha

jiri.sedlacek@bdo.cz

605 088 362

Lukáš Hendrych Partner, Praha

lukas.hendrych@bdo.cz

731 147 171

Oldřich Bartušek Partner, Brno

oldrich.bartusek@bdo.cz

602 757 660



7. ESG

We assist clients in navigating ESG issues tailored to their specific circumstances. Our services in this domain aim to prepare clients for legislative compliance while also leveraging the ESG framework to enhance their company's reputation, competitiveness, operational efficiency, and relationships with employees, suppliers and customers.

In the area of ESG, we help with the following activities:

Analysis

Carbon footprint calculation

Developing a strategy

Elaboration of the report

ESG analysis

Goal: Mapping all ESG activities that the company is already carrying out.

- ▶ General education of the company in the field of ESG and non-financial reporting
- ▶ Mapping of specific activities, documents, goals and policies in ESG areas
- ▶ Structured interviews with responsible persons in individual areas
- ▶ Own methodology for assessing the readiness of companies for non-financial reporting according to the CSRD directive - initial overview of existing and missing data

ESG Reporting

Goal: Create an ESG report for the company.

- ▶ Familiarising responsible persons with pertinent reporting standards
- ▶ Setting up the data collection system
- ▶ Data collection within material topics

Draft report, revision, final version of the report

Carbon footprint calculation

Goal: Calculation of the company's carbon footprint according to the methodology of the GHG protocol.

- ▶ Familiarisation with the calculation methodology
- ▶ Determining the scope of the calculation
- ▶ Data collection and verification
- ▶ Setting up processes for regular carbon footprint calculation
- ▶ Preparation of the final report, including recommendations for reducing carbon footprint and leveraging the outcomes

ESG strategy

Goal: Elaboration of the company's long-term ESG strategy.

- ▶ Compilation of a list of topics for assessment of significance (materiality)
- ▶ Stakeholder dialogue
- ▶ Materiality assessment workshop
- ▶ Delineation of goals and KPIs and roles for material topics

Stanislav Klika Director, Praha

stanislav.klika@bdo.cz

604 226 734

Lucie Johaníková Partner, Brno

lucie.johanikova@bdo.cz

724 271 217



8. TECHNOLOGY CONSULTING

BDO's technology consulting includes a comprehensive suite of high-quality strategic IT / digital consulting services focused on the mid-market. We have the business insight and range of services needed to take your business to the next level, including digital strategy development, cybersecurity, technology modernisation, risk management and compliance, outsourcing and more.

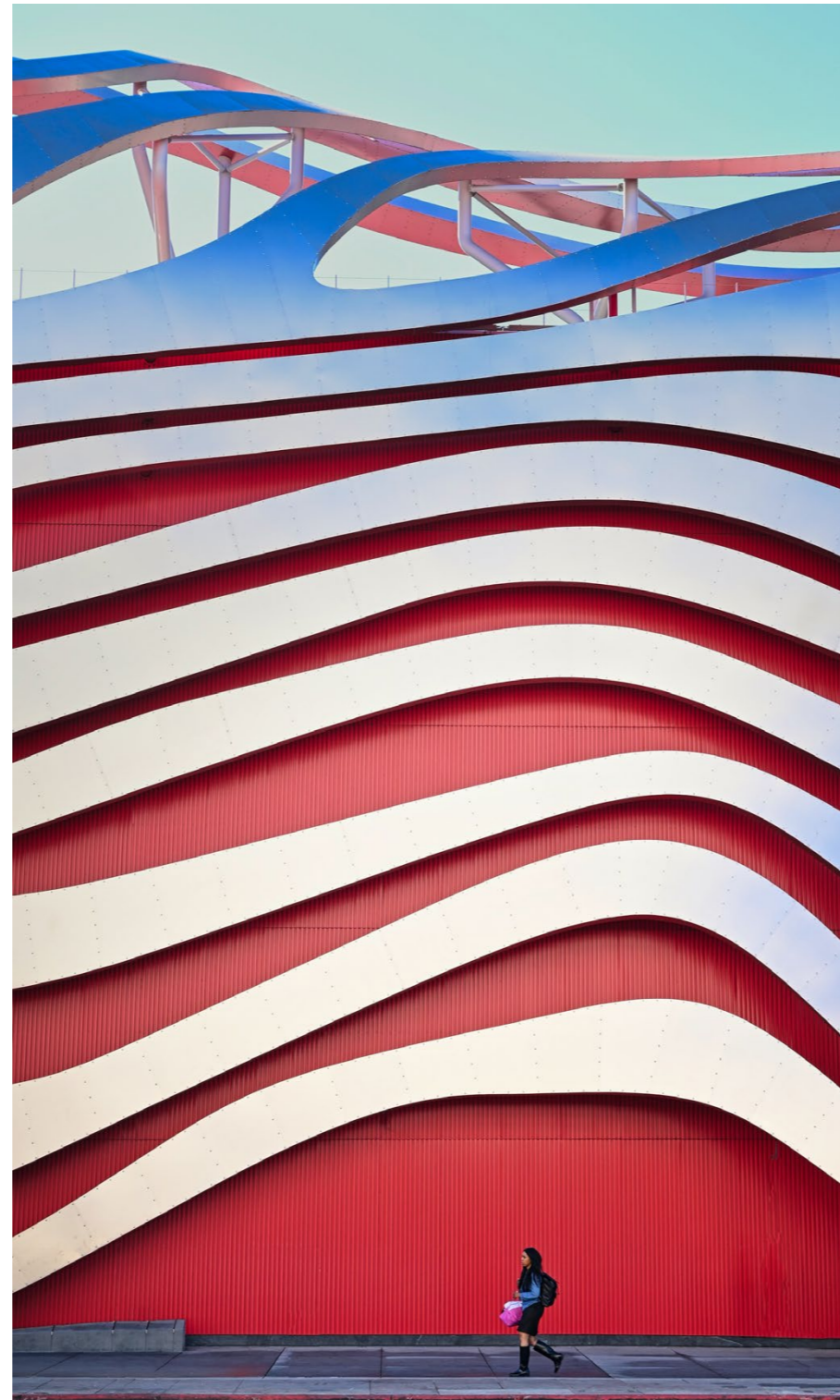
In the area of digital services, we provide services in the following pillars:

1. Verification and consulting

- ▶ ISO 27001
- ▶ PCI DSS, EBA, PSD2, SWIFT
- ▶ SOC2, SOC for Cyber
- ▶ GDPR
- ▶ Security in the cloud
- ▶ IoT security
- ▶ Safety audits according to ZOKB
- ▶ ISMS internal audits

2. Cyber resilience – BDO Security Health Check

- ▶ A comprehensive cyber health assessment
- ▶ Assessment of procedural measures
- ▶ Assessment of measures in the field of human resources
- ▶ Assessment of technical measures
- ▶ Risk and vulnerability assessment
- ▶ Vulnerability testing
- ▶ Third-party management
- ▶ Assessment of backup strategy, disaster recovery and business continuity



3. Managed Security Services

- ▶ Incident Response
- ▶ Vulnerability Management Services
- ▶ DevSecOps
- ▶ Threat monitoring
- ▶ KB manager
- ▶ DPO
- ▶ Cybersecurity education
- ▶ Internal audit co-sourcing

4. Offensive services


- ▶ Penetration testing
- ▶ Mobile application testing
- ▶ Application testing
- ▶ Social engineering
- ▶ Red teaming

5. Digital transformation


- ▶ Digital transformation strategy
- ▶ Task Mining / Process Mining
- ▶ Implementation of RPA solutions for company processes


Tomáš Kubíček Partner

 tomas.kubicek@bdo.cz

 737 210 682

Martin Hořícký Partner

 martin.horicky@bdo.cz

 608 937 408

BDO IN NUMBERS



600+ professionals
62 tax Advisers
38 certified Auditors
6 expert witnesses
10 attorneys



7 locations in Czechia
3 000+ clients



825 mil. CZK revenue
15% yearly growth



116 000 professionals
1 776 locations
166 countries
13 bn. USD revenue
+11.9 % yearly growth

