

# Financial Results 2018

Combined pro-forma financial information  
for the year ended 31 December 2018

## Contents

124	<b>CTP Group</b>
125	<b>Independent auditors' report</b>
126	<b>Combined pro-forma statement of comprehensive income</b>
127	<b>Combined pro-forma statement of financial position</b>
128	<b>Combined pro-forma statement of changes in equity</b>
129	<b>Combined pro-forma statement of cash flows</b>
130	<b>Notes to the combined pro-forma financial information</b>
130	1. General information
131	2. Going concern
132	3. Basis of combination
132	4. Basis of preparation of consolidated financial statements of the Sub-groups
136	5. Significant accounting policies
143	6. Alternative profit reconciliation
144	7. Gross rental income and service charge income
144	8. Property operating expenses
144	9. Net operating income from hotel operations
145	10. Net income from development activities
145	11. Other income
145	12. Other expenses (including administrative expenses)
146	13. Net finance costs
146	14. Income tax expense
146	15. Investment property
148	16. Investment property under development
148	17. Net valuation result on investment property
148	18. Property, plant and equipment
149	19. Contract assets
149	20. Trade and other receivables
149	21. Cash and cash equivalents
149	22. Assets classified as held for sale
150	23. Equity
150	24. Interest-bearing loans and borrowings from financial institutions
152	25. Trade and other payables
152	26. Financial derivatives
153	27. Deferred tax liability
154	28. Subsidiaries
158	29. Related parties
159	30. Risk policies
162	31. Contingent liabilities
162	32. Pledges
164	33. Subsequent events
166	<b>Appendix 1 — Group structure</b>

## CTP Group

The CTP group provides full-service property development and asset management via two privately held business entities: CTP Invest, spol. s r.o. (Czech Republic) and CTP Property B.V. (Netherlands). This corporate structure provides a balance between operational risk and long-term financial stability.

### CTP Invest, spol. s r.o.

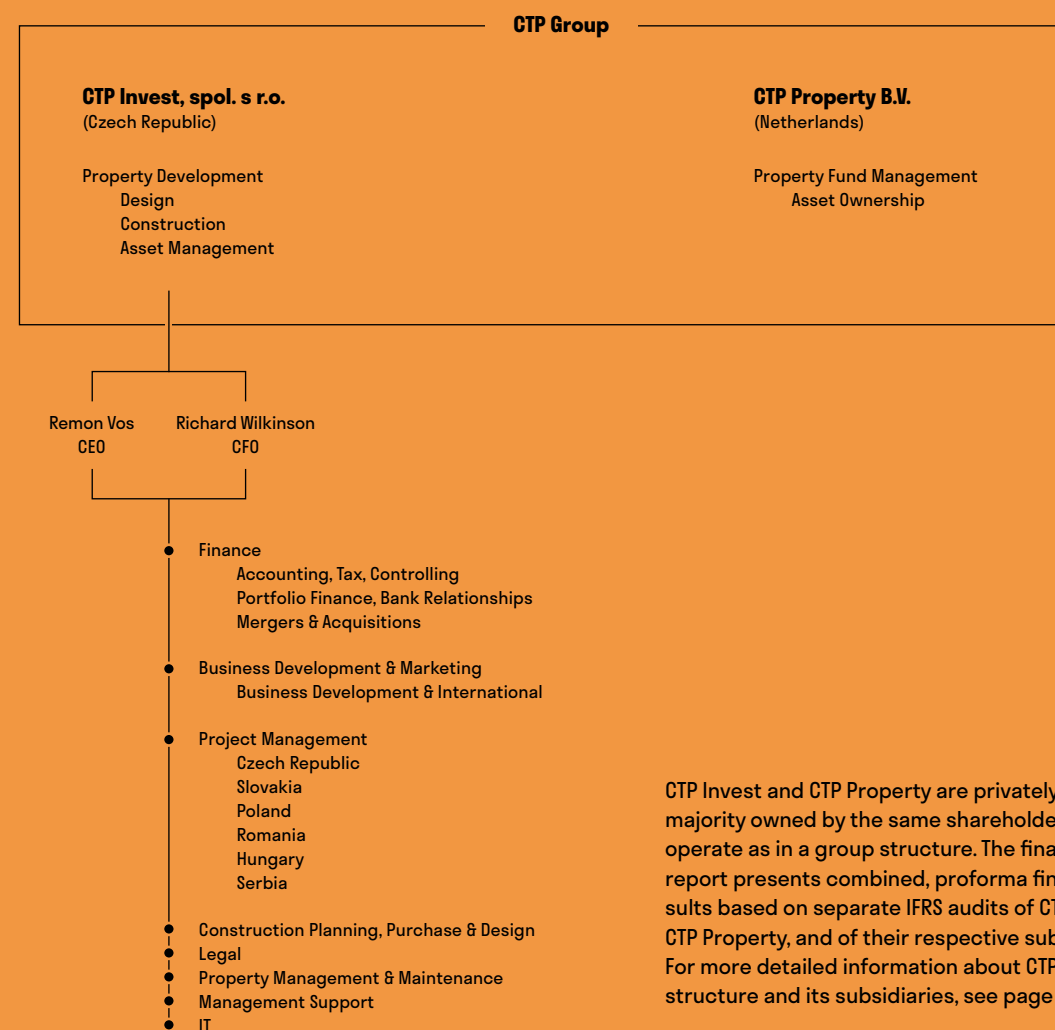
Central Trade Park D1 1571  
Humpolec  
Czech Republic

Full-service property development company. Unique among its competitors in Central Europe, CTP is a vertically integrated business with dedicated in-house teams focused on core capabilities. These include all development and construction activities from concept to completion, in-house legal and permitting teams, full-service property management and client after-care. Upon project completion, the properties are transferred to the ownership of CTP Property as part of fund management. CTP Invest continues to provide full-service property and asset management, as well as tenant after-care services following transfer of ownership to CTP Property.

### CTP Property B.V.

Luna ArenA, Herikerbergweg 238  
1101 CM Amsterdam Zuidoost  
The Netherlands

Property fund manager with a standing portfolio of over 200 properties financed by different banks. The principal activity of the company and its subsidiaries is the lease and management of investment property in the Czech Republic and elsewhere in Central Europe. CTP Property holds all operating lease agreements and receivables from leasing and asset management. Company subsidiaries each have a sub-portfolio of assets and financial partners.



CTP Invest and CTP Property are privately held and majority owned by the same shareholders and operate as in a group structure. The financial annual report presents combined, proforma financial results based on separate IFRS audits of CTP Invest and CTP Property, and of their respective subsidiaries. For more detailed information about CTP group structure and its subsidiaries, see page 166.

## Independent auditors' report

# Deloitte

Deloitte Audit s.r.o.  
Churchill I  
Italská 2581/67  
120 00 Praha 2 – Vinohrady  
Czech Republic

Tel: +420 246 042 500  
Fax: +420 246 042 555  
DeloitteCZ@deloitteCE.com  
www.deloitte.cz

Registered by the Municipal Court  
in Prague, Section C, File 24349  
ID. No.: 49620592  
Tax ID. No.: CZ49620592

### INDEPENDENT AUDITOR'S REPORT

To the partners of  
CTP Invest, spol. s r.o.

Having its registered office at:  
Central Trade Park D1 1571  
396 01 Humpolec  
Czech Republic

We have reviewed the accompanying combined financial statements of CTP Property B.V. and CTP Invest, spol. s r.o. (the "Group"), which comprise the combined statement of financial position as at 31 December 2018, the combined statement of comprehensive income, the combined statement of changes in equity and combined statement of cash flows for the year then ended, and notes to the combined financial statements, including a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements compiled on the basis stated in Note 3, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these combined financial statements do not give a true and fair view of the financial position as at 31 December 2018, and of its financial performance and cash flows for the year then ended, in conformity with the compilation basis as stated in Note 3.

In Prague on 27 June 2019

Audit firm:

Deloitte Audit s.r.o.  
registration no. 079

Statutory auditor:

David Batal  
registration no. 2147

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**Combined pro-forma statement of comprehensive income  
For the year ended 31 December**

In EUR thousand	Note	2018	2017
Rental income	7	237,423	208,260
Service charge income	7	19,989	14,049
Property operating expenses	8	-29,799	-15,221
<b>Net rental income</b>		<b>227,613</b>	<b>207,088</b>
Hotel operating revenue	9	16,805	14,978
Hotel operating expenses	9	-10,681	-10,564
<b>Net operating income from hotel operations</b>		<b>6,124</b>	<b>4,414</b>
Income from development activities	10	9,358	16,550
Expenses from development activities	10	-7,891	-12,550
<b>Net income from development activities</b>		<b>1,467</b>	<b>4,000</b>
Valuation gains on investment property	17	322,194	407,417
Valuation losses on investment property	17	-76,336	-78,889
<b>Net valuation result on investment property</b>		<b>245,858</b>	<b>328,528</b>
Other income	11	46,406	3,794
Amortization and depreciation	18	-3,868	-5,418
Other expenses (including administrative expenses)	12	-40,295	-33,309
<b>Net other income/expenses</b>		<b>2,243</b>	<b>-34,933</b>
<b>Net profit/loss before finance costs</b>		<b>483,305</b>	<b>509,097</b>
Interest income	13	1,897	1,323
Interest expense	13	-55,846	-44,426
Other financial expenses	13	-8,406	-6,587
Other financial gains/losses	13	713	-178
<b>Net finance costs</b>		<b>-61,642</b>	<b>-49,868</b>
<b>Profit/loss before income tax</b>		<b>421,663</b>	<b>459,229</b>
Income tax expense	14	-60,992	-109,410
<b>Profit for the period</b>		<b>360,671</b>	<b>349,819</b>
Minority interest		-213	--
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation reserve		2,063	238
Foreign currency translation differences		538	9,445
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>		<b>363,485</b>	<b>359,502</b>

The notes on pages 130 to 164 are an integral part of this combined pro-forma financial information.

**Combined pro-forma statement of financial position  
As at 31 December**

In EUR thousand	Note	2018	2017
<b>ASSETS</b>			
Investment property	15	4,088,556	3,786,710
Investment property under development	16	315,357	310,089
Property, plant and equipment	18	53,518	33,858
Contract assets	19	33,730	--
Trade and other receivables		638	3,314
Fair value derivatives	26	1,047	2,509
Receivables from related parties	29	108,709	22,014
Deferred tax assets	27	8,568	7,656
<b>Total non-current assets</b>		<b>4,610,123</b>	<b>4,166,150</b>
Trade and other receivables	20	79,789	72,594
Short-term receivables due from related parties	29	201	586
Financial derivatives	26	402	1,350
Cash and cash equivalents	21	147,328	59,313
Inventories		1,343	--
Assets held for sale	22	--	85,967
<b>Total current assets</b>		<b>229,063</b>	<b>219,810</b>
<b>Total assets</b>		<b>4,839,186</b>	<b>4,385,960</b>
Issued capital	23	86,419	86,419
Translation reserve	23	4,293	3,755
Reserves	23	619,529	619,529
Retained earnings	23	969,160	666,012
Revaluation reserve	23	12,650	10,587
Net result for the year	23	360,884	349,819
<b>Total equity</b>		<b>2,052,935</b>	<b>1,736,121</b>
<b>Non-controlling interest</b>		<b>-213</b>	<b>--</b>
<b>Total equity attributable to parent</b>		<b>2,052,722</b>	<b>1,736,121</b>
<b>LIABILITIES</b>			
Interest-bearing loans and borrowings from financial institutions	24	1,978,281	1,887,788
Trade and other payables	25	47,565	8,846
Long-term payables to related parties	29	38,384	34,269
Financial derivatives	26	12,379	7,472
Provisions		14	14
Deferred tax liabilities	27	397,577	381,832
<b>Total non-current liabilities</b>		<b>2,474,200</b>	<b>2,320,221</b>
Interest-bearing loans and borrowings from financial institutions	24	153,061	136,958
Trade and other payables	25	155,167	146,669
Short-term payables to related parties	29	--	753
Financial derivatives	26	3,794	2,870
Provisions		242	3,640
Liabilities associated with disposal group held for sale	22	--	38,728
<b>Total current liabilities</b>		<b>312,264</b>	<b>329,618</b>
<b>Total liabilities</b>		<b>2,786,464</b>	<b>2,649,839</b>
<b>Total (invested) equity and liabilities</b>		<b>4,839,186</b>	<b>4,385,960</b>

The notes on pages 130 to 164 are an integral part of this combined pro-forma financial information.

## Combined pro-forma statement of changes in equity

In EUR thousand	Issued capital	Translation reserve	Reserves	Revaluation reserve	Retained earnings	Net result for the year	Total equity	Non-controlling interest	Total equity
<b>Balance at 1 January 2017</b>	<b>86,419</b>	<b>-5,690</b>	<b>619,529</b>	<b>10,349</b>	<b>412,829</b>	<b>310,797</b>	<b>1,434,233</b>		<b>1,434,233</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>									<b>--</b>
Profit for period	--	--	--	--	--	349,819	349,819	--	349,819
<b>OTHER COMPREHENSIVE INCOME</b>									
Revaluation of Plant and equipment	--	--	--	238	--	--	238	--	238
Foreign currency translation differences	--	9,445	--	--	--	--	9,445	--	9,445
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>9,445</b>	<b>--</b>	<b>238</b>	<b>--</b>	<b>349,819</b>	<b>359,502</b>		<b>359,502</b>
<b>OTHER MOVEMENTS</b>									
Transfer of profit 2016	--	--	--	--	310,797	-310,797	--	--	--
Common Control transactions	--	--	--	--	-504	--	-504	--	-504
Paid dividends	--	--	--	--	-57,110	--	-57,110	--	-57,110
<b>Total other movements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>253,183</b>	<b>-310,797</b>	<b>-57,614</b>		<b>-57,614</b>
<b>Balance at 31 December 2017</b>	<b>86,419</b>	<b>3,755</b>	<b>619,529</b>	<b>10,587</b>	<b>666,012</b>	<b>349,819</b>	<b>1,736,121</b>		<b>1,736,121</b>
<b>Balance at 1 January 2018 - AUDITED</b>	<b>86,419</b>	<b>3,755</b>	<b>619,529</b>	<b>10,587</b>	<b>666,012</b>	<b>349,819</b>	<b>1,736,121</b>		<b>1,736,121</b>
Effect of applying IFRS 9	--	--	--	--	-663	--	-663	--	-663
Effect of applying IFRS 15	--	--	--	--	-6,678	--	-6,678	--	-6,678
Effect of unifying accounting method	--	--	--	--	-3,317	--	-3,317	--	-3,317
<b>Balance at 1 January 2018 - ADJUSTED</b>	<b>86,419</b>	<b>3,755</b>	<b>619,529</b>	<b>10,587</b>	<b>655,354</b>	<b>349,819</b>	<b>1,725,463</b>		<b>1,725,463</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>									
Profit for period	--	--	--	--	--	360,884	360,884	-213	360,671
<b>OTHER COMPREHENSIVE INCOME</b>									
Revaluation of Plant and equipment	--	--	--	2,063	--	--	2,063	--	2,063
Foreign currency translation differences	--	538	--	--	--	--	538	--	538
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>538</b>	<b>--</b>	<b>2,063</b>	<b>--</b>	<b>360,884</b>	<b>363,485</b>	<b>-213</b>	<b>363,272</b>
<b>OTHER MOVEMENTS</b>									
Transfer of profit 2017	--	--	--	--	349,819	-349,819	--	--	--
Paid dividends	--	--	--	--	-36,013	--	-36,013	--	-36,013
<b>Total other movements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>313,806</b>	<b>-349,819</b>	<b>-36,013</b>		<b>-36,013</b>
<b>Balance at 31 December 2018</b>	<b>86,419</b>	<b>4,293</b>	<b>619,529</b>	<b>12,650</b>	<b>969,160</b>	<b>360,884</b>	<b>2,052,935</b>	<b>-213</b>	<b>2,052,722</b>

The notes on pages 130 to 164 are an integral part of this combined pro-forma financial information.

## Combined pro-forma statement of cash flows For the year ended 31 December

In EUR thousand	2018	2017
<b>OPERATING ACTIVITIES</b>		
Result for the year	360,884	349,819
Change in value of investment property	-245,858	-328,528
Depreciation	3,868	4,534
Net interest expense and expenses from derivatives	53,949	45,000
Gain from sale of Investment property and subsidiaries	-34,977	--
Other changes	6,553	5,091
Income tax benefit/expense	60,992	109,410
<b>Operating profit before changes in working capital</b>	<b>205,411</b>	<b>185,326</b>
Decrease/(increase) in trade and other receivables	-87,794	-35,679
Increase/(decrease) in trade and other payables	32,125	79,895
Decrease/increase in inventory	-1,343	--
<b>Changes in net working capital</b>	<b>-57,012</b>	<b>44,216</b>
Interest paid	-55,846	-47,675
Interest received	1,897	2,677
Income taxes paid	-36,766	-11,124
<b>Cash flows from operating activities</b>	<b>57,684</b>	<b>173,420</b>
<b>INVESTMENT ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash acquired	-39,689	-14,723
Proceeds from disposal of subsidiaries, net of cash disposed	398,159	23,481
Acquisition of property, plant and equipment	-20,881	-14,700
Acquisition of investment property	-46,603	-62,278
Proceeds from disposal of investment property	37,090	14,680
Development of investment property	-342,207	-387,812
<b>Cash flows used in investing activities</b>	<b>-14,131</b>	<b>-441,352</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of borrowings	-273,884	-528,446
Loan and borrowings granted to related companies	-101,072	-21,657
Proceeds from interest-bearing loans and borrowings	357,466	828,944
Transaction costs related to loans and borrowings	-2,385	-10,999
Paid dividends	-18,007	--
<b>Cash flows from/used in financing activities</b>	<b>-37,882</b>	<b>267,842</b>
Cash and cash equivalents at 1 January	59,313	64,417
Net increase in cash and cash equivalents	5,671	-90
Less: Cash and cash equivalents reclassified to asset held for sale	4,541	-5,014
<b>Cash and cash equivalents at 31 December</b>	<b>69,525</b>	<b>59,313</b>

The notes on pages 130 to 164 are an integral part of this combined pro-forma financial information.

## Notes to the combined pro-forma financial information

### 1. General Information

The CTP Group (hereinafter referred to as "CTP") is a Dutch based real estate developer developing and leasing a portfolio of properties (primarily) in the Czech Republic. CTP comprises of the following sub-groups (hereinafter referred to as "the Sub-groups") that prepare their separate audited consolidated financial statements prepared in accordance with International Financial Reporting Standards and the interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union (hereinafter referred to as "IFRS"):

- (a) CTP Property B.V. domiciled in the Netherlands (hereinafter referred to as "the Sub-group CTP Property") and
- (b) CTP Invest, spol. s r.o. domiciled in the Czech Republic (hereinafter referred to as "the Sub-group CTP Invest")

The Sub-groups do not constitute a legal group; however, the Sub-groups were during 2017 and 2018 under the common control of their majority shareholders (hereinafter referred to as "the Majority Shareholders"):

- (a) Multivest B.V. (the Netherlands) and
- (b) Finspel B.V. (the Netherlands)

Therefore, CTP has prepared this pro-forma combined financial information that is a combination of the Sub-groups' separate IFRS consolidated financial statements. The separate IFRS consolidated financial statements for 2018 of the Sub-group CTP Property and CTP Invest have not yet been authorised and approved for issue by the management. The pro-forma financial information has been compiled for illustrative purposes, to provide information about the combined operations of the Sub-groups as at and for the year ending 31 December 2018.

For the structure of CTP as at 31 December 2018 see note 28 and Appendix 1.

#### Sub-group CTP Property

##### Principal activities:

The principal operation of the Sub-group CTP Property is the lease of investment property in the Czech Republic, Slovakia, Hungary, Romania, Poland and since 2018 newly also in Serbia. The Sub-group CTP Property leases property to its tenants under operating leases. As at 31 December 2018, the investment property portfolio is held directly by the Sub-group CTP Property.

##### Registered office:

Herikerbergweg 238  
1101 CM Amsterdam  
The Netherlands

The operating headquarters of the Czech Property holding companies of the Sub-group CTP Property are located at Central Trade Park D1 1571, 396 01, Humpolec, Czech Republic.

**Registration number:** 02098310

CTP Property B.V. was incorporated on 2 April 2007 as CTP Property N.V., for an unlimited period of time.

As at 21 November 2018 changed its legal form to limited liability company.

##### Shareholders as at 31 December 2018:

Shareholder	Thousands of shares	Share in registered capital	Share in voting rights
Multivest B.V.	59,500	48.0%	48.0%
Finspel B.V.	59,500	48.0%	48.0%
CTP Partners B.V.	5,000	4.0%	4.0%
	<b>124,000</b>	<b>100.0%</b>	<b>100.0%</b>

##### Management as at 31 December 2018:

Directors: Remon L. Vos  
Jan G. Koop

#### Sub-group CTP Invest

The principal activity of the Sub-group CTP Invest is the development of investment property.

CTP Invest, spol. s r.o. is a company domiciled in the Czech Republic.

The registered office is located at Humpolec, Central Trade Park D1 1571, 396 01.

**Registration number:** 261 66 453

CTP Invest, spol. s r.o. was incorporated on 3 April 2000, for an unlimited period of time.

##### Shareholders as at 31 December 2018 and 31 December 2017 were:

Shareholder	Share in registered capital 31 December 2018	Share in registered capital 31 December 2017
Multivest B.V.	50.0%	49.99%
Finspel B.V.	50.0%	49.99%
Multifin B.V.	-	0.02%
	<b>100.0%</b>	<b>100.0%</b>

##### Management as at 31 December 2018:

Director: Remon L. Vos  
Director: Richard J. Wilkinson

On 28 February 2018 Mr. Zeman resigned from the position of Director. Mr. Robert T. Pitt was appointed as a Director from 1 March 2018 until 3 August 2018. From 7 September 2018 Mr. Richard J. Wilkinson has been appointed as a new Director.

### 2. Going Concern

CTP's properties are let to a wide range of tenants and there is no significant focus on any one particular group or company. CTP closely monitors the financial stability of its tenants and believes that its rental projections for the coming 12 months are realistic in the light of the current economic climate.

CTP expects to settle its current liabilities as at 31 December 2018 during 2019 as follows:

In EUR thousand	
<b>Current liabilities as at 31 December 2018</b>	<b>-312,264</b>
<b>Current assets excluding cash and cash equivalents as at 31 December 2018</b>	<b>81,734</b>
Funds required in 2019 to cover the short-term liquidity gap	-230,530
Available cash as at 31 December 2018	147,328
Expected funds to be received in 2019 from existing loan agreements	106,521
Interest-bearing loans and borrowings from financial institutions to be renegotiated to a long-term basis	286,334
Recurring overdraft	3,594
<b>Expected funds to be received in 2019 to cover the short-term liquidity gap</b>	<b>543,777</b>

The management is convinced of rightly using the going concern assumption based on CTP's projected cash flows for the next 12 months.

Some of the Group's borrowings have loan-to-value covenants which are surveyed by the Group and its financial institutions on a regular basis. In general the Group is in close contact with its financial institutions to immediately solve any possible issues.



### 3. Basis of combination

The pro-forma combined financial information is prepared by aggregating the separate IFRS consolidated financial statements of the Sub-groups. The Sub-groups that did not constitute a legal group at the date of the balance sheet were combined in one set of financial information by adding together their assets, liabilities, equity accounts as well as income and expenses. The separate IFRS consolidated financial statements of the Sub-group CTP Property and CTP Invest have not yet been authorised and approved for issue by the management.

The following adaptations were carried out to the aggregation of the separate IFRS financial statements in order to establish the pro-forma financial information:

1. Necessary reclassifications were carried out.
2. Inter-group transactions and any unrealised results from inter-group transactions were eliminated.
3. Impairment of eliminated inter-group receivables was adjusted.

### 4. Basis of preparation of consolidated financial statements of the Sub-groups

#### A) STATEMENT OF COMPLIANCE

The combined financial information of the Sub-groups have been prepared in accordance with International Financial Reporting Standards and the interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union ("IFRS").

The separate IFRS consolidated financial statements of the Sub-group CTP Property and CTP Invest have not yet been authorised and approved for issue by the management.

#### New and amended standards adopted by CTP in 2018

For the preparation of this combined financial information, the following new or amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2018. The nature and the effect of these changes are disclosed below.

##### → IFRS 15 Revenue from Contracts with Customers

The new Standard provides a framework that replaces existing revenue recognition guidance in IFRS. Entities adopt a five-step model to determine when to recognise revenue, and at what amount. Rental income is excluded from the scope of IFRS 15, however the standard applies to Group's:

- service charge income,
- hotel operating revenue and
- income from development activities.

The Group adopted IFRS 15 in the annual period beginning 1 January 2018 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application. The comparative period amounts are not restated and will continue to be reported under the accounting standards in effect for that period. Contract modifications that occurred before 1 January 2018 were processed in aggregate.

Adoption of IFRS 15 has led to recognising of new contract asset in amount of EUR 28,726 thousand and corresponding contract liability within trade and other payables of EUR 36,971 thousand which resulted, considering deferred tax effect of EUR 1,566 thousand, in an adjustment to the opening balance of equity of EUR 6,678 thousand. The adjustment is given by reassessment of selected developmental activities, which are not capable of being distinct from rentals, and shall be therefore accounted as a part of rental performances.

The following table summarises the impact on the Group's opening balances as at 1 January 2018:

Balance sheet - Adjustment	1 January 2018
<b>Assets</b>	<b>30,293</b>
Investment Property	28,726
Deferred tax assets	1,566
<b>Equity</b>	<b>6,678</b>
Retained earnings	6,678
<b>Liabilities</b>	<b>-36,971</b>
Trade and other payables	-36,971

##### → IFRS 9 Financial Instruments

The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39. The significant change is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

The Group adopted IFRS 9 in the annual period beginning 1 January 2018 and used the cumulative effect method. The comparative period amounts are not restated and will continue to be reported under the accounting standards in effect for those periods.

#### Classification and measurement of financial assets and liabilities

IFRS 9 establishes the following primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income and fair value through profit or loss.

The basis of classification depends on the Group's business model for managing assets and the contractual cash flow characteristics of the financial asset.

The assessment of the Group's business model was made as of 1 January 2018 and then applied retrospectively to those financial assets that were not derecognised.

The classification and measurement requirements of IFRS 9 applied for financial assets did not have any impact on the Group:

- Trade and other financial assets are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. They are measured at amortised costs.
- Loans provided (part of Receivables from related parties) are held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and their contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are measured at amortised costs.
- Derivative instruments are classified as financial derivatives and measured at fair value through profit or loss.

There are no changes in classification and measurement of financial liabilities.

#### Impairment of financial assets

IFRS 9 requires recognizing an allowance for expected credit losses for all instruments not held at fair value through profit or loss and contract assets.

Adoption of expected credit loss approach has led to recognising additional impairment to trade and other receivables at amortised cost in amount of EUR 817 thousand which resulted, considering deferred tax effect of EUR 155 thousand, in an adjustment to the opening balance of equity of EUR 662 thousand.

The following table summarises the impact on Group's opening balances as at 1 January 2018:

Balance sheet - Adjustment	1 January 2018
<b>Assets</b>	<b>817</b>
Trade and other receivables	817
<b>Equity</b>	<b>-662</b>
Retained earnings	-662
<b>Liabilities</b>	<b>-155</b>
Deferred tax liabilities	-155

#### New standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations are effective for the year beginning on or after 1 January 2019 and have not been applied in preparing this combined financial information. The Group does not plan to adopt them early and those which may be relevant to the Group are stated below.

##### → IFRS 16 Leases

The new Standard brings significant change in accounting policies for lease contracts for lessees. Lessor accounting under IFRS 16 is substantially unchanged from accounting under IAS 17.

It sets out the principal for the recognition, measurement, presentation and disclosure of leases and introduces a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases. It allows two recognition exemptions for leases – short-term leases with lease term of 12 months or less) and lease of low value assets. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. It will be required to separately recognise the interest expense on such lease liability and the depreciation expenses on corresponding right-of-use asset.

The group will elect to use both exemptions proposed by the standard as the Group has leases of certain low value assets eg access-roads, small plots of land or leases that are considered to be short-term as lease term does not exceed 12 months period e.g. parking spaces, office premises. The estimated value of leased assets amounts to EUR 2.7 million.

The Group analysed the impact of new standard where the Group acts as a lessee and evaluated that the impact will not be material for its combined pro-forma financial information.

→ **IFRIC 23 Uncertainty over Income Tax Treatment**

IFRIC 23 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. An entity should follow the approach that better predicts the resolution of the uncertainty.

The interpretation is not expected to have significant impact on the Group's combined pro-forma financial information.

**B) FUNCTIONAL AND PRESENTATION CURRENCY**

As a result of common control transaction occurred in 2018 between both combined subgroups (refer to note 28), the Group decided to change and unify the accounting policy in respect of functional currency. Such change results in the financial statements providing reliable and more relevant information about effects of transactions.

The presentation currency of the Group remains unchanged, being Euro (EUR), because the owners base their economic decisions on information expressed in this currency. All financial information presented in EUR has been rounded to the nearest thousand.

The Group performed analysis on entity level based on primary, secondary and other indicators defined by IAS 21 and concluded on following:

- Group entities with primary objective to ensure investing and development activities in specific countries, so called Invest companies, have the functional currency its local currencies as it is local currency:
  - whose competitive forces and regulations mainly determine the sales prices of its goods and services rendered to other companies operated in the same country,
  - that primarily influences labour, material and other costs of providing goods and services,
  - in which receipts from operating activities are usually retained.
- other Group entities with objective of stable and sustainable operation of industrial parks or dormant entities with potential of future development of industrial parks have the functional currency EUR as
  - sales prices of services rendered to the tenants are in EUR,
  - funds from financing activities are generated in EUR and
  - activities of these companies are conducted as an extension of the reporting entity rather than with a significant degree of autonomy.

In IFRS model of CTP Property there are following investment companies:

- CTP Invest Bucharest SRL with functional currency RON,
- CTP Invest SK, spol. s r.o. with functional currency EUR

In IFRS model of CTP Invest there are following investment companies:

- CTP Invest, spol. s r.o. with functional currency CZK,
- CTP Invest Poland Sp. z o.o. with functional currency PLN,
- CTP Invest d.o.o. Beograd-Novi Beograd with functional currency RSD,
- CTP Management Hungary Kft. with functional currency HUF.

All other companies in the Group have EUR as functional currency.

**Group entities with functional and presentation currency EUR**

Transactions in foreign currencies are translated into euros at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at the foreign exchange rates ruling at the dates the fair values were determined.

**Group entities with functional currency other than EUR**

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Assets and liabilities are translated into EUR at the foreign exchange rate applying at the reporting date. Revenues and expenses are translated into EUR at exchange rates approximating those at the date of the transactions. Foreign exchange differences arising on translation into the presentation currency are recognised as part of the translation reserve directly through other comprehensive income.

The following exchange rates were used during translations:

Date	Closing Exchange Rate CZK/EUR	Average Exchange Rate CZK/EUR for the year
31 December 2017	25.5400	26.3300
31 December 2018	25.7250	25.6430

Date	Closing Exchange Rate RSD/EUR	Average Exchange Rate RSD/EUR for the year
31 December 2017	118.4727	121.3367
31 December 2018	118.1946	118.2716

Date	Closing Exchange Rate HUF/EUR	Average Exchange Rate HUF/EUR for the year
31 December 2017	310.1400	309.2100
31 December 2018	321.5100	318.8700

Date	Closing Exchange Rate PLN/EUR	Average Exchange Rate PLN/EUR for the year
31 December 2017	4.1710	4.2580
31 December 2018	4.3000	4.2623

Date	Closing Exchange Rate RON/EUR	Average Exchange Rate RON/EUR for the year
31 December 2017	4.6600	4.5680
31 December 2018	4.6639	4.6535

**C) BASIS OF MEASUREMENT**

The separate IFRS consolidated financial statements of the Sub-groups are prepared on a historical cost basis, apart from investment property, investment property under development, solar plants and financial derivatives, which are stated at fair value.

**D) USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements on the basis of IFRS requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that the management believes to be reasonable under the circumstances, the results of which form the basis of judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination here and integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimates uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial information are described in note 5b) Investment property and note 5c) Investment property under development.



## E) MEASUREMENT OF FAIR VALUES

A number of the Sub-groups' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Sub-group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Sub-group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## F) COMBINED PRO-FORMA FINANCIAL INFORMATION

As the combined pro-forma financial information has been prepared by only aggregating the separate IFRS financial statements of the Sub-groups all the above statements apply to the pro-forma combined financial information as well. The separate IFRS consolidated financial statements of the Sub-group CTP Property and CTP Invest have not yet been authorised and approved for issue by the management.

## 5. Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in this pro-forma combined financial information and have been applied consistently by CTP entities except when otherwise indicated.

Both the Sub-groups apply the same accounting policies when preparing their separate IFRS consolidated financial statements and consequently no adjustments due to aligning different accounting policies were necessary during the combination.

### A) BASIS OF CONSOLIDATION

#### I Subsidiaries

Subsidiaries are entities controlled by the Sub-groups. Control exists when the Sub-group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the potential voting rights that are exercisable or convertible, are taken into account. The financial statements of subsidiaries are included in the separate IFRS financial statements of the Sub-groups from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Sub-groups.

#### II Acquisition of business from companies under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

The assets and liabilities acquired under common control are recognised at the carrying amounts recognised previously in the financial statements of the entities acquired. Any difference between consideration paid and the net book value of assets and liabilities acquired is recognised directly in the equity. In the absence of more specific guidance, the Sub-groups consistently applied the book value method to account for all common control transactions.

#### III Goodwill

Business combinations, excluding those commenced between parties under common control, are accounted for by applying the acquisition method. Goodwill represents amounts arising upon the acquisition of subsidiaries and it is included in intangible assets.

Goodwill is tested for impairment if events or changes in circumstances indicate that it might be impaired, but at least annually, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

When the excess is negative (bargain purchase), it is recognised immediately in the consolidated statement of comprehensive income.

## IV Transactions eliminated on combination

Intra-group balances and any gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the separate IFRS consolidated financial statements of the Sub-groups.

## B) INVESTMENT PROPERTY

Investment properties are those which are held to earn rental income, for capital appreciation, or for both. Investment properties are stated at fair value. An external, independent valuator having appropriately recognised professional qualifications and recent experience in the location and category of property being valued, values the portfolio of investment property at least annually.

The independent valuation report was obtained as at 31 December 2018 and was incorporated into the separate IFRS consolidated financial statements of the Sub-groups. The fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value.

The valuations are prepared by considering the aggregate of the net annual rents receivable from the properties, and where relevant, associated costs. A yield which reflects the risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

In view of the nature of the properties and the bases of valuation, the valuator adopted the Income Approach based on the discounted cash flow technique for a 10-year period. The cash flow assumes a 10-year holding period with the exit value calculated on the 11th year income. The cash flow is based on the rents receivable under existing lease agreements until their expiry date and the expected rental value for the period remaining in the 10-year period, as applicable. The valuator has based his opinion of the Estimated Rental Value (ERV) on this.

Valuations reflect, where appropriate, the type of tenants actually in occupation or responsible for meeting the lease commitments or likely to be in occupation after letting vacant accommodation and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices, and where appropriate counter notices, have been served validly and within the appropriate time.

The assumptions used by the independent valuator for the year ended 31 December 2018 were following:

YIELD	2018	2017
Initial yield	5.50% – 7.00%	5.75% – 7.25%
Exit yield		
Industrial premises	5.75% – 9.50%	6.00% – 10.00%
Office properties	6.00% – 8.50%	6.25% – 8.50%
Ongoing Vacancy	0.00% – 5.00%	0.00% – 5.00%
ERV PER SQM		
Industrial premises	3.55 – 6.00 EUR	2.75 – 6.00 EUR
Office properties	8.00 – 13.50 EUR	9.00 – 13.00 EUR

Any gain or loss arising from a change in fair value is recognised in the statement of comprehensive income. Rental income from investment property is accounted for as described in note 5k).

The land on which the buildings are being constructed and qualifying as investment property upon construction completion is classified as investment property from the beginning and hence recorded at fair value.

The land bank comprises the plots of land in CTP's ownership, on which development projects are to be carried out. The land bank has been valued by a registered independent valuator with an appropriately recognised professional qualification and with an up-to-date knowledge and understanding of the location and category of the property.

The valuator used the Sales Comparison Approach for the valuation of the land bank. This valuation method is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property market. Using this approach a value indication by comparing the subject property to prices of similar properties is produced.

The sale prices of the properties that are judged to be most comparable tend to indicate a range in which the value indication for the subject property will fall. The valuator estimated the degree of similarity or difference between the subject property and the comparable sales by considering various elements of comparison. Percentage adjustments were then applied to the sale prices of the comparable values because the prices of these properties are known, while the value of the subject property is not.

### C) INVESTMENT PROPERTY UNDER DEVELOPMENT

Property that is being constructed or developed for future use as investment property, is classified as investment property under development and stated at fair value (including prepayments done for property and incl. land plots with a non-exercised purchase option) until construction or development is completed, at which time it is reclassified and subsequently accounted for as investment property. Any gain or loss arising on the measurement is recognised in the statement of comprehensive income.

The independent valuation report was obtained as at 31 December 2018 and was incorporated into the pro-forma combined financial information. Value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value measurement for all of the investment properties under development has been categorised as a Level 3 fair value.

The valuator used the Residual Value Approach for the valuation of the investment property under development. In order to assess the fair value of the sites, the valuator undertook a development appraisal to assess the potential value (Gross Development Value) of the fully completed and leased development as currently proposed, and deducted hard costs, soft costs, financing costs and a developer's profit to reflect the required level of return to a developer and the risk of undertaking the scheme.

In assessing the Gross Development Value, the valuator adopted a market approach by estimating the market rental values for the accommodation to be developed, and the appropriate capitalisation rate which a potential investor would require, to arrive at the Fair Value of the completed and leased building.

The assumptions used by the independent valuator for the year ended 31 December 2018 were following:

	2018	2017
Capitalisation rates	5.50% – 9.00%	5.75% – 8.25%
Ongoing Vacancy	0.00% – 5.00%	0.00% – 5.00%

ERV PER SQM		
Industrial premises	3.55 – 6.00 EUR	3.75 – 4.50 EUR
Office properties	13.25 EUR	13.50 EUR

The management judged the Fair Value estimated by the valuator for each property and assessed a percentage of this Fair Value in the financial information based upon the expected completion dates and anticipated risks within the business environment.

### D) PROPERTY, PLANT AND EQUIPMENT

Solar plants which are completed and producing income are classified under Property, plant and equipment. These solar plants are stated at fair value. Any gain or loss arising on the measurement is recognised directly in the equity. An external, independent valuator having appropriately recognised professional qualifications and recent experience in the location and category of the solar plant being valued, values the portfolio of solar plants at least annually.

In view of the nature of the solar plants and the bases of valuation, the valuator adopted the Income Approach based on the discounted cash flow technique for a 20-year period. The cash flow is based on the income receivable under the license provided by the government. The valuator has based his opinion of the Fair Value (FV) on this.

Any gain or loss arising on re-measurement of the solar plants is treated as a revaluation under IAS 16, with any gain recorded as part of other comprehensive income, except to the extent that it reverses a previous impairment on the same property, in which case it is recorded in profit or loss. Any loss in respect of the revaluation is recorded into the profit and loss for the period.

Depreciation of the solar plants is recognised into profit or loss on a straight-line basis over the estimated useful life of 20 years.

All other buildings, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (note 5h). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the initial estimate, where relevant, of the costs of dismantling and removing building items and restoring the building site at which they are located, capitalised borrowing costs and an appropriate proportion of production overheads.

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain or loss arising on re-measurement is treated as a revaluation under IAS 16, with any gain recorded as part of other comprehensive income, except to the extent that it reverses a previous impairment on the same property, in which case it is recorded in profit or loss. Any loss in respect of the revaluation is recorded in to profit and loss for the period.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is recognised into profit or loss on a straight-line basis over the estimated useful life of the equipment. The estimated useful life for equipment varies between 3-8 years and for property and plant between 10-20 years.

The Sub-groups recognise in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred and it is probable that the future economic benefits embodied with the item will flow to the Sub-group and the cost of the item can be measured reliably. The carrying amount of the replace item is derecognised. All other costs are recognised in the statement of comprehensive income as incurred.

### E) LEASED ASSETS

Leases in terms of which the Sub-groups assume substantially all the risks and rewards of ownership are classified as finance leases. Property held under finance leases and leased out under operating leases is classified as investment property and is stated at fair value as described in note 5b).

Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Leases other than finance leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

### F) FINANCIAL INSTRUMENTS

#### Initial recognition and measurement

The financial assets are classified at initial recognition at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

The Group measures financial assets at amortised cost if both of the conditions are met:

- the financial asset is held within a business model with the objective to hold it in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial asset is classified and measured at fair value through other comprehensive income if it meets both of the following conditions:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be classified and measured at amortised cost or at fair value through other comprehensive income to be classified and measured at fair value through profit or loss.

#### Subsequent measurement

For purpose of subsequent measurement, the Group's financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)  
This category is most relevant to the Group and it includes trade receivables and loans provided that are subsequently measured at amortised cost using the effective interest method, less any impairment losses.
- Financial assets at fair value through profit and loss  
This category includes derivatives. Financial assets are classified as held for trading if they are acquired for the purposes of selling or repurchasing in the near future.

Financial assets at fair value through profit or loss are carried out in the statement of financial position at fair value with net changes in fair value being recognised in the statement of profit or loss.

#### I Non-derivative financial assets

The Sub-groups initially recognise loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Sub-group becomes a party to the contractual provisions of the instrument.

The Sub-groups derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Sub-group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Sub-groups have a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Loans provided**

Loans are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Loans provided are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

The Sub-groups classify as a current portion any part of long-term loans that is due within one year from the reporting date.

#### **Trade and other receivables**

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank accounts and call deposits that are repayable on demand and form an integral part of the Sub-group's cash management are included as a component of cash and cash equivalents for the purpose of the cash-flow statement.

The Sub-groups treat cash deposited as a security in accordance with the bank loan covenants as cash and cash equivalents for cash flow purposes.

The cash flow statement of the Group is prepared based on indirect method from the statement of financial position and statement of comprehensive income.

### **II Non-derivative financial liabilities**

The Sub-groups initially recognise debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Sub-group becomes party to the contractual provisions of the instrument. The Sub-groups derecognise a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-derivative financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Sub-groups have a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Sub-groups classify as a current portion any part of long-term loans that is due within one year from the reporting date.

### **III Derivative financial instruments**

A derivative is a financial instrument or other contract which fulfils the following conditions:

- a) its value changes in response to change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;
- b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- c) it is settled at a future date.

Derivative financial instruments are initially recognised at fair value; attributable transaction costs are recognised in profit or loss as incurred. The derivative financial instruments are classified as held for trading and carried at fair value, with changes in fair value included in net profit or loss of the period in which they arise.

Fair values are obtained from quoted market prices or discounted cash flow models, as appropriate. The derivatives are carried as current (those that are expected to be settled in less than 12 months) or non-current assets when their fair value is positive, and as current (those that are expected to be settled in less than 12 months) or non-current liabilities when their fair value is negative.

### **G) IMPAIRMENT**

The carrying amounts of the Sub-group's assets, other than investment property, investment property under development and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In respect of goodwill, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in profit or loss. An impairment loss in respect of a Property, plant and equipment measured at fair value is not reversed through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The Sub-groups consider evidence of impairment for receivables at both specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Sub-groups use historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater than suggested by historical trends. Impairment losses in respect of receivables are primarily determined based on an analysis of the credit status of customers and the period for which the receivable has been overdue.

### **H) REVERSALS OF IMPAIRMENT**

An impairment loss is reversed if there has been an indication that the loss has decreased or no longer exists and a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment losses been recognised.

Reversal of an impairment loss for goodwill is prohibited.

### **I) EQUITY**

#### **Sub-group GTP Property – issued capital**

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than upon a business combination, are shown as a deduction from the proceeds, net of tax, in equity. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

#### **Sub-group GTP Invest – share capital**

Share capital represents the amount of capital registered in the Commercial Register of the Czech Republic and is classified as equity. External costs directly attributable to the issuance of share capital, other than upon a business combination, are shown as a deduction from the proceeds, net of tax, in equity. Share capital issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

### **J) PROVISIONS**

A provision is recognised in the statement of financial position when the Sub-groups have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### **K) RENTAL INCOME**

Rental income from investment property leased out under an operating lease is recognised in the Consolidated statement of profit and loss and comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Rental income from other property is recognised as other income.

Customer specific adjustments of rented facilities (development extras) are recognised as an integral part of the total rental income. Development extras are typically invoiced in advance and the related income is deferred in time in parallel with rental fees. Revenues from rental contracts are recognised evenly over the rental period while payment terms may not be even due to lease incentives or pre-paid development extras.

Park management income (Service charge) is integral, but separately identifiable, part of rental contracts. The Group has identified that the park management service is distinct from rentals and is therefore accounted separately. The park management service charge is priced and contracted based on market prices relevant for the region of operation. Revenues from park management services are recognised evenly over time of the service provisioning as the customer simultaneously receives and consumes the benefits from the provided service.

### **L) INCOME FROM DEVELOPMENT ACTIVITIES**

Income from development activities include revenues relating to construction services. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

### **M) EXPENSES**

#### **I Service expenses and property operating expenses**

Service expenses for service contracts entered into and property operating expenses are expensed as incurred.



## II Finance lease payments

The minimum lease payments under finance leases are apportioned between the finance charge and the reduction of the liability. The finance charge is allocated to each period during the lease term so as to produce a periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

## III Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

## IV Finance income / finance expenses

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the net gain or loss on financial assets at fair value through profit or loss (other than investment property and investment property under development);
- the foreign currency gain or loss on financial assets and financial liabilities;
- the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination;
- the fair value loss on contingent consideration classified as financial liability;
- impairment losses recognised on financial assets (other than trade receivables);
- the net gain or loss on hedging instruments that are recognised in profit or loss; and
- the reclassification of net gains previously recognised in Other Comprehensive Income.

Interest income or expense is recognised using the effective interest method.

## N) INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the first day of the accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes of one entity relate to the same fiscal authority.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax was calculated using the tax rates valid for the periods in which the tax asset or liability is expected to be utilised.

The corporate income tax rate for the period ended 31 December 2018 and 31 December 2017 was:

	2018	2017
Austria	25.00%	25.00%
Czech Republic	19.00%	19.00%
Germany	29.48%	29.48%
Hungary	9.00%	9.00%
Luxembourg	26.00%	26.00%
Netherlands	25.00%	25.00%
Poland	19.00%	19.00%
Romania	16.00%	16.00%
Serbia	15.00%	15.00%
Slovakia	21.00%	21.00%
Ukraine	18.00%	18.00%

## O) FOREIGN CURRENCY TRANSACTION

### Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

### Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to Non-controlling interest (NCI).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

## 6. Alternative profit reconciliation

To highlight the underlying recurring performance of the property rental business, which is the CTP's principal activity, CTP produces an alternative profit reconciliation for the statement of comprehensive income whereby changes in the valuations and one-off items are shown separately.

In EUR thousand	2018	2017
Rental income	237,423	208,260
Service charge income	19,989	14,049
Property operating expenses	-29,799	-15,221
<b>Net rental income</b>	<b>227,613</b>	<b>207,088</b>
<b>Net income from development activities</b>	<b>1,467</b>	<b>4,000</b>
Other income	1,049	1,546
Amortization and depreciation	-3,868	-5,418
Other expenses (including administrative expenses)	-40,295	-33,309
<b>Net other income/expenses</b>	<b>-43,114</b>	<b>-37,181</b>
Net operating profit from hotel operations	6,124	4,414
<b>Net profit/loss before finance costs</b>	<b>192,090</b>	<b>178,321</b>
Finance income	10,469	2,590
Finance expense	-64,251	-51,014
<b>Net finance costs</b>	<b>-53,782</b>	<b>-48,424</b>
<b>Profit/loss before income tax</b>	<b>138,308</b>	<b>129,897</b>
<b>ADJUSTMENTS:</b>		
Net valuation result on investment property	245,858	316,727
Other income – Revaluation of assets held for sale	--	11,800
Other income – Sale of investment property	45,357	2,248
Change in fair value derivatives	-10,469	12,340
Net foreign exchange gains/losses	2,609	-13,783
<b>Profit/loss before income tax</b>	<b>421,663</b>	<b>459,229</b>

## 7. Gross rental income and service charge income

In EUR thousand	2018	2017
Warehouse	114,071	95,970
Production	92,378	85,114
Office	29,340	24,879
Retail	788	2,219
Other	846	78
<b>Total rental income</b>	<b>237,423</b>	<b>208,260</b>
Service charge income	19,989	14,049
<b>Total gross rental income</b>	<b>257,412</b>	<b>222,309</b>

CTP leases out its investment property under operating leases. The operating leases are generally for terms of 5–15 years. In the gross rental income for production and logistic premises is included the income generated by solar plants on the roofs of these buildings. Park management income represents fixed contractual income receivable from tenants for maintenance, cleaning, security, garbage management and usage of infrastructure.

In 2017 the revenues of EUR 1,342 thousand related to proceeds from assets held for sale. In 2018 no assets held for sale were identified. The revenues were generated in the following countries where CTP operates:

In EUR thousand	2018	2017
Czech Republic	190,183	165,901
Romania	33,599	25,678
Slovakia	18,493	15,112
Hungary	11,539	11,719
Germany	1,542	2,186
Poland	1,861	1,545
Austria	170	168
Serbia	25	--
<b>Total gross rental income</b>	<b>257,412</b>	<b>222,309</b>

## 8. Property operating expenses

In EUR thousand	2018	2017
Park Management expenses	-7,590	-5,924
Maintenance and repairs	-15,940	-4,221
Real estate tax	-4,310	-2,914
Insurance	-1,112	-1,176
Other	-847	-986
<b>Total property operating expenses</b>	<b>-29,799</b>	<b>-15,221</b>

The park management expenses represent expenses for utilities, park maintenance, cleaning, security and garbage management provided by external suppliers. These expenses are covered by the park management fees charged to the tenants.

## 9. Net operating income from hotel operations

In EUR thousand	2018	2017
Hotel operating revenue	16,805	14,978
Hotel operating expenses	-10,681	-10,564
<b>Net operating income from hotel operations</b>	<b>6,124</b>	<b>4,414</b>

Income from hotel operations is represented by sales revenues from operating three hotels in the Czech Republic. Revenues from hotel operations are represented by very short-term contracts with customers. The hospitality services are invoiced nearly the same time as the respective service is provided.

## 10. Net income from development activities

In EUR thousand	2018	2017
Income from development activities	9,358	16,550
Expenses connected with development activities	-7,891	-12,550
<b>Net income from development activities</b>	<b>1,467</b>	<b>4,000</b>

Net income from development activities represents income from construction services provided by CTP to third party companies.

In 2018 new IFRS 15 - Revenue from Contracts with Customers was implemented (ref. to Note 4a). Consequently, the income from development activities was decreased by EUR 6,191 thousand and the expenses connected with development activities were reduced by EUR 5,004 thousand.

## 11. Other income

In EUR thousand	2018	2017
Gains from sale of assets	45,357	2,248
Other income	1,049	1,546
<b>Total other income</b>	<b>46,406</b>	<b>3,794</b>

Gains from sale of assets in 2018 mainly consists of gain from sale of Portfolio A SPVs of EUR 32,331 thousand, gain from sale of Local distribution network in amount of EUR 7,595 thousand and gain from sale of buildings in Romania and Hungary in amount of EUR 4,808 thousand.

Gain from sale of Portfolio A includes a sale of 8 subsidiaries in the value of EUR 359,643 thousand. The selling price amounted to EUR 391,974 thousand.

Gains from sale of assets in 2017 primarily consists of gain from sale of CT Retail of EUR 1,839 thousand, gain from sale of Dúbravská 2, s.r.o. of EUR 735 thousand, gain from sale of Benesovska Office Building in Prague of EUR 661 thousand and loss of sale of premises in Germany of EUR 1,900 thousand.

Other income consists mainly of insurance indemnification and contractual penalties.

## 12. Other expenses (including administrative expenses)

In EUR thousand	2018	2017
Personnel expenses	-14,848	-11,030
Energy and material consumption	-1,829	-2,211
Legal, tax and audit	-6,202	-4,317
Fee for real estate consultants and brokers	-2,464	-3,618
Taxes and charges	-2,035	-2,177
Advertising and promotion expenses	-1,881	-1,631
Rent	-2,086	-1,520
Other	-8,950	-6,805
<b>Total other expenses (excluding hotel operations)</b>	<b>-40,295</b>	<b>-33,309</b>

Energy and material consumption include also cost for equipment and furniture, which due its nature can be directly expensed to the profit and loss account. Other expenses include costs for insurance costs, gifts, donations, impairment on receivables etc.

The average number of equivalent employees working full-time in 2018 was 324 (2017 – 257 employees).

### 13. Net finance costs

In EUR thousand	2018	2017
Interest income	1,897	1,323
Interest expense	-55,846	-44,426
Other financial expenses	-8,406	-6,587
Other financial gains/losses	713	-178
<b>Net finance costs</b>	<b>-61,642</b>	<b>-49,868</b>

Interest expenses consists of interest from financial derivatives and from borrowings. The increase of interest expense by EUR 11,420 thousand is primarily due to increase of borrowings from credit institutions (refer to note 24). Further there is included a payment for a premature termination of derivatives in amount of EUR 2,775 thousand.

Other financial expenses comprise primarily of standard bank fees and arrangement fees for making available new loan facilities and other financial expenses.

### 14. Income tax expense

In EUR thousand	2018	2017
Current tax	-12,630	-21,166
Deferred tax	-48,362	-88,244
<b>Total income tax expense in income statement</b>	<b>-60,992</b>	<b>-109,410</b>

The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

The income tax rate is valid for 2018 and is as well valid for the future periods when the Group expects to utilise the tax impacts from previous years.

### 15. Investment property

In EUR thousand	2018	2017
<b>Buildings and land</b>	<b>3,811,474</b>	<b>3,542,869</b>
warehouse	1,762,074	1,617,812
production	1,474,651	1,464,682
office	458,995	393,873
hotels	98,400	36,050
retail	12,690	12,210
other	4,664	18,242
<b>Land bank</b>	<b>277,082</b>	<b>243,841</b>
<b>Total</b>	<b>4,088,556</b>	<b>3,786,710</b>

In EUR thousand	Owned buildings and land	Land Bank	Total
<b>Balance at 1 January 2017</b>	<b>2,998,323</b>	<b>157,714</b>	<b>3,156,037</b>
Transfer from / to investment property under development	30,733	21,946	52,679
Transfer within investment property	-3,556	3,556	--
Acquisitions	87,828	5,952	93,780
Additions / disposals	185,973	33,776	219,749
Translation reserve	--	-1,965	-1,965
Asset held for sale	-78840	--	-78,840
Valuation gains	337,810	37,645	375,455
Valuation losses	-15,402	-14,783	-30,185
<b>Balance at 31 December 2017</b>	<b>3,542,869</b>	<b>243,841</b>	<b>3,786,710</b>
<b>Balance at 1 January 2018</b>	<b>3,542,869</b>	<b>243,841</b>	<b>3,786,710</b>
Transfer from / to investment property under development	96,721	-9,491	87,230
Transfer within investment property	3,963	-3,963	--
Acquisitions	19,602	--	19,602
Additions / disposals	174,004	35,686	209,690
Disposals of subsidiaries	-300,030	-5,426	-305,456
Transfer from asset held for sale	60,990	--	60,990
Valuation gains	255,309	36,540	291,849
Valuation losses	-41,954	-20,105	-62,059
<b>Balance at 31 December 2018</b>	<b>3,811,474</b>	<b>277,082</b>	<b>4,088,556</b>

Owned buildings and land represent assets in CTP's legal ownership.

The land bank comprises the plots of land in CTP's ownership, on which development projects are to be carried out. The land bank has been valued by a registered independent valuator with an appropriately recognised professional qualification and with an up-to-date knowledge and understanding of the location and category of the property.

Investment property comprises a number of commercial properties that are leased to third parties. The carrying amount of investment property is the fair value of the property as determined by a registered independent valuator with an appropriately recognised professional qualification and with an up-to-date knowledge and understanding of the location and category of the valued property.

All owned buildings and land are subject to a registered debenture to secure bank loans (refer to note 24).

#### Fair value hierarchy

The fair value measurement for investment property has been categorised as Level 3 recurring fair value based on the inputs to the valuation technique used in accordance with IFRS 13. There were no transfers between Levels during the year.

#### Management's adjustments made in respect of valuations appraisals

The management of CTP did not make any adjustments to valuations appraisals and the carrying amounts of properties fully correspond to their fair values determined by independent valutors as at December 31, 2018.

The investment property including the investment property under development is located in the following countries where CTP operates:

In EUR thousand	2018	2017	Lettable area per countries in m <sup>2</sup> of investment property	2018	2017
Czech Republic	3,190,168	3,154,400	Czech Republic	2,811,750	2,954,991
Romania	628,887	477,850	Romania	948,231	695,730
Slovakia	261,412	224,025	Hungary	394,889	400,859
Hungary	249,824	191,116	Slovakia	278,577	248,891
Poland	39,770	29,081	Germany	113,944	117,537
Germany	16,192	14,542	Poland	40,109	28,931
Austria	2,780	2,697	Serbia	10,226	--
Serbia	11,116	--	Austria	1,381	1,381
Ukraine	1,633	1,584	<b>Total</b>	<b>4,599,107</b>	<b>4,448,320</b>
Slovenia	2,131	1,504			
<b>Total</b>	<b>4,403,913</b>	<b>4,096,799</b>			



## 16. Investment property under development

In EUR thousand	2018	2017
<b>Balance at 1 January</b>	<b>310,089</b>	<b>226,070</b>
Additions/disposals	127,049	153,382
Divestments	-53,475	--
Transfers from/to investment property	-87,230	-52,679
Transfers from/to property, plant and equipment	--	--
Valuation gains	30,345	31,962
Valuation losses	-14,277	-48,704
Acquisitions of subsidiaries	2,855	58
<b>Balance at 31 December</b>	<b>315,357</b>	<b>310,089</b>

The investment property under development comprises pipeline projects in several stages of completion and of land with planning permits in place which is still to be constructed but where pre-agreements with future tenants are available. The management estimates that all of the pipeline projects to be built will be completed in the coming two years.

The transfers from investment property under development to the Land bank comprises of land under projects which in the previous year were planned as pipeline projects but as such were not realised.

The carrying amount of investment property under development is the fair value of the property as determined by a registered independent valuator with an appropriately recognised professional qualification and with an up-to-date knowledge and understanding of the location and category of the valued property.

### Fair value hierarchy

The fair value measurement for investment property under development has been categorised as Level 3 recurring fair value based on the inputs to the valuation technique used in accordance with IFRS 13. There were no transfers between Levels during the year.

## 17. Net valuation result on investment property

Reconciliation of valuation gains/losses recognised in statement of comprehensive income:

In EUR thousand	2018	2017
Valuation gains	322,194	407,417
out of which: Investment Property	291,849	375,455
Investment Property under development	30,345	31,962
Valuation losses	-76,336	-78,889
out of which: Investment Property	-62,059	-30,185
Investment Property under development	-14,277	-48,704
<b>Net valuation gains (- losses) on investment property</b>	<b>245,858</b>	<b>328,528</b>

## 18. Property, plant and equipment

In EUR thousand	Plant	Equipment	2018	2017
<b>Balance at 1 January</b>	<b>19,207</b>	<b>14,651</b>	<b>33,858</b>	<b>23,405</b>
Acquisitions	--	1,051	1,051	683
Additions	--	20,499	20,499	14,017
Disposals	--	-84	-84	-791
Valuation gain/loss on solar plants	2,062	--	2,062	1,078
Depreciation	-1,188	-2,680	-3,868	-4,534
<b>Balance at 31 December</b>	<b>20,081</b>	<b>33,437</b>	<b>53,518</b>	<b>33,858</b>

Under Plant are presented the solar plants installed on the roofs of several buildings. The value of EUR 20,081 thousand (2017 – EUR 19,207 thousand) represents the fair value of the solar panels based upon the independent valuation report.

Under Equipment in the amount of EUR 33,437 thousand (2017 – EUR 14,651 thousand) the real estate infrastructure (roads, greenery, energy transformers etc.) and related equipment are presented. Besides the real estate infrastructure, the furnishing of canteens is separately leased to tenants. All items under Equipment are stated at historical costs minus depreciation. The most significant additions in 2018 relate to purchase of means of transport.

## 19. Contract assets

In accordance with IFRS 15 requirements (ref. to note 4) the Group calculated value of Contract assets in amount of EUR 33,730 thousand (1. 1. 2018 – EUR 28,726 thousand).

## 20. Trade and other receivables

In EUR thousand	2018	2017
Trade receivables and other assets	63,326	48,864
VAT receivables	16,463	23,730
<b>Balance at 31 December</b>	<b>79,789</b>	<b>72,594</b>

The trade receivables consist mainly of receivables from rent and rent related income.

Short-term receivables overdue more than 6 months total EUR 5,085 thousand (2017 – EUR 5,796 thousand). Total allowances to bad debts are of EUR 4,597 thousand (2017 – EUR 4,801 thousand).

## 21. Cash and cash equivalents

Cash and cash equivalents of EUR 147,328 thousand (2017 – EUR 59,313 thousand) consist of petty cash, cash at bank balances and cash in transit.

Restricted cash amounts to EUR 105,772 thousand (2017 – EUR 32,740 thousand) out of which EUR 77,803 thousand is balance on an escrow account which relates to the possible share purchase described in note 33 Subsequent events. The balance on escrow account is not considered as cash equivalent for the purposes of statement of cash-flow.

## 22. Assets classified as held for sale

As at 31 December 2017 the subsidiaries 2P, s.r.o., Hotel Operations Plzeň s.r.o., Europort Airport Center a.s., Hotel Operations Europort s.r.o. and CTP Property Poland I Sp. z o.o. were classified as a disposal group held for sale.

The subsidiary CTP Property Poland I Sp. z o.o. was sold in 2018. The hotels were not sold and the sale is not expected in 2019 therefore they were not classified as a disposal group held for sale as at 31 December 2018.

As at 31 December 2018 no subsidiaries were classified as a disposal group held for sale. The detailed structure of the assets and liabilities of the disposal group as at 31 December 2017 was as follows:

In EUR thousand	2P, s.r.o.	Hotel Operations Plzeň s.r.o.	Europort Airport Center a.s.	Hotel Operations Europort s.r.o.	CTP Property Poland I Sp. z o.o.	2017
Investment property	23,690	--	37,300	--	17,850	78,840
Property, plant and equipment	--	227	--	357	--	584
Loans and deposits	--	--	--	--	--	--
Trade and other receivables	22	370	63	767	266	1,488
Deferred tax asset	--	16	--	25	--	41
Cash and cash equivalents	310	1,344	525	2,362	474	5,015
<b>Total assets</b>	<b>24,022</b>	<b>1,957</b>	<b>37,888</b>	<b>3,511</b>	<b>18,590</b>	<b>85,968</b>
Loans and borrowings	9,858	--	13,156	--	9,460	32,474
Deferred tax liability	1,223	--	591	--	1,645	3,459
Other financial liabilities	157	--	--	--	105	262
Trade and other payables	377	531	239	1,108	278	2,533
<b>Total liabilities</b>	<b>11,615</b>	<b>531</b>	<b>13,986</b>	<b>1,108</b>	<b>11,488</b>	<b>38,728</b>

## 23. Equity

### CTP Property B.V.

#### Issued capital

The authorised share capital of the Company consists of 500,000,000 ordinary shares with a nominal value of EUR 0.10 each. As of December 31, 2018 the issued share capital consists of 124,000,000 shares of EUR 0.10 each. The issued share capital has been fully paid up.

#### Share premium reserve

The Share premium reserve represents the difference in the par value and the value at the date of issuance of the shares. As of December 31, 2018 the share premium amounts to EUR 619,529 thousand (31 December 2017 – EUR 619,529 thousand).

#### Revaluation reserve

The Revaluation reserve in the amount of EUR 12,650 thousand (2017 – EUR 10,587 thousand) represents the net valuation gain, i.e. the valuation gain after tax, from the revaluation of the solar plants which was directly recognised in equity.

### CTP Invest, spol. s r.o.

#### Share capital

The issued capital comprises the capital of the Company as recorded in the Czech Commercial Register of EUR 74,019 thousand (2017 – EUR 74,019 thousand).

#### Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements from the functional to the presentation currency (refer to basis of preparation 4b).

#### Profit distribution

General meeting of shareholders held on 26 November 2018 decided about payment of dividends in amount of EUR 36,013 thousand. One half of this amount was paid out in 2018, the second is part of payables to Multinvest B.V. as at 31 December 2018.

## 24. Interest-bearing loans and borrowings from financial institutions

In EUR thousand	2018	2017
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings from financial institutions	1,978,281	1,887,788
<b>Balance at 31 December</b>	<b>1,978,281</b>	<b>1,887,788</b>
<b>Current liabilities</b>		
Interest-bearing loans and borrowings from financial institutions	153,061	136,958
<b>Balance at 31 December</b>	<b>153,061</b>	<b>136,958</b>

Residual maturity of loans and borrowings from financial institutions as at 31 December 2018 is as follows:

	Balance as at 31 December 2018				Balance as at 31 Dec. 2017	
	Due within		Due in		Total	Total
In EUR thousand	1 year	2 years	3-5 years	follow. years		
<b>Erste Group</b>	<b>14,166</b>	<b>15,061</b>	<b>196,521</b>	<b>45,611</b>	<b>271,359</b>	<b>332,406</b>
Česká spořitelna, a.s.	9,943	10,778	183,297	--	204,018	263,267
Banca Comerciala Romana S.A.	4,223	4,282	13,224	45,611	67,340	69,139
<b>Raiffeisen International Group</b>	<b>35,557</b>	<b>48,440</b>	<b>245,085</b>	<b>28,193</b>	<b>357,275</b>	<b>290,169</b>
Raiffeisen Bank International AG	4,030	2,847	48,563	--	55,440	
Raiffeisenbank a.s.	19,193	9,780	150,883	28,193	208,049	188,757
Tatra banka, a.s.	10,477	34,068	16,935	--	61,480	53,243
RAIFFEISEN BANK S.A.	446	446	6,095	--	6,987	20,660
RAIFFEISEN BANK ZRT.	1,411	1,299	22,609	--	25,319	27,509
UniCredit Bank Czech Republic and Slovakia, a.s.	15,922	44,361	107,570	137,868	305,721	303,600
UniCredit Bank Czech Republic and Slovakia, a.s.	15,922	44,361	107,570	137,868	305,721	293,016
UniCredit Bank Hungary Zrt.	--	--	--	--	--	10,584
<b>KBC Group</b>	<b>10,109</b>	<b>10,808</b>	<b>96,583</b>	<b>176,702</b>	<b>294,202</b>	<b>243,399</b>
Československa obchodní banka, a.s.	7,221	7,971	87,699	137,162	240,053	199,815
Československa obchodná banka, a.s.	413	413	1,240	7,020	9,086	9,500
K & H	2,475	2,424	7,644	32,520	45,063	34,084
<b>Société Générale Group</b>	<b>32,959</b>	<b>6,981</b>	<b>120,759</b>	<b>23,951</b>	<b>184,650</b>	<b>213,501</b>
Komerční banka, a.s.	31,573	5,572	116,390	8,838	162,373	175,517
BRD-Groupe Société Générale S.A.	--	--	--	--	--	33,313
SG Equipment Finance Czech Republic s.r.o.	1,132	1,155	3,608	11,038	16,933	4,671
Societe Generale Banka Srbija AD	254	254	761	4,075	5,344	
Landesbank Hessen - Thüringen Girozentrale	5,617	5,617	16,850	113,685	141,769	143,178
Raiffeisenlandesbank Niederösterreich-Wien AG	4,297	4,377	75,753	--	84,427	134,650
Allianz Lebensversicherungs-Aktiengesellschaft + Allianz Private Krankenversicherungs-Aktiengesellschaft	4,000	4,000	12,000	76,000	96,000	100,000
Deutsche Pfandbriefbank AG	3,237	3,237	9,710	70,845	87,029	86,058
ING Bank N.V.	4,488	4,488	54,180	45,601	108,757	60,000
European Bank for Reconstruction and Development	4,086	3,363	35,631	18,940	62,020	33,885
Banca Transilvania SA	2,589	1,597	5,918	23,104	33,208	24,027
PPF banka, a.s.	--	--	--	--	--	5,468
Všeobecná úverová banka, a.s.	770	793	2,525	8,625	12,713	13,462
MONETA Money Bank, a.s.	10,868	--	--	--	10,869	--
Alpha Bank SA	660	660	1,980	8,442	11,742	12,700
Oberbank AG pobočka Česká republika	1,098	1,118	8,909	4,196	15,321	10,152
Bancpost SA	448	448	1,344	8,548	10,788	8,021
Bank Polska Kasa Opieki S.A.	671	600	1,886	6,839	9,996	4,739
OTP Bank Nyrt.	1,519	1,723	5,993	24,260	33,495	4,332
Garanti Bank	--	--	--	--	--	999
<b>Subtotal</b>	<b>153,061</b>	<b>157,672</b>	<b>999,197</b>	<b>821,412</b>	<b>2,131,342</b>	<b>2,024,745</b>
MONETA Money Bank, a.s.	--	--	--	--	--	13,156
Raiffeisenbank a.s.	--	--	--	--	--	9,858
PPF banka, a.s.	--	--	--	--	--	9,460
<b>Loans linked to assets held for sale</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>32,474</b>
<b>Total</b>	<b>153,061</b>	<b>157,672</b>	<b>999,197</b>	<b>821,412</b>	<b>2,131,342</b>	<b>2,057,219</b>

Interest rates for loans and borrowings are based on EURIBOR and PRIBOR, plus margins that vary from 1.60% to 3.20%.

Some of the Group's borrowings have, among others, loan-to-value and debt service coverage ratio covenants. The Group believes there is sufficient head room to meet the covenants. They are usually secured by pledges of shares, real estate, receivables and cash at bank accounts.

The share pledges related to interest bearing loans are described in detail in note 32.

## 25. Trade and other payables

### Non-current

Non-current trade and other payables amount to EUR 47,565 thousand (2017 – EUR 8,846 thousand). The most significant amount of EUR 35,918 thousand relates to Contract liabilities booked in accordance with IFRS 15 requirements – refer to note 4a (as at 1 January 2018 – EUR 31,055 thousand).

### Current

In EUR thousand	2018	2017
Trade payables and other liabilities	151,874	136,338
Corporate income tax liability	3,293	10,331
<b>Balance at 31 December</b>	<b>155,167</b>	<b>146,669</b>

Trade payables and other liabilities consist primarily of liabilities for constructions works and liabilities related to acquisition of land. Increase is in line with higher development activities compared to last year.

Current trade and other payables further include current part of Contract liabilities of EUR 7,244 thousand booked in accordance with IFRS 15 requirements – refer to note 4a (as at 1 January 2018 – EUR 5,916 thousand).

In 2018, the Group has recognised revenue in the amount of EUR 5,916 thousand that was included in the contract liability balance at 1. 1. 2018.

## 26. Financial derivatives

In EUR thousand	2018	2017
Receivables	1,449	3,859
Payables	-16,173	-10,342
<b>Total</b>	<b>-14,724</b>	<b>-6,483</b>

All financial derivatives were stated at fair value as at 31 December 2018 and categorised to Level 3 in the fair value hierarchy. For fair value determination, a market comparison technique was used.

As at 31 December 2018 CTP held the following financial instruments:

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2018 (in EUR thousand)
Interest rate swaps	2019–2023	1M Euribor / 3M Euribor	from -0.37% to 0%	EUR	101,625	228
Interest rate swaps	2022–2024	3M Pribor	from 0.68% to 1.3%	CZK	955,638	1,093
Foreign exchange swaps	2019	n/a	n/a	EUR	59,970	128
CAP	2019–2020	3M Euribor	from 1.5% to 4%	EUR	23,562	--
<b>Total receivables from derivatives</b>						<b>1,449</b>

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2018 (in EUR thousand)
Interest rate swaps	2019 - 2027	1M Euribor / 3M Euribor	from -0.252% to 0.8%	EUR	1,020,617	-15,931
Interest rate swap	2024	3M Pribor	1.000%	CZK	106,631	-165
Foreign exchange swap	2019	n/a	n/a	EUR/CZK	10,000	-70
Cross currency interest rate swap	2019	0.00%	n/a	EUR/CHF	2496 EUR / 2822 CHR	-7
<b>Total liabilities from derivatives</b>						<b>-16,173</b>

As at 31 December 2017 CTP held the following financial instruments:

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2017 (in EUR thousand)
Interest rate swaps	2019–2024	1M Euribor / 3M Euribor	from -0.37% to 0.595%	EUR	327,602	1,947
Interest rate swaps	2022–2024	3M Pribor	from 0.68% to 1.3%	CZK	955,638	1,084
Foreign exchange forward contracts	2018	n/a	n/a	CZK	1,038,550	636
CAP	2019–2020	3M Euribor	from 1.5% to 4%	EUR	23,562	30
Cross currency interest rate swap	2018	0.000%	0.000%	CHF	4,739	162
<b>Total receivables from derivatives</b>						<b>3,859</b>

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2017 (in EUR thousand)
Interest rate swaps	2018 - 2024	1M Euribor / 3M Euribor	from -0.35% to 1.83%	EUR	791,904	-9,509
Interest rate swap	2018	3M Pribor	1.000%	CZK	23,605	-1
Foreign exchange swap	2018	n/a	n/a	CZK	397,850	-589
Foreign exchange forward contracts	2018	n/a	n/a	PLN	29,693	-243
<b>Subtotal</b>						<b>-10,342</b>
Interest rate swaps	2019-2023	3M Euribor	from -0.215% to 0.76%	EUR	19,633	-262
<b>Derivatives linked to assets held for sale</b>						<b>-262</b>
<b>Total liabilities from derivatives</b>						<b>-10,604</b>

## 27. Deferred tax liability

Deferred tax assets and liabilities were offset in the consolidation with respect to company's subject to the same tax authority.

The deferred tax liability relates to the following temporary differences between the tax basis and the value presented in the combined pro-forma statement of financial position as at 31 December 2018 and 31 December 2017:

In EUR thousand	2018	2017
<b>Temporary differences</b>		
Investment property	-2,210,577	-2,106,937
Tax losses	13,750	26,650
Property, plant and equipment	17,764	26,686
Other (receivables, hedge accounting etc.)	2,418	8,182
<b>Total temporary differences</b>	<b>-2,176,644</b>	<b>-2,045,419</b>
Average tax rate (majority of deferred tax arises in the Czech Republic)	17.9%	18.3%
<b>Deferred tax liability</b>	<b>-389,009</b>	<b>-374,176</b>
<b>Change of deferred tax in period ended 31 December</b>	<b>-14,833</b>	<b>-78,382</b>
Deferred tax recorded in statement of comprehensive income	-48,362	-88,244
Deferred tax related to disposals	32,735	--
Deferred tax recorded in translation reserve	845	1,770
Deferred tax from asset held for sale	-1,773	4,674
Deferred tax from new IFRS implementation	1,722	3,418

## Reconciliation of effective income tax

In EUR thousand	2018		2017	
	Tax base	Tax	Tax base	Tax
Profit / Loss before income tax	419,613	74,993	459,229	84,008
Average tax rate	17.9%		18.3%	
Tax non-deductible expenses	75,678	13,525	130,252	23,828
Tax exempt income	-143,478	-25,642	-53,939	-9,867
Other tax decreasing items	-10,540	-1,884	62,542	11,441
<b>Tax base</b>	<b>341,273</b>	<b>60,992</b>	<b>598,084</b>	<b>109,410</b>

## 28. Subsidiaries

### CTP Invest, spol. s r.o.

The Company had the following investments in subsidiaries as at 31 December 2018 and 31 December 2017 respectively:

Subsidiaries	Country	Ownership		Note
		2018	2017	
CTP Invest 1, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest III, spol. s r.o.	Czech Republic	100%	100%	
Multidisplay s.r.o.	Czech Republic	100%	100%	
Bor Logistics, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XVI, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XVII, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XIX, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XX, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XXIII, spol. s r.o.	Czech Republic	100%	100%	
CTP Products I, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XXVI, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest X, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest XI, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest XII, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest XIV, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest XV, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest XVI, spol. s r.o.	Czech Republic	100%	100%	
Brno Retail s.r.o.	Czech Republic	100%	100%	
LORNOKA REAL ESTATE, s.r.o.	Czech Republic	100%	100%	
COPOK s.r.o.	Czech Republic	100%	100%	
Bohemia Pilz s.r.o.	Czech Republic	100%	100%	
2P, s.r.o.	Czech Republic	100%	100%	
Hotel Operations Plzeň s.r.o.	Czech Republic	100%	100%	
Europort Airport Center a.s.	Czech Republic	100%	100%	
Hotel Operations EUROPORT s.r.o.	Czech Republic	100%	100%	
CTPersonal Bor, spol. s r.o.	Czech Republic	100%	100%	
CTP Karviná, spol. s r.o.	Czech Republic	100%	100%	
DUNSTAR a.s.	Czech Republic	100%	83%	
CTP Plzeň III, spol. s r.o.	Czech Republic	--	100%	3/
Waystone CZ s.r.o.	Czech Republic	100%	100%	
Kaufpark a.s.	Czech Republic	100%	100%	
CTP Invest Hungary Kft	Hungary	100%	100%	
CTPark Alpha Kft	Hungary	100%	100%	
CTPark Beta Kft	Hungary	100%	100%	
CTPark Gamma Kft	Hungary	100%	100%	
CTP Management Hungary, Kft.	Hungary	100%	100%	
CTPark Biatorbágy, Kft.	Hungary	100%	100%	
CTPark Arrabona, Kft.	Hungary	100%	100%	

Subsidiaries	Country	Ownership		Note
		2018	2017	
CTPark Delta Kft.	Hungary	100%	100%	
CTPark Seven Kft.	Hungary	100%	100%	
CTPark Eight Kft.	Hungary	100%	100%	
CTP Property Poland I Sp. z o.o.	Poland	--	100%	3/
GreenPark Resi I Sp. z o.o.	Poland	100%	100%	
GreenPark Resi II Sp. z o.o.	Poland	100%	100%	
CTP INVEST POLAND Sp. z o.o.	Poland	100%	100%	
CTPark Itowa Sp. z o.o.(formerly A18 ESTATE Sp. z o.o.)	Poland	100%	100%	
CTPark Ukraine LLC	Ukraine	100%	100%	
CTPark Lviv LLC	Ukraine	100%	100%	
IQ Lviv LLC	Ukraine	100%	100%	
CTP CONTRACTORS SRL	Romania	100%	100%	
CTP Invest doo Beograd-Novi Beograd	Serbia	100%	100%	
CTP, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property, a.s.	Czech Republic	100%	--	2/
CTP Property II, a.s.	Czech Republic	100%	--	2/
CTP Property IV s.r.o.	Czech Republic	100%	--	2/
CTP Property V, spol. s r.o.	Czech Republic	100%	--	2/
CTP Invest VIII, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property VIII, a.s.	Czech Republic	100%	--	2/
CTP Invest XIII, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property IX, a.s.	Czech Republic	100%	--	2/
CTP Property X, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property XI, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property XIV, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property XVIII, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property XXI, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property XXII, spol. s r.o.	Czech Republic	100%	--	2/
CTP Property XXX, spol. s r.o.	Czech Republic	100%	--	2/
CTP Invest IX, spol. s r.o.	Czech Republic	100%	--	2/
CTP Brno I, spol. s r.o.	Czech Republic	100%	--	2/
CTP Divišov I, spol. s r.o.	Czech Republic	100%	--	2/
CTP Pohořelice I, spol. s r.o.	Czech Republic	100%	--	2/
CTPark Bor, spol. s r.o.	Czech Republic	100%	--	2/
CTPark Brno Campus s.r.o.	Czech Republic	100%	--	2/
CTPark Mladá Boleslav II, spol. s r.o.	Czech Republic	100%	--	2/
CTPark Prague East, spol. s r.o.	Czech Republic	100%	--	2/
Komerční zóna Nupaky, s.r.o.	Czech Republic	100%	--	2/
CT Finance, s.r.o.	Czech Republic	100%	--	2/
CTZone Ostrava, a.s.	Czech Republic	100%	--	2/
EP Kadaň, spol. s r.o.	Czech Republic	100%	--	2/
EP Karviná, spol. s r.o.	Czech Republic	100%	--	2/
CTP Louny, spol. s r.o.	Czech Republic	100%	--	2/
CTPark Ten Kft.	Hungary	100%	--	1/
CTPark Nine Kft.	Hungary	100%	--	1/
CTP Invest S.R.L.	Moldova	100%	--	1/
CTP Brno II, spol. s r.o.	Czech Republic	100%	--	2/, 4/
CTP Brno III, spol. s r.o.	Czech Republic	100%	--	2/, 5/
CTP Brno IV, spol. s r.o.	Czech Republic	100%	--	2/, 6/
CTP Brno V, spol. s r.o.	Czech Republic	100%	--	2/, 7/
CTP Invest XVII, spol. s r.o.	Czech Republic	100%	--	1/
CTP Invest XVIII, spol. s r.o.	Czech Republic	100%	--	1/
CTP Invest XIX, spol. s r.o.	Czech Republic	100%	--	1/
CTP Invest XX, spol. s r.o.	Czech Republic	100%	--	1/
CTP Invest XXI, spol. s r.o.	Czech Republic	100%	--	1/
CTP Invest XXII, spol. s r.o.	Czech Republic	100%	--	1/
CTP Invest XXIII, spol. s r.o.	Czech Republic	100%	--	1/
CTP Property Czech, spol. s r.o.	Czech Republic	100%	--	1/
CTP Portfolio Finance CZ, spol. s r.o.	Czech Republic	100%	--	1/
CTP Industrial Property CZ, spol. s r.o.	Czech Republic	100%	--	1/

### Notes:

- 1/ Newly acquired or newly established subsidiaries in 2018
- 2/ Subsidiaries acquired from CTP Property B.V. to CTP Invest, spol. s r.o
- 3/ Disposals in 2018
- 4/ Subsidiary established through spin off from CTP Divišov I, spol. s r.o.
- 5/ Subsidiary established through spin off from CTP Property II, spol. s r.o.
- 6/ Subsidiary established through spin off from CTP Invest IX, spol. s r.o.
- 7/ Subsidiary established through spin off from CTP Property V, a.s.



CTP Property B.V.

CTP Property B.V. ultimately owns mainly through CTP Property Lux, S.à r.l., the 100%-subsidiary in Luxembourg, the following subsidiaries:

Subsidiaries	Country	Ownership		
		2018	2017	Note
CTP, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property, a.s.	Czech Republic	--	100%	2/
CTP Property II, a.s.	Czech Republic	--	100%	2/
CTP Property III, a.s.	Czech Republic	100%	100%	2/
CTP Property IV s.r.o.	Czech Republic	--	100%	2/
CTP Property V, a.s.	Czech Republic	--	100%	2/
CTP Invest VIII, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property VIII, a.s.	Czech Republic	--	100%	2/
CTP Invest XIII, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property IX, a.s.	Czech Republic	--	100%	2/
CTP Property X, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property XI, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property XIV, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property XVIII, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property XXI, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property XXII, spol. s r.o.	Czech Republic	--	100%	2/
CTP Property XXVII, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XXVIII, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XXIX, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XXX, spol. s r.o.	Czech Republic	--	100%	2/
CTP Invest IV, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest V, spol. s r.o.	Czech Republic	100%	100%	
Hotel Operatins Brno, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest VII, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest IX, spol. s r.o.	Czech Republic	--	100%	2/
CTP Brno I, spol. s r.o.	Czech Republic	--	100%	2/
CTP Divišov I, spol. s r.o.	Czech Republic	--	100%	2/
CTP Finance, a.s.	Czech Republic	100%	100%	
CTP Hranice II, spol. s r.o.	Czech Republic	--	100%	4/
CTP Infrastructure, a.s.	Czech Republic	100%	100%	
CTP Plzeň I, spol. s r.o.	Czech Republic	--	100%	5/
CTP Pohořelice I, spol. s r.o.	Czech Republic	--	100%	2/
CTPark Bor, spol. s r.o.	Czech Republic	--	100%	2/
CTPark Brno Campus s.r.o.	Czech Republic	--	100%	2/
CTPark Mladá Boleslav II, spol. s r.o.	Czech Republic	--	100%	2/
CTPark Prague East, spol. s r.o.	Czech Republic	--	100%	2/
Komerční zóna Nupaky, s.r.o.	Czech Republic	--	100%	2/
CT Finance, spol. s r.o.	Czech Republic	--	100%	2/
CTZone Brno, a.s.	Czech Republic	--	100%	3/
CTZone Ostrava, a.s.	Czech Republic	--	100%	2/
CTPark Prague North, spol. s r.o.	Czech Republic	--	100%	5/
Spielberk Office Center, spol. s r.o.	Czech Republic	100%	100%	
EP Kadaň, spol. s r.o.	Czech Republic	--	100%	2/
EP Karviná, spol. s r.o.	Czech Republic	--	100%	2/
CTP Teplice I, spol. s r.o.	Czech Republic	--	100%	5/
CTP Teplice II, spol. s r.o.	Czech Republic	--	100%	5/
CTP Plzeň II, spol. s r.o.	Czech Republic	--	100%	5/
CTP Louny, spol. s r.o.	Czech Republic	--	100%	2/
CTP Plzeň V, spol. s r.o.	Czech Republic	--	100%	5/
CTP Plzeň IV, spol. s r.o.	Czech Republic	--	100%	5/
CTP Immobilienverwaltung GmbH	Austria	99%	99%	
CTP Germany GmbH	Germany	100%	100%	
DN Beteiligungs GmbH	Germany	90%	90%	
TGM GmbH	Germany	90%	90%	

Subsidiaries	Country	Ownership		
		2018	2017	Note
CTP Invest SK, spol. s r.o.	Slovakia	100%	100%	
Nitra Park II, s.r.o.	Slovakia	100%	100%	
CTP Beta SK, spol. s r.o.	Slovakia	100%	100%	
CTP Alpha SK, spol. s r.o.	Slovakia	100%	100%	
CTPark Bratislava, spol. s r.o.	Slovakia	85%	85%	
CTPark Nitra, s.r.o.	Slovakia	90%	90%	
CTP Slovakia, s.r.o.	Slovakia	90%	90%	
CTP Ljubljana d.o.o.	Slovenia	100%	100%	
CTPark Alpha d.o.o.	Slovenia	100%	100%	
CTP INVEST Bucharest S.R.L.	Romania	100%	100%	
CTPARK ALPHA S.R.L.	Romania	100%	100%	
CTPARK DELTA S.R.L.	Romania	95%	95%	
CTPARK GAMMA S.R.L.	Romania	95%	95%	
CTPARK BETA S.R.L.	Romania	100%	100%	
CTPark Bucharest S.R.L.	Romania	90%	90%	
DEVA LOGISTIC CENTER S.A.	Romania	99%	99%	
H.E.E. (MERCURY) PROPRIETATI S.R.L.	Romania	100%	100%	
CTPARK BUCHAREST WEST I S.R.L.	Romania	90%	90%	
CENTURA PROPERTY HOLDING S.A.	Romania	100%	100%	
CTPARK ZETA S.R.L.	Romania	100%	100%	
CTPARK ETA S.R.L.	Romania	100%	100%	
CTPARK KAPPA S.R.L.	Romania	100%	100%	
CTPARK LAMBDA S.R.L.	Romania	100%	100%	
CTPARK OMEGA S.R.L.	Romania	100%	100%	
CTPARK SIGMA S.R.L.	Romania	100%	100%	
CTPARK THETA S.R.L.	Romania	100%	100%	
CTPARK PHI S.R.L.	Romania	100%	100%	
CTPARK PSI S.R.L.	Romania	100%	100%	
CTPARK TAU S.R.L.	Romania	100%	100%	
CTPark Alpha, EOOD	Bulgaria	100%	100%	
CTP Property Lux S.à r.l.	Luxembourg	100%	100%	
CTP Alpha S.R.L.	Moldova	100%	--	1/
CTP ALPHA POLAND Sp. z o.o.	Poland	100%	100%	
CTP Alpha doo Beograd-Novi Beograd	Serbia	100%	100%	
CTP Property XXXI, spol. s r.o.	Czech Republic	100%	--	1/
CTP Property XXXII, spol. s r.o.	Czech Republic	--	--	1/
CTPark Nove Mesto, spol. s.r.o.	Slovakia	90%	--	1/
CTPark Košice, spol. s r.o.	Slovakia	90%	--	1/
CTPark Žilina, spol. s r.o.	Slovakia	90%	--	1/
CTP Beta doo Beograd-Novi Beograd	Serbia	100%	--	1/
CTP Gamma doo Beograd-Novi Beograd	Serbia	100%	--	1/
CTP Delta doo Beograd-Novi Beograd	Serbia	100%	--	1/
Universal Management S.R.L.	Romania	72%	--	1/
CTPARK EPSILON S.R.L.	Romania	100%	--	1/
CTPARK IOTA S.R.L.	Romania	100%	--	1/
CTPARK MIU S.R.L.	Romania	100%	--	1/
CTPARK OMICRON S.R.L.	Romania	100%	--	1/
CTPARK RHO S.R.L.	Romania	100%	--	1/
CTPARK KM23 NORTH S.R.L.	Romania	100%	--	1/
CTPARK KM23 SOUTH S.R.L.	Romania	100%	--	1/
CTPARK KM23 WEST S.R.L.	Romania	100%	--	1/

Notes:

- 1/ Newly acquired or newly established subsidiaries in 2018
- 2/ Subsidiaries sold from CTP Property B.V. to CTP Invest, spol. s r.o.
- 3/ Subsidiary merged into CTP Property XXII, spol. s r.o.
- 4/ Subsidiary merged into CTP Divišov I, spol. s r.o.
- 5/ Disposals in 2018

## 29. Related parties

CTP has a related party relationship with its directors and executive officers and other companies which equity holders are Multinvest B.V. and Finspel B.V. These entities are ultimate parents of CTP. The majority of transactions are with Multifin B.V. Group companies.

In 2018 and 2017 CTP had the following revenues and expenses with related parties:

In EUR thousand	2018		2017	
	Revenues	Expenses	Revenues	Expenses
Multifin B.V. – interest	338	-149	491	-288
Multinvest B.V. – interest	74	-1,948	123	-1,162
CTP Partners B.V. – interest	45	--	42	--
Finspel B.V. – interest	630	-3	608	--
CTP Invest Poland Sp. z o.o. – interest	--	--	--	--
MaVo Lux S.a.r.L. – interest	8	--	7	--
CTP Alpha Poland Sp. z o.o. – interest	--	--	--	--
CTP Solar, a.s. – interest	--	-2	--	--
Others	--	-2	22	--
<b>Total</b>	<b>1,095</b>	<b>-2,104</b>	<b>1,293</b>	<b>-1,450</b>

As at 31 December 2018 and 2017, CTP has the following current receivables and loans to and current liabilities and loans from related parties:

In EUR thousand	2018		2017	
	Receivables	Payables	Receivables	Payables
Remon L. Vos	--	--	35	--
Multifin B.V.	199	--	550	--
CTP Solar, a.s.	1	--	1	--
MULTIVEST B.V.	--	--	--	-162
Finspel B.V.	--	--	--	-590
CTP Energy TR, a.s.	1	--	1	-1
CTP Invest Poland Sp. z o.o.	--	--	--	--
<b>Total</b>	<b>201</b>	<b>--</b>	<b>586</b>	<b>-753</b>

As at 31 December 2018 and 2017, CTP has the following non-current receivables and loans provided to and non-current liabilities and loans received from related parties:

In EUR thousand	2018		2017	
	Receivables	Payables	Receivables	Payables
Multifin B.V.	8,196	--	19,282	-12,942
Finspel B. V.	--	--	486	--
CTP Partners B.V.	2,287	--	1,954	--
MaVo LUX s.a.r.l	345	--	293	--
CTP Solar, a.s.	4	-96	--	-94
CTP Invest Poland Sp. z o.o.	--	--	--	--
Multinvest B.V.	97,877	-38,185	--	-21,163
CTP Energy TR, a.s.	--	-73	--	-71
CTP Portfolio Finance CZ, S.a r. l.	--	-30	--	--
<b>Total</b>	<b>108,709</b>	<b>-38,384</b>	<b>22,014</b>	<b>-34,269</b>

On 20 December 2018 the Group provided a loan to Multinvest B.V. in relation with the possible share purchase of the shares in CTP Group in the amount of EUR 97,803 thousand (2017 – EUR 0), see also note 33 Subsequent events. The outstanding amount as per 31 December 2018 amounted to EUR 97,877 thousand.

As at 31 December 2018 the Group provided loans in the amount of EUR 8,196 thousand to Multifin B.V. (2017 – EUR 19,282 thousand). The decrease is due to repayment of part of the loan in amount of EUR 11,086 thousand. The interest rate applied is fixed of 2.3% per annum. The loan is unsecured and due in 2024.

As at 31 December 2018 the Group repaid loans received from Multifin B.V. (2017 – EUR 12,942 thousand). The interest rate applied for 2018 and 2017 was 3M EURIBOR+3%. The loan was unsecured and due on 12 November 2020.

Other non-current non-trade receivables from and non-trade liabilities to related parties are interest bearing and bear interest in a range of 2.3% – 9% depending on the maturity, collateralization, subordination, country risk and other specifics.

### Executive management

The average number of executives and remuneration paid for the period ended 31 December 2018 and 31 December 2017 were as follows:

In EUR thousand	2018	2017
Number of employees	18	14
Personnel expenses	2,930	1,670

## 30. Risk policies

Exposure to various risks arises in the normal course of CTP's business. These risks include credit risk, capital risk, operational risk, market risk including foreign currency risk, interest rate and liquidity risk.

### Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to CTP. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers requiring credit over a certain amount. CTP usually does not require collateral from its tenants. For most of the tenants, a parent company guarantee or a solvent tenant group company guarantee is in place.

Investments can be made only in liquid securities and only with counterparties that have a credit rating equal to or better than CTP. Given their high credit ratings, the management does not expect any counterparty to fail to meet its obligations.

As at the reporting date there were no significant concentrations of credit risk towards third parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. CTP has bank accounts with prestigious banking institutions, where no risk is expected. CTP monitors regularly the financial position of the related parties and the related credit risk.

Credit risk concentration:

In EUR thousand	2018	2017
Amounts due from banks	147,328	59,313
Amounts due from financial derivatives	1,449	3,859
Amounts due from related parties	108,910	22,600
Amounts due from third parties	63,326	48,331
Amounts due from tax institutions	16,463	24,263
<b>Total</b>	<b>337,476</b>	<b>158,366</b>

CTP discloses significant amounts of receivables towards related parties. Receivables towards related parties are partly covered by the liabilities to related parties and assets held by the related parties. If the related parties breach the repayment of CTP receivables and CTP is not able to set off receivables against liabilities, CTP will be exposed to significant credit risk. CTP does not expect breach of repayment.

### Capital risk

CTP's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. CTP manages its capital to ensure that entities in CTP will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. CTP's overall strategy remains unchanged compared to 2017.

CTP as property investor is mainly influenced by the fact that it leverages its project financing by using bank debts. There is no real seasonality impact on its financial position but rather the volatility of financial markets that might positively or negatively influence CTP's financial position.

The capital structure of CTP consists of a debt, which includes the borrowings disclosed in note 23.



**Gearing ratio:**

Gearing ratio calculated below compares debt to equity where a debt is defined to be the sum of long-term and short-term liabilities and equity includes all capital and reserves of the Group including non-controlling interests.

In EUR thousand	2018	2017
Debt	2,786,464	2,649,839
Equity	2,050,672	1,736,121
<b>Gearing ratio</b>	<b>136%</b>	<b>153%</b>

The loan to value (value is the fair value of the properties) ratio of CTP properties (calculated as a share of interest bearing loans from financial institutions and lease payables on investment property, investment property under construction and plant and equipment) is approximately 48 % at 31 December 2018 (2017 – 49 %) that is seen as appropriate within the financial markets where CTP is operating.

As the properties are leased for a long period and CTP agreed with its financial institutions long-term financing, CTP expects to fulfill financial covenants in the future.

**Operational risk**

Operational risk is defined as the risk of loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss from external events. CTP assesses these risks on a regular basis and undertakes measures aimed at systematic detection and minimizations of these risks. During 2018, operational risk management activities concentrated on improving the management information systems containing information about individual projects and related legal documentation.

With respect to areas with an identified significant risk, CTP operates a set of key risk indicators that serve as an early-warning system and as a measurement of operational risks taken.

**Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect CTP's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing the return.

**Foreign currency risk**

Currency risk is managed mainly by making, when possible, investments in the same currency as the financing sources utilised. The currency risk during the period of repayment of liabilities to third parties is usually offset by generating revenues denominated in the same underlying currency. CTP pays for buildings in CZK and therefore has foreign currency risk during the construction period. CTP uses derivative financial instruments (FX forwards) to hedge against the exposure to foreign currency risk arising on forecast transactions.

As at 31 December 2018 CTP analyzed the impact of the foreign exchange rate variances on its assets and liabilities and on its statement of comprehensive income. The impact would not be significant as a majority of financial instruments is denominated in EUR.

**Interest rate risk**

The interest rate risk arises mainly from the floating interest rates applicable to debt financing. Bank loans usually have flexible interest rates based on EURIBOR or PRIBOR rates for the reference period from 1 months to 6 months increased by a fixed margin. In 2018 and 2017, CTP entered into transactions with the financial institutions to hedge the interest rate risk (refer to note 24). CTP mitigated the interest rate risk by holding interest rate swaps, interest rate caps and interest rate collars.

**Liquidity risk**

Liquidity risk is the risk that CTP will not be able to meet its financial obligations as they fall due. With respect to the nature of its business and its assets, CTP is naturally exposed to a certain amount of liquidity risk. CTP manages liquidity risk by constantly monitoring forecast and actual cash flow, financing its investment property portfolio by long-term financing, and refinancing where appropriate, and to use the rent income to settle the short-term liabilities.

**Sensitivity analysis on changes in assumptions of investment property valuation**

CTP performed a sensitivity analysis on changes in investment property valuation except for land bank investment property. The table below presents the sensitivity of profit and loss before tax as at 31 December 2018 and 31 December 2017 due to changes in assumptions:

**Completed investment properties as at 31 December 2018 in EUR thousand**

	Current average yield	Current market value	Increased yield by 25bp	FMV based upon increased yield	Effect of increase in yield by 25bp
Increase of 25bp in reversionary yield	7.04%	3,811,473	7.29%	3,680,772	-130,701
	Current average yield	Current rental income	Decrease rental income by 5bp	FMV based upon decreased rental income	Effect of decrease in rental income by 5bp
Decrease of 5bp in estimated rental income	7.04%	268,344	254,927	3,620,900	-190,573

**Completed investment properties as at 31 December 2017 in EUR thousand**

	Current average yield	Current market value	Increased yield by 25bp	FMV based upon increased yield	Effect of increase in yield by 25bp
Increase of 25bp in reversionary yield	7.19%	3,624,978	7.44%	3,503,105	-121,873
	Current average yield	Current rental income	Decrease rental income by 5bp	FMV based upon decreased rental income	Effect of decrease in rental income by 5bp
Decrease of 5bp in estimated rental income	7.19%	260,489	247,465	3,443,729	-181,249

**Fair value**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained, as appropriate, from quoted market prices, discounted cash flow projections and other valuation models.

To estimate the fair value of individual classes of financial instruments, the following methods and assumptions are used:

**Cash and cash equivalents, short-term investments**

The book value of cash and other short-term investments approximates their fair value, as these financial instruments have a relatively short maturity.

**Receivables and payables**

The book value of short-term receivables and payables approximates their fair value, as these financial instruments have a short maturity.

**Short-term loans**

The book value approximates their fair value, as these instruments have a floating interest rate and a short maturity.

**Long-term loans**

The book value of long-term loans and other liabilities with different interest rates approximates their fair values.

**Derivatives**

The fair value of derivatives is based on their market value.

**Investment property**

Investment property is stated at fair value based upon a discounted cash flow calculation for a 10-year period. The cash flow assumes a 10-year holding period with the exit value calculated on the 11th year income (refer to note 5b).

**Investment property under development**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (refer to note 5c).

## 31. Contingent liabilities

### Real estate transfer tax

All real estate transactions in the Czech Republic are subject to a 4% real estate transfer tax, with the exception of share-based transactions. The management expects that investment property will be held, or, when disposed of, only as a share-based transaction. Therefore, no provision for real estate transfer tax is recorded.

### Issued guarantees

CTP Property B.V. and CTP Invest, spol. s r.o. as guarantors issued a corporate guarantee up to an amount of EUR 20,000 thousand (2017 - EUR 20,000 thousand) for debts arising from the loan from Landesbank Hessen-Thüringen Girozentrale received by the 100% subsidiary of CTP Property Lux S.a.r.l., i.e. CTP Property, a.s.

## 32. Pledges

Shares in some of the subsidiaries are pledged in favour of the financing institutions for securing the bank loans received by them. As at the date of these financial statements the shares in the following companies are pledged:

Company	Shares pledged in favour of
2P, spol. s r.o.	Komerční banka, a.s.
Centura Property SA	Banca Transilvania SA
COPOK s.r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTFinance s.r.o.	Česká spořitelna, a.s.
CTP Alpha d.o.o.	Societe Generale Banka Srbija AD
CTP Alpha Poland Sp. z o.o.	Bank Polska Kasa Opieki S.A.
CTP Alpha SK, spol. s r.o.	Tatra banka, a.s.
CTP Beta SK, spol. s r.o.	Oberbank AG pobočka Slovenská republika
CTP Brno I, spol. s r.o.	Česká spořitelna, a.s.
CTP Brno II, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Brno III, spol. s r.o.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Brno IV, spol. s r.o.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Brno V, spol. s r.o.	Komerční banka, a.s.
CTP Divišov I, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Invest IX, spol. s r.o.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Invest V, spol. s r.o.	Raiffeisenbank, a.s.
CTP Invest VII, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Invest VIII, spol. s r.o.	Komerční banka, a.s.
CTP Invest X, spol. s r.o.	Oberbank AG pobočka Česká republika
CTP Invest XIV, spol. s r.o.	Komerční banka, a.s.
CTP Invest XVII, spol. s r.o.	Česká spořitelna, a.s.
CTP Karviná, spol. s r.o.	Raiffeisenbank, a.s.
CTP Louny, spol. s r.o.	Raiffeisenbank, a.s.
CTP Pohořelice I, spol. s r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTP Products I, spol. s r.o.	Všeobecná úvěrová banka, a.s.
CTP Property II, a.s.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Property IV s.r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTP Property IX, a.s.	Československa obchodní banka, a.s.
CTP Property V, a.s.	Komerční banka, a.s.
CTP Property VIII, a.s.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Property X, spol. s r.o.	Československa obchodní banka, a.s.
CTP Property XI, spol. s r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTP Property XIV, spol. s r.o.	Česká spořitelna, a.s.
CTP Property XIX, spol. s r.o.	Raiffeisenbank, a.s.
CTP Property XVI, spol. s r.o.	Landesbank Hessen - Thüringen Girozentrale (50%) + Deutsche Pfandbriefbank AG (50%)

Company	Shares pledged in favour of
CTP Property XVII, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Property XVIII, spol. s r.o.	Raiffeisenbank, a.s.
CTP Property XX, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Property XXI, spol. s r.o.	Československa obchodní banka, a.s.
CTP Property XXII, spol. s r.o.	Komerční banka, a.s.
CTP Property XXX, spol. s r.o.	Oberbank AG pobočka Česká republika
CTP Property, a.s.	Landesbank Hessen - Thüringen Girozentrale
CTP Slovakia, s. r. o.	Tatra banka, a.s.
CTP, spol. s r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTPark Alpha Kft	OTP Bank Nyrt.
CTPark Alpha SRL	RAIFFEISEN BANK S.A.
CTPark Arrabona Kft	OTP Bank Nyrt.
CTPARK BETA Kft	RAIFFEISEN BANK ZRT.
CTPARK BETA SRL	Banca Comerciala Romana SA
CTPark Biatorbágy Kft	KERESKEDELMI ÉS HITELBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG
CTPark Bor, spol. s r.o.	Landesbank Hessen - Thüringen Girozentrale (50%) + Deutsche Pfandbriefbank AG (50%)
CTPark Bratislava, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTPark Brno Campus, spol. s r.o.	Komerční banka, a.s.
CTPark Bucharest SRL	ING Bank N.V. + European Bank for Reconstruction and Development
CTPark Bucharest West I SRL	European Bank for Reconstruction and Development + Banca Comerciala Romana SA
CTPark Delta Kft	KERESKEDELMI ÉS HITELBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG
CTPARK DELTA SRL	Banca Comerciala Romana SA
CTPark Eta SRL	Raiffeisen Bank International AG
CTPARK Gamma Kft	RAIFFEISEN BANK ZRT.
CTPark Gamma SRL	European Bank for Reconstruction and Development (together with ING)
CTPark Kappa SRL	Alpha Bank SA
CTPark Lambda SRL	Banca Transilvania SA
CTPark Mladá Boleslav II, spol. s r.o.	Raiffeisenbank, a.s.
CTPark Nitra, s.r.o.	Československa obchodná banka, a.s.
CTPark Nove Mesto, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTPark Omega SRL	Banca Transilvania SA
CTPark Phi SRL	Raiffeisen Bank International AG
CTPark Prague East, spol. s r.o.	Československa obchodní banka, a.s.
CTPark Sigma SRL	Bancpost SA
CTPark Ten Kft	KERESKEDELMI ÉS HITELBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG
DEVA LOGISTICS CENTER S.A.	Banca Comerciala Romana SA
DUNSTAR, a.s.	MONETA Money Bank, a.s.
EP Kadan s.r.o.	Raiffeisenbank, a.s. (financing from Raiffeisen Landesbank Oberösterreich AG)
EP Karvina s.r.o.	Raiffeisenbank, a.s. (financing from Raiffeisen Landesbank Oberösterreich AG)
Europort Airport Center a.s.	Komerční banka, a.s.
H.E.E. (MERCURY) Proprietati SRL	Banca Transilvania SA
Lornoka Real Estate, s.r.o.	Komerční banka, a.s.
Nitra Park II, s.r.o.	Tatra banka, a.s.
Spielberk Office Center, spol. s r.o.	Raiffeisenbank, a.s.

### 33. Subsequent events

CTP agreed the refinancing of the complete Czech industrial portfolio by a syndicated loan facility for a total committed amount of EUR 1,888,500 thousand and another up to EUR 50,000 thousand uncommitted loan facility. The mandated lead arrangers are Erste Bank Group (Erste Bank Group AG and Česká spořitelna, a.s.) together UniCredit Group (UniCredit S.p.A. and Unicredit Bank Czech Republic and Slovakia, a.s.) and Soci t  G n rale Group (Soci t  G n rale S.A. and Komer ni banka, a.s.). Funding took place on 19 June 2019.

In order to consolidate the ownership in the CTP Group, Multinvest B.V. in November 2018 agreed with Finspel B.V. to buy under certain conditions the shares Finspel B.V. owns in the CTP Group. The transaction is planned to be finalised in June 2019 upon fulfillment of all conditions precedent.

#### Subsidiaries

In 2019 the Group incorporated the below subsidiaries:

Subsidiary	Country
CTP Epsilon doo	Serbia
CTP Zeta doo	Serbia
CTP Invest XXVII, spol. s r.o.	Czech republic
CTP Invest XXVIII, spol. s r.o.	Czech republic
CTP Invest XXIX, spol. s r.o.	Czech republic
CTP Iota doo Beograd-Novi Beograd	Serbia
CTP Kappa doo Beograd-Novi Beograd	Serbia
CTP Invest XXIV, spol. s r.o.	Czech republic
CTP Invest XXV, spol. s r.o.	Czech republic
CTP Invest XXVI, spol. s r.o.	Czech republic

CTP is not aware of any other events that have occurred since the statement of financial position date that would have a material impact on this financial information as at 31 December 2018.

27 June 2019



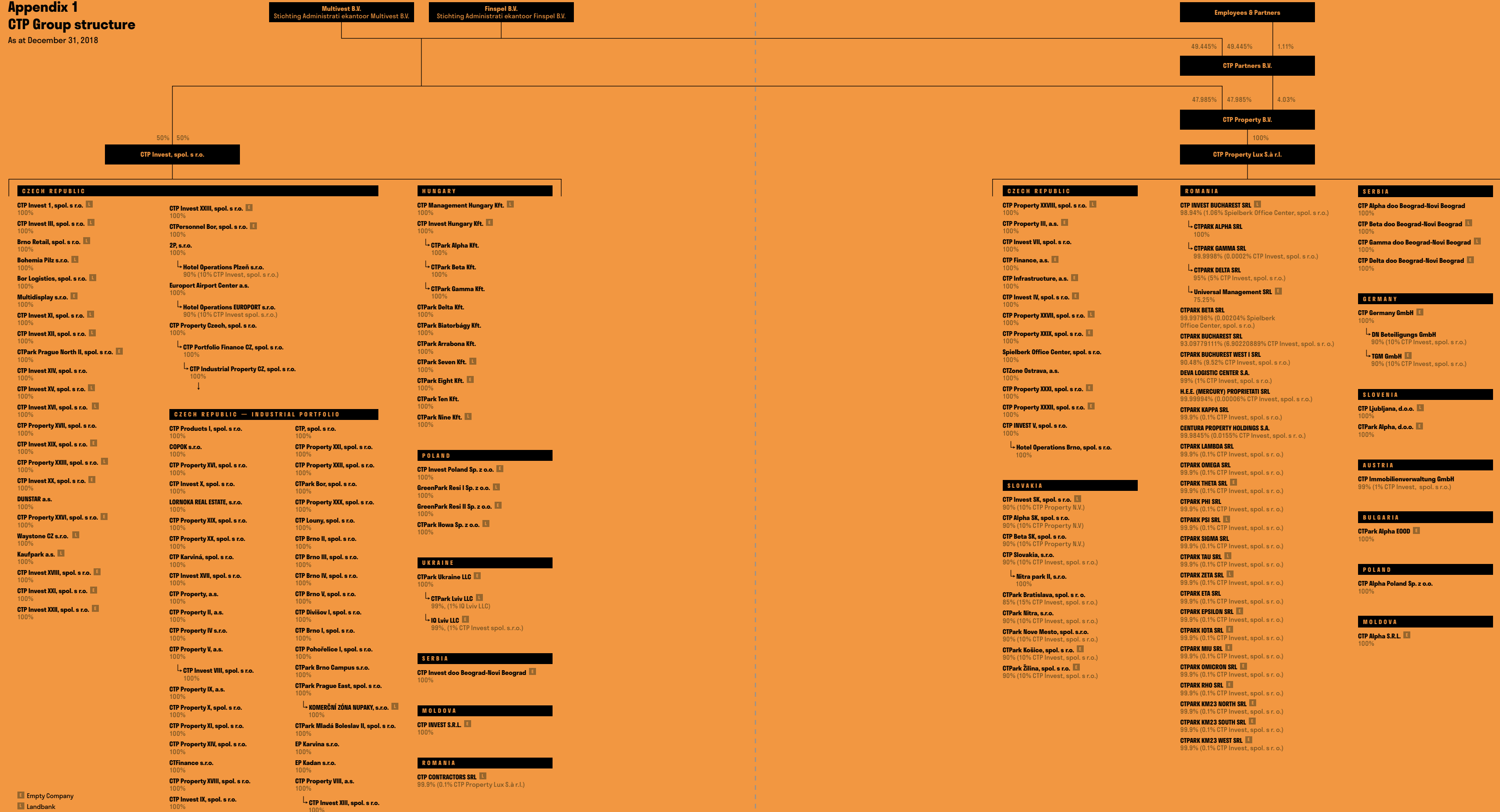
Remon L. Vos, FRICS



Jan G. Koop

# Appendix 1 CTP Group structure

As at December 31, 2018



Empty Company  
Landbank