

CTP IS A FULL-SERVICE C DEVELOPER AND MANAGI **DELIVERY AND MANAGEMEN** TECH BUSINESS PARKS FOR AND DOMESTIC COMPAN INVESTMENTS IN NEW OR I CENTRAL EUROPE. CTP IS T NETWORK, THE LARGEST PREMIUM BUSINESS PARKS OVER 3.84 MILLION M² OF A-80 STRATEGIC LOCATIONS, OMMERCIAL REAL ESTATE ER, SPECIALISING IN THE NT OF CUSTOM-BUILT, HIGH-R LEADING INTERNATIONAL IIES MAKING STRATEGIC EXPANDED OPERATIONS IN HE OWNER OF THE CTPARK INTEGRATED SYSTEM OF IN CENTRAL EUROPE, WITH CLASS PROPERTIES IN OVER AS OF 31ST DECEMBER 2016.

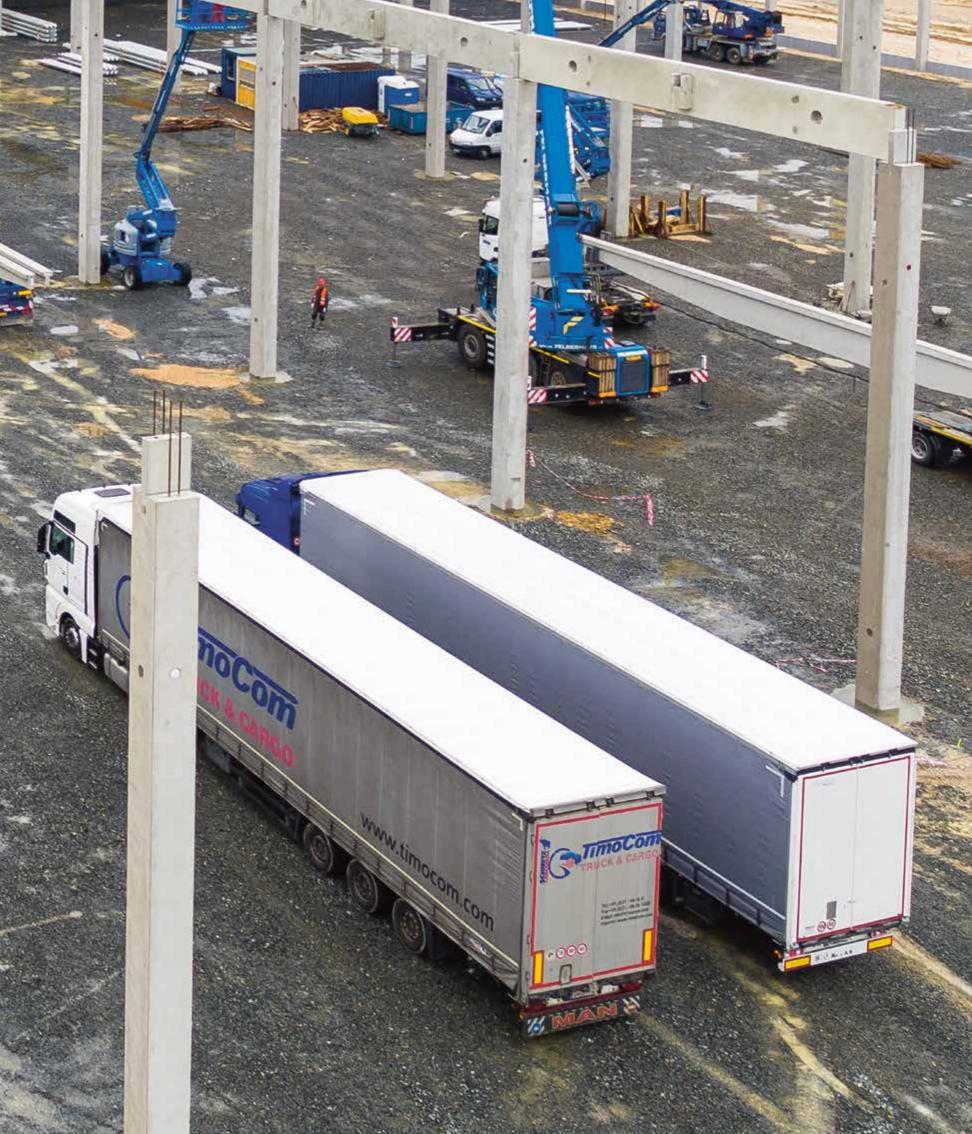


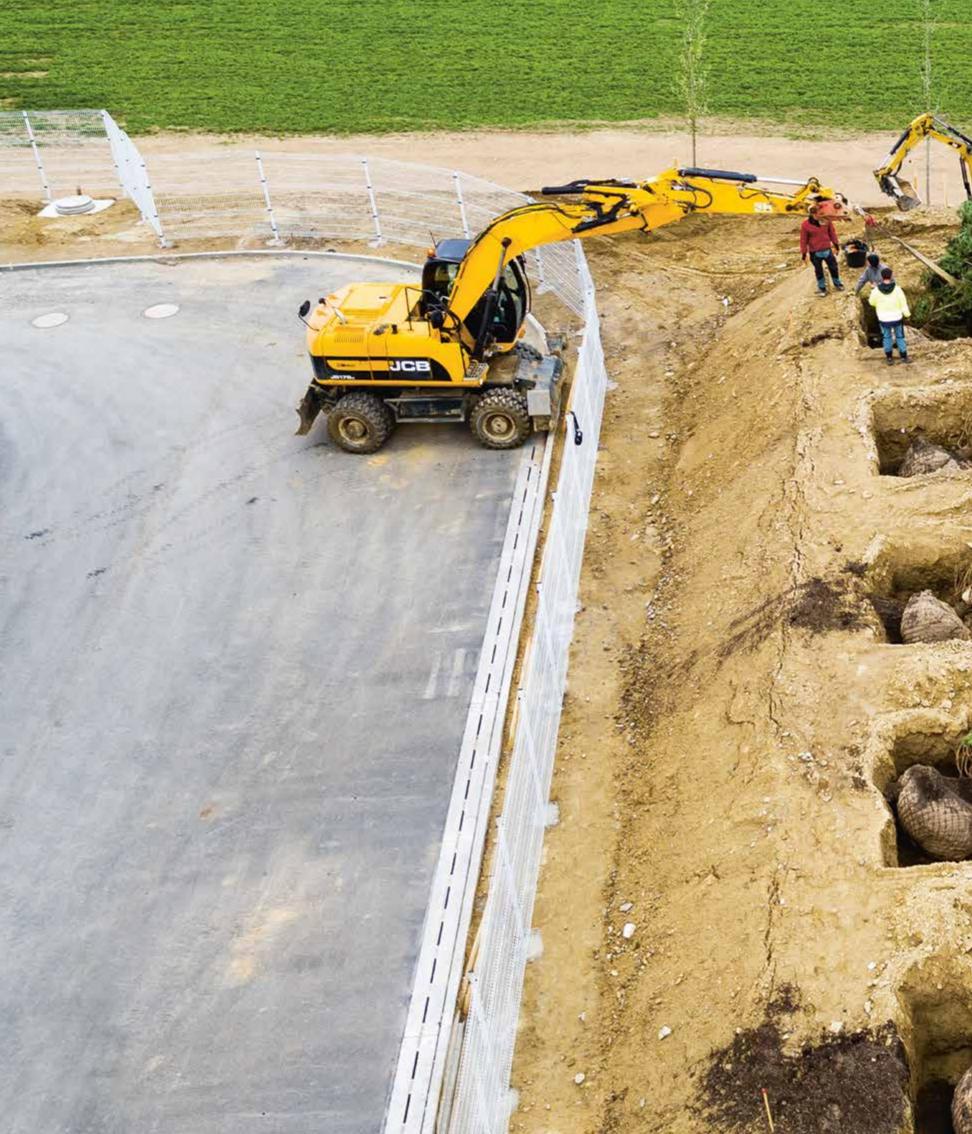




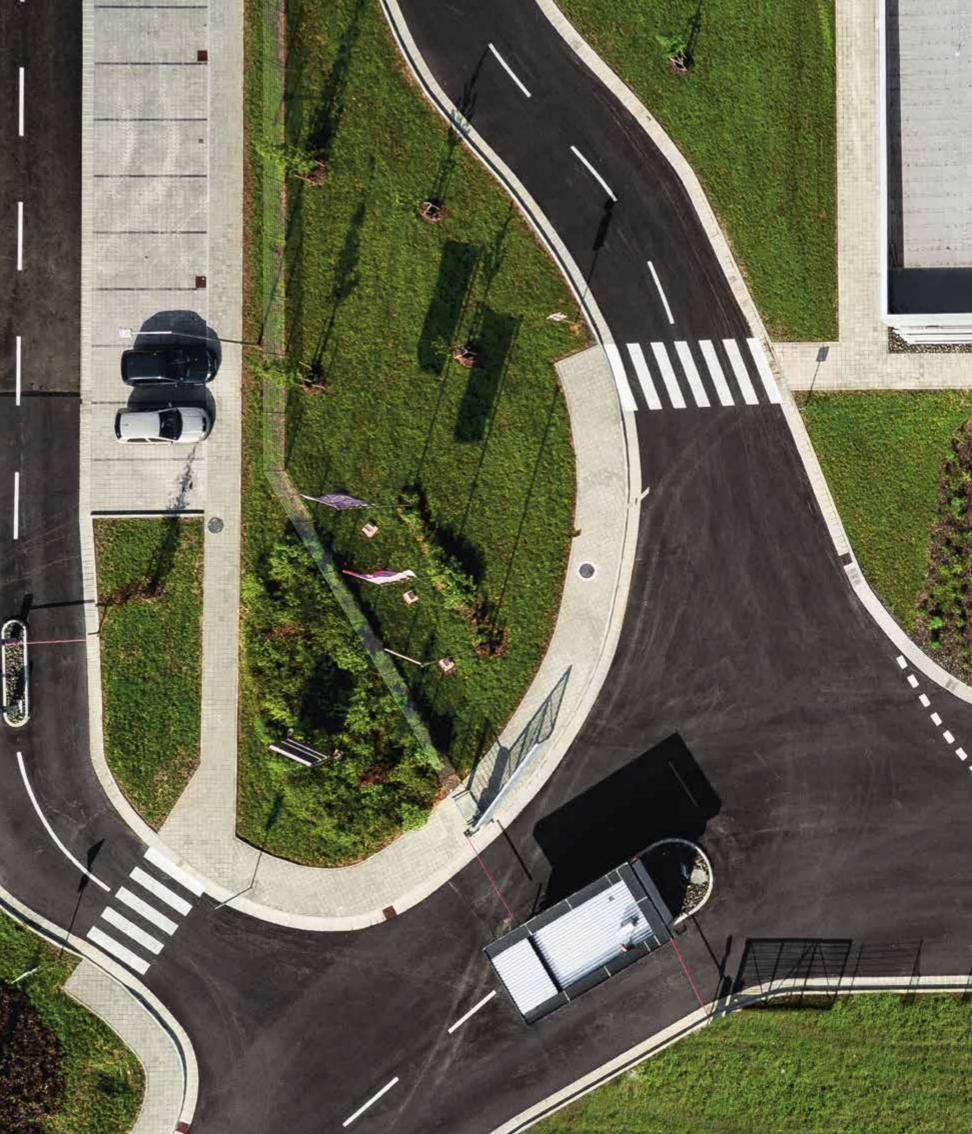


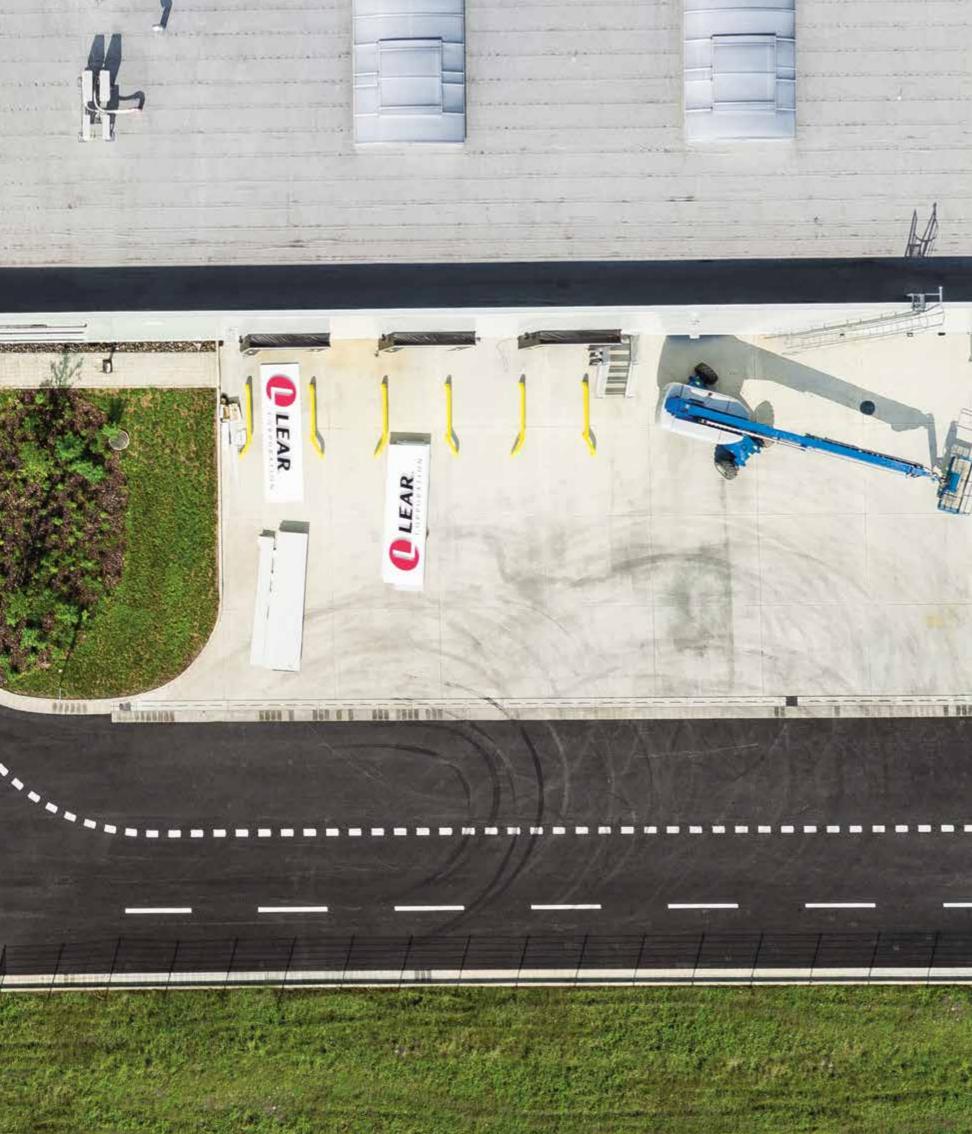




















Content



CEO Statement

CFO Statement

Risk Management

Operational Highlia

136
Audited Financial Results
180
Group Structure

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KEY FINANCIALS 2016

(In EUR million)

2017 INVESTINATE SAULT S

3,6301 1,434

120) INDIVIDUE 1 1, 732

2544

NET VALUATION RESULT ON INVESTMENT POPERTY

NO TIUS SAN OI T





CEO Statement

2016 was another fantastic year for CTP. Revenues increased 25% y-o-y to reach EUR 207 million, with over 95% occupancy of our properties. During the year we grew our portfolio by more than 500,000 m² across CEE to over 3.8 million m², which is 18.5% growth and one of the largest-single year expansions in company history. From the strong foundation of our home market, the Czech Republic, we expanded and consolidated our position as the leader in industrial properties across CEE markets in 2016. CTP is now active on the ground in five countries, with a staff of nearly 250 professionals. Our continued growth and financial success are the result of our in-depth understanding of the the region and unmatched ability to meet and exceed our clients' expectations.

This is the new CTP, energised by new talent entering the company and seeking further opportunities to expand.

LONG-TERM VISION TO GROW

Since our start nearly 20 years ago, CTP has been a long-term investor with the vision to grow. In 2016 we took great strides toward consolidating our position as the number-one developer of premium industrial properties across CEE. Unique among competitors in the region, CTP is the longterm owner and operator of its property portfolio. We make strategic decisions to grow our business to dynamic CEE markets over the long term. Thus, after firmly establishing our company as market leader in the Czech Republic, in 2007 we began to roll out the next phase of our CEE expansion with strategic land acquisitions in Romania, anticipating future growth in the country. Less than ten years' later, our strategy has paid off, and CTP is now firmly placed as the Romanian market leader, with a strong and growing presence in Hungary and Slovakia and strategic footholds in Poland and elsewhere in the region. We continue to invest in the future growth of our core business, based on the success of our long-term strategy and vision.

2016 RESULTS

In 2016, CTP further expanded and consolidated its position as a major player across CEE. We remain the market leader in the Czech Republic and Romania and grew our Hungarian portfolio by 190,000 m², making it our third-largest market. Demand from existing tenants continues to drive portfolio growth in all markets and accounts for more than two-thirds of new lease agreements—either for an extension to existing operations or a new facility in another location. The majority of portfolio growth consists of newly built A-class facilities delivered during the year. Acquisitions undertaken in 2016 were chosen for their strategic location, tenant mix and build quality.

- ▶ At end-year, CTP's portfolio of premium industrial properties comprised nearly 250 buildings supporting a mix of logistics and high-tech manufacturing operations, and land for expansion in strategic locations across CEE.
- ▶ The properties are constructed by CTP and continuously maintained and improved. Average building age is approximately eight years, and WAULT (Weighted Average Unexpired Lease Term) is more than six years.
- ► CTP is the market leader in the Czech Republic and Romania and a major player in Hungary and Slovakia. In 2016 we strengthened our regional coverage in Poland, Ukraine and Slovenia, where we plan further investments.

THE MARKET

As the importance of CEE markets for pan-European e-commerce continues to grow, in 2016 we strengthened our position in the strategic regions of Prague, Bratislava, Budapest and Bucharest, where there is under-supply. The automotive industry and high-tech manufacturing remain major pillars of regional economies, and during the year we continued to see both existing and new tenants requiring new, state-of-the-art production facilities in strategic locations in all markets. We expect these trends to deepen, as investors continue to locate highvalue operations in the region. CEE economies recorded higher GDP growth rates in 2016 than in western Europe, with this trend projected to continue in 2017 and beyond.

OPERATIONS

In 2016, we began a number of initiatives aimed at the long-term improvement of our company which will also have a positive impact for our clients and the communities where we operate. In addition to on-going improvements to the portfolio, including infrastructure upgrades and landscaping, in 2016 we launched a comprehensive environmental

program called 'Whitebook 2020', the aim of which is to reduce the overall carbon footprint of our developments. As part of our on-going efforts to improve company efficiencies, we launched phase one of a comprehensive IT upgrade aimed at streamlining all aspects of company operations. These new systems will enable us to better serve our customers by improving the management and maintenance of our properties and facilitating better client communication and issue resolution.

PLATFORM

CTP provides clients comprehensive property development and after-care services through our talented and dedicated team of professionals. In 2016, we grew our service platform from 167 to 247 employees. We attract the best and brightest professionals in our markets, with average employee age of 36. To meet the demands of our growing property portfolio, in 2016 we increased our facility management staff 59% y-o-y. We work together seamlessly across the region, with a management and shared-services centre in central Prague and regional teams located on-site throughout our property portfolio.

LOOKING AHEAD

Looking ahead to 2017, we anticipate continued growth in all our markets, with the majority of portfolio expansion expected to come from new construction projects, continuing the trend from 2016. Our construction pipeline is healthy and we expect it to beat our goal of 5.3 million m² by 2018. Looking further afield, our five-year plan targets the doubling of our portfolio size and expansion to new markets. We are upbeat about the future, with the right people in place to handle growth, and most importantly, to ensure that our clients are satisfied.

REMON L. VOS, FRICS Chief Executive Officer

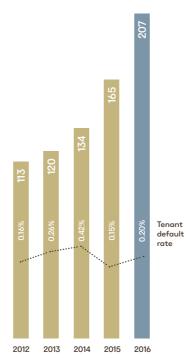
TOTAL LETTABLE AREA

(In million m²)

Total lettable area grew 18.5% to 3.84 million m² in 2016, slightly ahead of projections and in line with our goal of over 5 million m² by 2018.

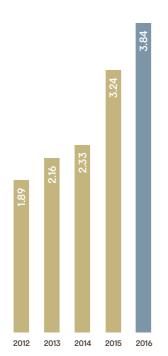
TOTAL REVENUE (In EUR million) TENANT DEFAULT RATE (In %) Revenues in 2016 increased 25.4% y-o-y to EUR 207 million. The tenant default rate grew moderately but remains low at

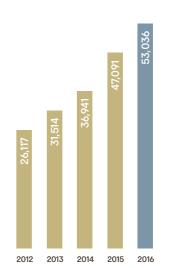
around 0.2%, in line with historical trends.



EMPLOYEES IN OUR PARKS

CTP properties are the workplace for over 53,000 people across CEE and have a positive impact on the communities where we operate. We make continuous investments to ensure highest quality, safety, and environmental standards throughout our portfolio.





3014,156 m²

NEW CONSTRUCTION 2016

REVENUE COMPOSITION

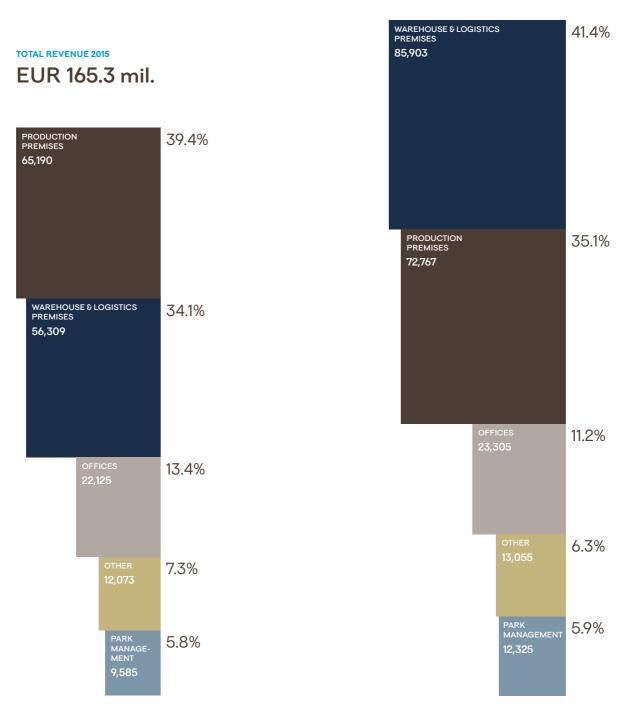
(In EUR million)

Driven by increased demand from e-commerce operators, revenue from warehousing and logistics premises grew nearly 53% y-o-y to become the largest source of revenue in 2016. Income generated from our core industrial properties grew marginally and accounted for more than 75% of revenue.

FUR 20

EUR 207.4 mil.

TOTAL REVENUE 2016







CFO Statement

CTP achieved impressive financial results in 2016, driven by the growth of our portfolio and effective financial management. EPRA profit and profit before income tax both increased by around 43% y-o-y, to nearly EUR 120 million and over EUR 384 million respectively. Reflecting the scale of our expansion across CEE markets, the value of total investment property grew 24% y-o-y to over EUR 3.82 billion. During the year we increased the number of our financing partners, while strengthening our long-term relationships with the region's leading lenders.

CZECH REPUBLIC

The Czech Rebublic continues as a sought-after location for international companies, and we grew enormously, by nearly 204,000 m², through own construction and limited acquisitions. We began new parks on opposite sides of the country at CTPark Kadaň in the west and at CTPark Karvina in the east. Even as we continued to grow, we were able to lower vacancy to 4.05%. Coupled with rising demand, this enabled us to improve the terms of our rental agreements, resulting in increased rental rates. We expect this trend to continue, which, combined with the low interest rate environment, will drive profit growth.

ROMANIA

Following our rapid growth in 2015, we further strengthened our team in Romania to 24 people by end-2016, with strong leadership at senior and operational levels. Our focus during the year was mainly in Bucharest at CTPark Bucharest and CTPark Bucharest West, but we also began construction on several projects in regional cities. As in the Czech Republic, we grew in Romania primarily through own construction.

HUNGARY

In Hungary we were just getting started at the beginning of 2016, but we were able to grow to nearly 230,000 m² during the year, through strategic acquisitions. The Hungarian portfolio now comprises over 6% of our overall portfolio, and we are constructing five projects that began in 2016 and early 2017.

SLOVAKIA

Our strategy in Slovakia during 2016 was to focus on the areas where we are already active. We have a strong presence near the major auto manufacturing plants: CTPark Bratislava (Volkswagen), CTPark Voderady and Trnava (Citroën), and CTPark Žilina (Kia). We are in discussions with automotive suppliers looking at CTPark Nitra next to the new JaguarRover plant, which has been under construction since September last year.

POLAND

After entering the Polish market in 2015, we agreed with current client IAC on our first Polish project in 2016, for which construction started in early 2017 at CTPark Opole. At the start of 2017 we signed two lease agreements and are targeting further expansion during the year and beyond.

DIVESTMENTS

Due to the continued organic growth of our portfolio, management and shareholders decided in 2016 to prepare selected non-core projects for sale. During the year we were able to divest four individual projects at acceptable terms, with negligible impact on overall portfolio size. Additional non-core assets held for sale are expected to generate approximately EUR 100 million, which will further strengthen our cash flow and balance sheet position.

FINANCING

Having refinanced EUR 773 million during the year, we were able to increase net cash by EUR 94 million, which facilitated acquisitions as well as investments into upgrades of ageing facilities. In 2016 we entered into new partnerships with a number of banks including OTP, Bank Translvania, the EBRD and Moneta. Our strategy has been to continue with single-bank financing on a project-basis and avoid club or syndicated deals in order to maintain strong bilateral relationships with our partner banks. Growing the number and home countries of our financial partners has allowed us to successfully diversify risk for both CTP and the banks.

LOOKING AHEAD

Looking to 2017, we see a continued strengthening of the market, which will have a positive effect on our business and goals. Investors continue to locate strategic and high-value operations to the region, and we believe that CTP is ideally positioned to take advantage of the new market trends shaping CEE industries. Over the next two years we expect a continued increase in requirements from the e-commerce sector, higher demand for 'smart buildings', and a growing need for highly sophisticated technology installations.

We expect that the low interest rate environment will continue for some time, providing liquidity for companies to expand. Although upward pressure on interest rates is expected, we do not forsee significant negative impacts from slowly rising rates in the near to medium term. Based on this view, we plan to refinance EUR 100 million to EUR 150 million in 2017, generating free liquidity, which, in addition to selected asset sales, will provide a sufficient level of liquidity for our planned growth.

RADEK ZEMAN Chief Financial Officer

SELECTED FINANCIAL RESULTS

(In EUR thousand)

Year	Gross income	Net valuation result on invest- ment property	Personnel expenses	EPRA profit before tax	Profit/loss before income tax	Total asset value	Total investment property	Total equity	Total financing
2012	112,867	-19,349	4,345	51,076	25,882	1,870,618	1,783,261	588,497	1,004,096
2013	120,440	28,222	5,024	58,235	99,234	1,987,611	1,905,655	671,949	1,071,257
2014	133,698	212,571	4,936	62,235	275,235	2,356,951	2,239,949	900,863	1,156,359
2015	165,282	174,063	6,007	83,199	267,993	3,061,411	2,924,220	1,124,027	1,558,714
2016	207,356	253,516	7,399*	119,526	384,166	3,629,925	3,382,106**	1,434,233	1,731,546

VALUATION YIELDS

(In %)

A positive investment environment continued through 2016, putting downward pressure on yields. For the majority of the portfolio, the greater yield compression in each market resulted in a strong overall net valuation result.

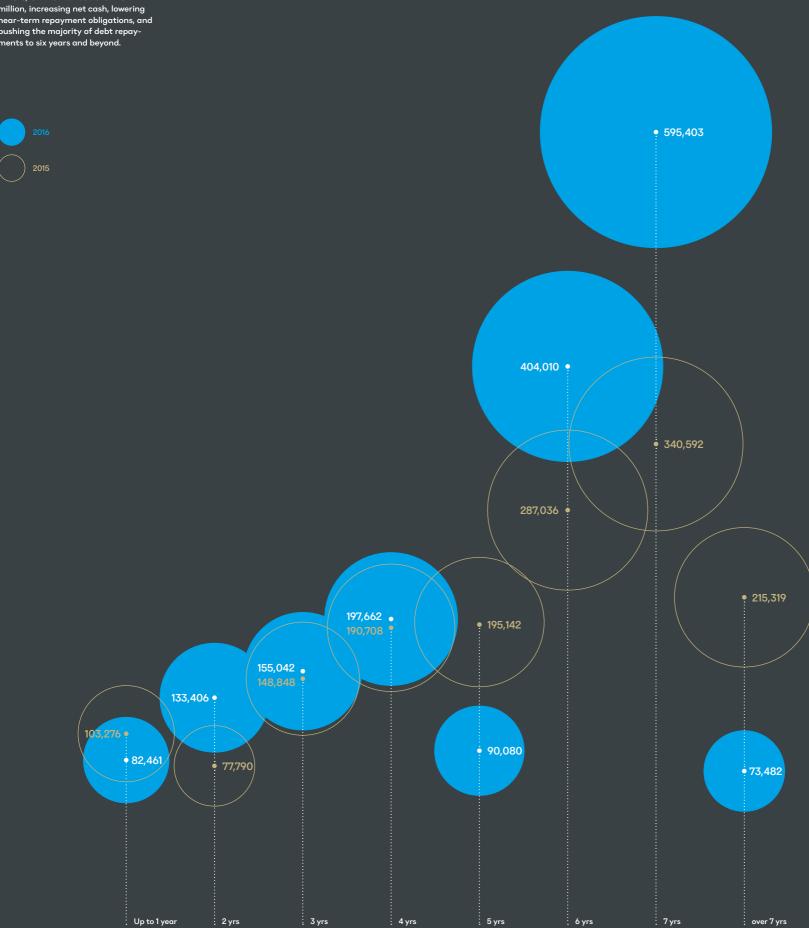
	2012	2013	2014	2015	2016
Industrial premises					
Czech Republic	7.50-8.25	7.75-8.50	7.00-7.50	6.75-7.25	6.25-7.75
Romania	9.50-9.85	9.50-9.75	9.75-9.85	9.00-9.25	8.75 –9.00
Slovakia	8.75-9.00	8.75-9.00	8.50-8.75	7.75-8.00	7.5 –7.75
Hungary	N/A	N/A	N/A	9.50	8.5 -9.00
Poland	N/A	N/A	N/A	7.00	6.75
Office properties					
Czech Republic	7.25-7.75	7.40-8.00	7.20-8.00	7.15-8.00	6.50-7.75

(source: JLL)

^{*} Figure does not contain personnel expenses incurred by hotel operations

^{**} Figure includes Investment Property under Development

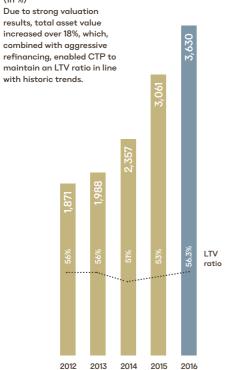
FINANCING
(In EUR million)
In 2016, CTP refinanced over EUR 774
million, increasing net cash, lowering
near-term repayment obligations, and
pushing the majority of debt repayments to six years and beyond.



TOTAL ASSET VALUE

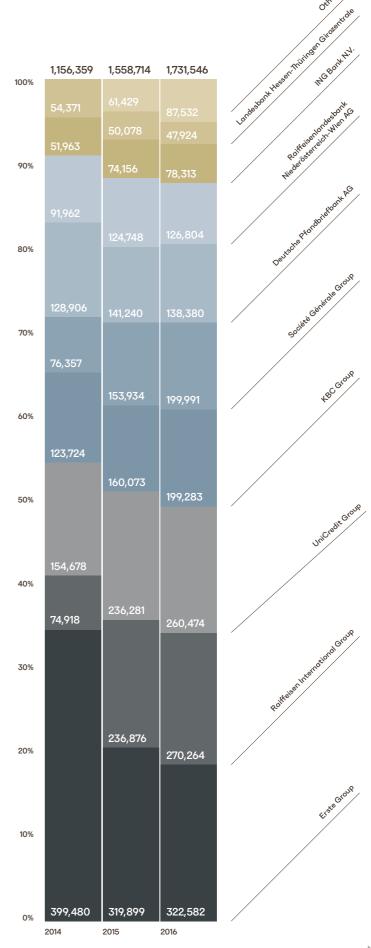
(In EUR million)

LOAN TO VALUE RATIO (In %)



TOTAL LOAN VALUES

(In EUR million) By seeking sources of financing with new partners and refinanicing exisitng obligations, CTP increased overall debt while responsibly diversifying risk more evenly, engendering greater overall stability.



LOAN GROWTH & MATURITY

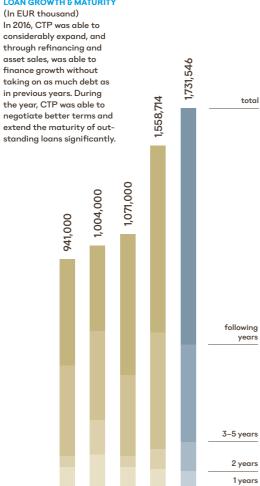
2012

2013

2014

2015

2016



Having refinanced EUR 773 million during the year, we were able to increase net cash by EUR 94 million. RADEK ZEMAN Chief Financial Officer



Risk Management

OPERATIONAL RIS	KS				
Description	Potential Impact	Mitigation Strategies	Description	Potential Impact	Mitigation Strategies
Projects under development	Inability to secure the required permits. Major delays resulting in the loss of potential income. Substantial overrun of investment budgets. In the event of speculative develop-	Specialised in-house property development team and use of external consultants in order to hedge all risks. Strict monitoring of construction sites, including the implementation of penalty clauses in the event of non-compliance with contracts by third parties.	Obsolescence and building quality	Obsolescence of the buildings, reducing their usability and rentability Loss of income and long period during which the invested capital does not generate a profit.	Regular update of investment plans for the portfolio, with the objective maintaining the highest quality leven Ad-hoc redevelopment and renovation of obsolete properties in additional to regular investment in quality and sustainability
	ments, long periods of vacancy. Failure to achieve the projected (higher) returns on developments.	Use of well-established contractors with good solvency, who submit the required guarantees. Community engagement to maintain a constructive dialogue with local decision-makers. In normal circumstances, no speculative developments are initiated,	Unplanned destruction of buildings	Discontinuity in the use of the building Loss of rental income and possible client turnover	The insured value of the portfolio is based on the new value, i.e. the cost of restoring the building to its origin state, including architects' fees and value-added tax Loss of rental income due to temporary full or partial vacancy is also insured
		which means projects are launched only if they are pre-let and fully financed and the required permits have been obtained.	Concentration risk	Sharp decline in income and cash flows in the case of the departure of a tenant	Highly diversified tenant base, of which the largest tenant accounts for less than 5% of rental income (over multiple sites)
Lease termination	Higher vacancy rates, assumption of costs that are typically recharged to the tenant (withholding tax and management costs) and commercial costs related to re-letting and/or downward adjustment of the rents. Decline in revenues and cash flows.	Specialised in-house teams responsible for commercial management and facility management. Very extensive network in the industrial property market in each country where we operate. Contractually required indemnity in the event of early termination of the lease.		Decline in the MV of the propert	Furthermore, the largest tenants (8 of the top 10) are spread over severe buildings, various countries and different activities High geographic diversification acros approximately 60 sites, with the largest property representing less than 10% of the fair value of the portfolio
		Preference for realistic rent levels and long-term contracts with tenants.	Tenant solvency	Decline in rental income due to a lower collection rate or a decline in occupancy	Extensive tenant solvency check by external rating agencyies prior to inclusion in portfolio
Vacancy	Higher vacancy rates, assumption of costs that are typically recharged to the tenant (withholding tax and management costs) and commercial costs related to re-letting. Decline in the fair value of the prop-	Proactive internal property management and marketing. High quality and versatility of the buildings, which increases reletting potential.		Higher commercial costs due to reletting	Contractual lease agreements with rent is payable in advance on a monthly, quarterly or annual basis. Standard rent deposit covering at least three months, and contractual break penalties
	erty, resulting in a lower NAV.	Preference for realistic rent levels and long-term contracts with tenants, as reflected by the fact that 70% of leases which expired In the last five years were renewed by the then current tenants.			
Negative variations in the MV of buildings	Negative change in LTV	Investment policy oriented to high-quality property at strategic locations with growth potential. Prudent, clearly defined management of financial obligations			
Industry-specific risks	Loss of income if a specific industry is affected by an economic downturn	High variety of international ten- ants representing a wide range of industries			

Maintenance and

repair cost volatility

Decline in financial results and cash

Unexpected fluctuations in financial

industries

company

Continuous inspection of the buildings by the facility managers and commercial teams in their day-to-

day interaction with clients Stringent periodic maintenance policy that is managed within the

MARKET RISKS		
Description	Potential Impact	Mitigation Strategies
Economic slowdown	Lower demand for industrial and/or office space Higher vacancy and/or lower rents when re-let. Reduction in the market value (MV) of the property Tenant bankruptcies & therefore broken lease contracts	Negotiate long lease terms Clients represent a diverse range of industries Contracts are concluded with parent company guarentees Quality of the tenant portfolio, comprising mainly large national and international companies and a limited annual provision for dubious debts (averaging less than .05% over the past 10 years). Excellent location of CTP properties, near major cities and transport arteries and in areas of high unemployment, and lower cost vis-à-vis western markets
Rental market deterioration	Rental income and cash flow affected due to higher vacancy rates Increased tenant defaults and recovery fees Lower MV of the property Higher client acquisition costs, lower pre-leasing of properties, and increased holding period of lower yielding landbank	Diversified client base mitigates exposure to a single tenant's fortunes; and a wide variety of tenants across major industries Activity across multiple markets mitigates exposure to local market downturns. Thorough market integration in the market thanks to years of experience; in-house business development and marketing teams High quality, young portfolio with high energy ratings Flexible & diverse property development solutions and in house sales, design and construction with ability to provide built-to-suit solutions
Investment market	Lower MV	Investment strategy aimed at high-quality buildings that generate stable, long-term income Prudent management of the LTV of our portfolio, making it possible to offset any potential decreases in the fair value of the property. CTP's current LTV rate of 56.3% is in line with historic trends Geographic diversification of the portfolio across all major CEE markets, with close ties to western Euoropean markets Large share of land in the valuation of the property portfolio, with lower residual price volatility
Interest rate volatility	Negative impact on expenses and consequently on cash flow in the event of a rise in the interest rate. Sharp fluctuations in the value of the financial instruments that serve to hedge debt.	High degree of hedging against interest rate fluctuations (70% of debt is covered by fixed-interest financial debts) through derivative financial instruments (e.g. Interest Rate Swaps) Regular monitoring of interest rate movements and of their impact on the effectiveness of the hedges Fluctuations in the fair value of the hedging instruments represent a non-realised non-cash item (if these products are held until maturity and are not settled prematurely)
Deflation	Fall in rental income, due primarily to downward pressure on market rent levels and lower or negative indexation.	A majority of our lease contracts include a fixed indexation clause
Financial market volatility	Difficulty accessing financial markets in order to fund new devel- opments Inability to refinance or rollover current financial obligations	Ongoing, transparent dialogue with financial counterparties Long-term relationships with banks Regular monitoring of risks that could negatively affect our financial partners

FINANCIAL RISKS		
Description	Potential Impact	Mitigation Strategies
Counterparty risks	Loss of deposits	Diversification of financing sources among different banks.
Liquidity risk	Impossibility of financing acquisitions or new development (with shareholders' equity or debt) or at higher cost	Conservative and prudent financing strategy with a balanced spread of maturity dates for debts maturing between 2018 and 2032,
	interest and/or operating costs Higher cost of debt negativley impacts the financial results and cash flows	Diversification of financing from a large group of stable banking partners, in multiple countries, with whom longstanding banking rela- tionships exist
		Maintenance of sufficient lines of credit to finance operating costs an planned investments
		Continuous dialogue with banking partners in order to build solid long-term relationships
FX risk	Loss from open FX position and un- predictable movements of currency values	Hedging of open FX position on the group level

REGULATORY AND OTHER RISKS			
Description	Potential Impact	Mitigation Strategies	
Changes to IFRS reporting policies	Potential impact on reporting, capital requirements, use of derivatives and organisation of the company.	Continuous assessment of changes to statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industry organisations	
Transaction complexity	Assuming certain inaccurately assessed risks, negatively impacting the financial results	Own and third-party due diligence on property, economic, tax, legal, accounting and administration matters	
Regulatory changes	Negative impact of business, financial results, profitability and good name of the company	Constant monitoring of existing and future legislation, regulations and requirements in coordination with external experts	

Risk is inherent in any business undertaking, and this list aims to identify and describe the strategies we apply to mitigate those risks which we deem consequential to our operations and financial results. This list should not be taken as complete or exhaustive. CTPs risk management policies integrate both ad-hoc and regular assessment schedules.

Operational Highlights 2016

Platform

May

MICHAL HLUCHÁŇ JOINS CTP AS NEW FILM

DIRECTOR. His mission is to document what is happening in the company and in the CTPark Network from the beginning to the end. Michal brings story, quality and purpose to the audiovisual production of the company.

June

FLORA BADACSONYI JOINS HUNGARIAN OFFICE AS NEW FINANCIAL MANAGER. The finance professional worked previously at Raiffeisen Bank and Morgan Stanley. She is responsible for

October

TOMÁŠ TESAŘ JOINS CTP AS A HEAD OF

financial and acquisition issues in Hungary.

MARKETING. Tomáš manages CTP's marketing communications and supports the Sales Team with external communication activities, including advertising and digital campaigns, events and conferences. Prior to joining CTP, Tomáš worked for nine years as the Head of Communications and Marketing for the Royal Bank of Scotland covering the bank's activities in the CEE region.

IVETA BRUJOVÁ JOINS CTP AS CONSOLIDATION

SPECIALIST. Iveta is responsible mainly for the preparation of Group consolidated financial statements. Before joining CTP, she worked for eight years at J&T Finance Group, the last three years as a consolidation specialist.

November

ANA DUMITRACHE JOINS CTP AS CO-COUNTRY

HEAD FOR CTP ROMANIA. Ana is a Romanian native with extensive experience in the local real estate and financial markets. She brings strength and professionalism to the team, creating bridges with partners and supporting the dynamic growth of the company.

Financial

February

CTP INVESTS EUR 130 MILLION OF A TOTAL EUR 650 MILLION BUDGETED FOR ROMANIAN EXPANSION. CTP was again the most active player on the industrial property segment in Romania, reaching a portfolio of nearly 450,000 m², following investments of EUR 130 million by end of Q1 2016.

September

CTP INVESTS OVER EUR 250 MILLION IN

ROMANIA. In line with company plans, CTP's Romanian portfolio reaches nearly 500,000 m² with the goal to expand our footprint in the country to 1 million m² by 2018. Currently CTP is constructing various properties throughout the country.

October

CTP STARTS DEVELOPMENT OF SECOND PHASE OF CTPARK BUCHAREST WEST. After leasing

over 130,000 m² at CTPark Bucharest West and securing authorisation for the construction of two more buildings with a total surface area of 68,000 m², CTP announces the start of construction works for the second phase of the park.

Growth

March

CTPARK NETWORK EXPANDS IN HUNGARY with the acquisition of three parks with over 91,000 m²

the acquisition of three parks with over 91,000 m of space.

CTPARK PLZEŇ REGISTERS A SHARP INCREASE IN LEASING AND CONSTRUCTION ACTIVITY.

German retail chain Lidl announces the launch of a pilot logistics and e-commerce facility in CTPark Plzeň. Based on its success, Lidl plans to roll-out similar e-commerce facilities to other markets, including Germany.

CTP COMMENCES CONSTRUCTION ON A

WEST, 15,000 m² of which is already leased to logistics company OTZ. CTP purchased CTPark Bucharest West from Prologis in H2 2015, and with this new construction, increases the built-up area of the park to 130,000 m².

April

CTP SIGNS APPROXIMATELY 260,000 M2 IN NEW

LEASE DEALS in the first quarter of the year, including 30,000 m² in Hungary, which was transacted during the first months of our operations in this new market, the majority of which, 27,000 m², is taken by a client CTPark Tatabánya.

CTP HANDS OVER TWO FACILITIES IN SLOVAKIA.

CTP completed and handed over newly constructed premises for Lear and Faurecia. Lear moved into its new 10,000 m² building at CTPark Voderady and long-term client, Faurecia, moved into its 3,000 m² facility at CTPark Žilina.

May

CTP ANNOUNCES THE START OF THE CONSTRUCTION OF FACTORY BUILDING IN CTPARK BRATISLAVA. The 12,000 m² facility is being constructed for HP Adler Pelzer Group, a just-intime supplier to Volkswagen.

June

CTP COMPLETES SECOND OFFICE BUILDING AT PONĀVKA IBM opens its new Client Innovations Centre at Ponāvka, Brno.

Operational

July

CTP IN HUNGARY SIGNS AN AGREEMENT TO PURCHASE TWO LOGISTICS SITES with combined floor space of 66,000 m² from Raiffeisen Group member DAV Property Kft. The new properties, acquired using a loan from Raiffeisen Bank Zrt., have increased the total floor space of CTP's warehouse facilities in Üllő to 100,000 m² and that of the total Hungarian industrial property portfolio is 135,000 m².

September

CTPARK TEPLICE GROWS BY A STORAGE AND DISTRIBUTION CENTRE for client Kuehne+Nagel, which operates it for the company Edgewell.

Construction officially started with a ground breaking event at the end of September.

CTP ANNOUNCES THAT LONG-TERM CLIENT, REGUS, OPENS NEW CENTRE AT PRAGUE AIRPORT. The newly built, nearly 1,000 m² centre is located at the CTP-owned Europort property, across the street from Terminal 1.

November

CTP STARTS CONSTRUCTION OF A NEW BUILD-ING AT CTPARK BUCHAREST WEST. The building, with lettable area of 60,000 m², was launched to respond to high demand from the market.

CTP ANNOUNCES THAT OTZ WILL MOVE INTO CTPARK BUCHAREST WEST. OTZ will occupy 20,000 m² in CTP's BREEAM-certified premises that are newly built at CTPark Bucharest West. The new building utilises the latest technology for energy efficiency, with clear height of 12 metres.

December

CTP SIGNS AN AGREEMENT TO PURCHASE LOGISTICS AND MANUFACTURING FACILITIES

with a combined floor space of 82,000 m² from Industrial Securities in Hungary. The agreement covers WestLog DC at Biatorbágy and a manufacturing facility located in Szombathely. The transaction has increased the total floor space of CTP's real estate portfolio to nearly 220,000 m² in Hungary.

January

CTP LAUNCHES CTP FACILITY MANAGEMENT SERVICES ARM, offering clients a one-stop-shop for development, maintenance and facility management. To prepare for further growth, CTP begins the process of upgrading to a CAFM (computer-aided facility management) tool.

February

CTP ANNOUNCS 'BIG 5% PLEDGE' as part of our continual drive for energy efficiency, which aims to reduce energy costs by 5% for clients within our parks during 2016 through the introduction of smart-tech, monitoring systems and more efficient management.

March

CTP COMPLETES CONSTRUCTION OF ACCOMMO-DATION FACILITY AT CTPARK BOR. The project is the first phase of CTP's plans to increase services and facilities for workers on-site in key CTParks across the region. Groundworks also commenced at CTPark Bor for a canteen and doctor's office, both of which were requested by tenants for their employees.

June

GRAND OPENING OF THE NEW IBM CLIENT INNOVATIONS CENTRE TAKES PLACE AT PONĀVKA, BRNO. The new campus creates more than 330 skilled jobs in Phase I. Park improvements include upgrades to both indoor and outdoor facilities.

September

CTP CELEBRATES SUCCESS AGAIN AT BEST OF THE BEST CIJ AWARDS EUROPE, 2016. The CEO of CTP, Remon Vos, is awarded in the category Best Leadership of the Year. CTP is also nominated in the categories Best of the Best Lease of the Year for CTPark Bucharest West, and Best of the Best Investment Transaction of the Year for CTPark Bucharest West.

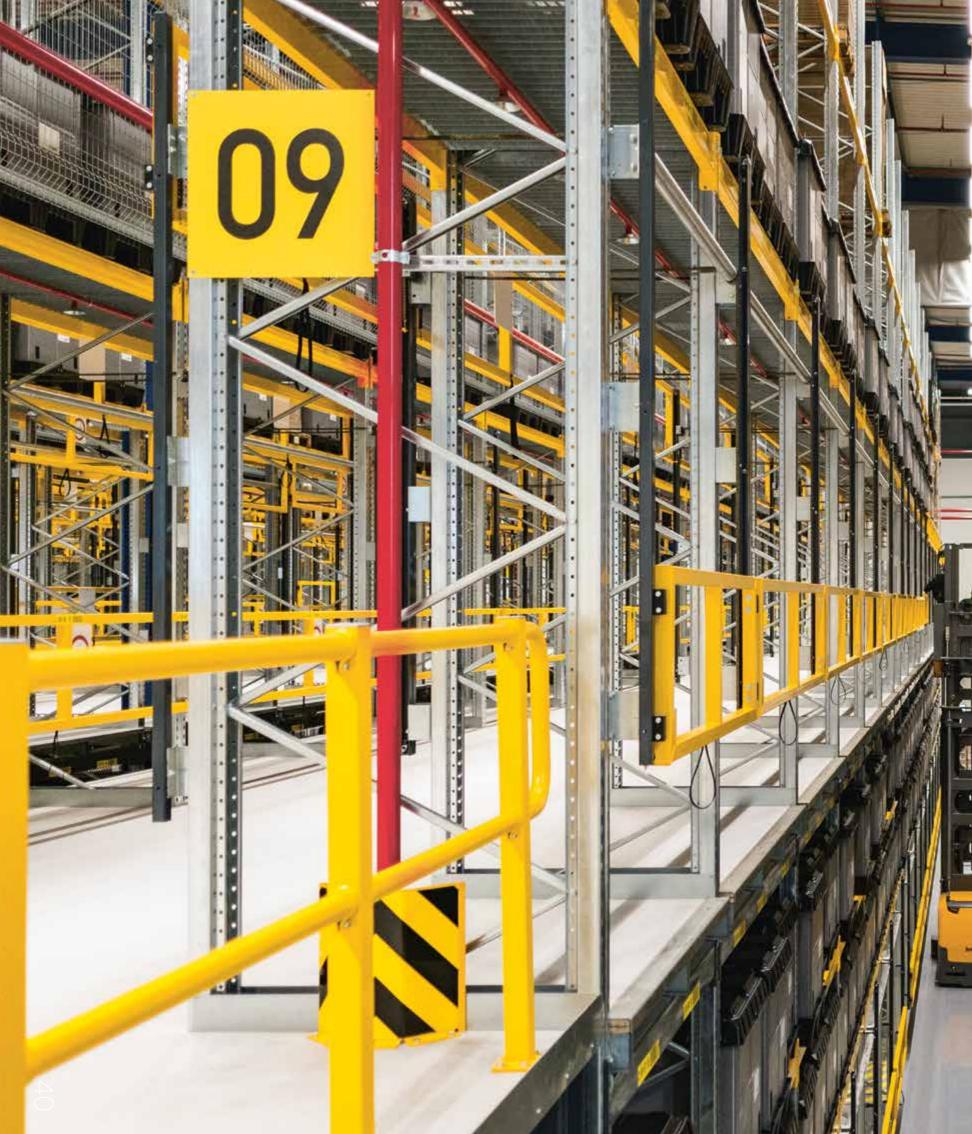
October

CTP ANNOUNCES THAT THE LAST STAGE OF SPIELBERK OFFICE CENTRE IS COMPLETED and

that the new Courtyard Marriott is ready to open for the public. Apart from 201 luxurious rooms on 15 floors, the hotel also offers a sumptuous rooftop suite, a restaurant with a bar for 150 guests and, most importantly, 10 meeting rooms with ample natural daylight and access to the large outdoor terrace. The main conference hall boasts 360 m² of floor space with capacity for 400 people.

November

CTP STATES THAT ENERGY CONSUMPTION WAS REDUCED BY 5% within the CTPark portfolio in 2016. Based on energy studies and CTP's pilot projects, this 5% reduction is attributable to exchanging 200,000 m² of LED lighting. CTP plans to exchange 400,000 m² of LED lighting throughout our portfolio in 2017.







Business Model

FROM PLAN TO HANDOVER

CTP's value add for clients is our vertically integrated business model. Our platform of real estate professionalsdeliverspersonalisedservicefromplan to handover. Our unique combination of in-house skills—including design, construction, legal and financing—gives us the ability to deliver high-quality, custom-built premises for our clients' buildings on time, and on budget.

The CTP
business model
puts the client's
needs at the centre.
CTP cooperates with
the client as with a
long-term partner, not
only during the initial
development process,
but during the course
of their lease to
ensure that they
are fully

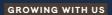




satisfied.
Keeping in
close touch with
our clients allows
CTP to attend to
their current, as well
as future needs. With
the CTP platform of
services in house,
CTP is able to respond in a timely,
professional
manner.



CTP is a long-term developer, unique on the market in that we not only build, but we hold the assets and therefore have a vested interest in their long-term value. As a property manager and devloper, we are able to care for, invest in and maintain our buildings better than any outsourced supplier. We work together with our clients to ensure that our buildings perform. Our property management staff are there from day one, to ensure that our clients and their employees are satisfied, over the long term.



Growth is important for CTP not just as an end in itself, but because it allows us to better satisfy our clients as their business expands. As over 60% of growth comes from existing clients, CTP's growth plan in CEE allows us to serve our clients' location needs, be they an extension to an existing property, or an entirely new facility in a different market. CTP is where our clients need us to be.



The Market

CEE economies remain resilient, with GDP growth levels in 2016 ranging from 2.1 to 5.0 percent, supported largely by private consumption and stronger euro area recovery. Investment across the region was supported primarily by the automotive and energy sectors.

COUNTRY	PARKS	MV (IN EUR THOUSAND)
Czech Republic	54	2,802,000
Romania	11	270,500
Slovakia	6	170,600
Hungary	5	91,800
Poland	4	15,600
Ukraine	1	1,900
Slovenia	1	1,400

Recent global economic winds are having a positive impact on the CEE region, clearly indicating it as one of the most efficient locations for Business Process Outsourcing (BPO) and high-tech innovation compared to other emerging markets. The combination of proximity to western Europe, stable political and economic conditions, comparatively low labour costs and a historically strong industrial base are driving global businesses to both locate more higher value-add operations like design and R&D within the region, and also to re-shore BPO and manufacturing that had been previously outsourced to India, China, southeast Asia and central America.

Experts agree that the direction for CEE markets can only be up, as they move from efficiencydriven to more innovation-driven economies, thus moving up the value chain. The increasing importance of e-commerce and the emerging 'Industry 4.0' revolution, which combines advanced automated manufacturing processes with cyber networks, has earned the region the status as one of the most efficient locations on the globe. Rapid changes in technology are impacting all sectors of the economy, including the demand for new commercial real estate. The new 'Industry 4.0' buildings' increasing use of sensory technologies, big data, and predictive analytics is driving demand for high-tech buildings across the region. An industry statistic notes that every EUR 1 billion of new online sales requires an additional 100,000 m² of new distribution space, as online retailers require up to three times more warehouse space than traditional 'brick and mortar' businesses

Additionally, online retail sales have given rise to abnormally high product return rates of between 15–30%. This has, in turn, driven the need for 'reverse logistics' strategies, which often require specially designed automated logistics centres to handle returns. This growth in automated warehousing technologies has resulted in buildings with specially designed mezzanine floors, higher clear heights, and multi-layered building solutions. Industrial CEE real estate figures for 2016 support this view, recording a 25% increase in leased industrial space compared to 2015—the largest ever: 5.7 million m².

TRENDS FOR REQUIREMENTS

CTP has seen two main trends in terms of requirements through 2016:

- ► Increasing demand from the automotive, electronics and e-commerce sectors;
- Increasing demand from existing clients for expansion opportunities in other CEE markets.

Demand for A-Class built-to-suit facilities remains strong, as does the appetite for energy-efficient buildings, preferably with a 'Good' or better BREEAM-rating. Clients continue to be attracted by secondary cities throughout the region, with a specific tactical advantage, such as a positive cost-to-labour ratio, access to an educated workforce, or proximity to the end-customer, who doesn't necessarily reside in the same country. Newer, more efficient technologies are always preferred by clients, who appreciate occupying a young facility at peak-performance.

SOLVING BUSINESS CHALLENGES

CTP's strategy has always been to provide premium A-class facilities for companies looking to open new—or upgrade existing—strategic investments in CEE. Early on, CTP recognised the opportunities of secondary cities and markets across the region as the areas with maximum growth potential. Investors new to the region require a knowledgeable development partner who has a deep understanding of local market circumstances and the experience and capability to deliver the required space quickly.

SUPPORTING INVESTORS

The CTP Platform is a key enabler of our clients' business and differentiates CTP on the market by providing complete end-to-end property development service. At year-end 2016, CTP staff numbered approximately 250 professionals on the ground across CEE. We have always had a wide offering of space across our core market, but with 2016's futher expansion into Romania, Hungary, Slovakia, and Poland, we are now in a better position to offer clients flexible space solutions in multiple locations. CTP's expansion is a direct result of the increasing number of existing clients who choose to move within the network to another CEE location.



The Czech Republic is considered a highly efficient market, with R&D spending matching the EU average. Combined with the lower cost of labour, the country's industrial value add is higher than anywhere in Europe. Recently, Škoda Auto posted EUR 450,000 Gross Value Add (GVA) per employee during the manufacture of 2 million cars.

SLOVAKIA

In 2016, Slovakia continued as a GDP growth leader of both the Eurozone and its CEE partners. Driving growth is the automotive industry, which broke production records in 2016 with over one million cars produced. Manufacturers expect to exceed these results in 2017. Increased household income and higher consumer spending is expected to further drive economic growth as in 2016, where retail sales were 4.3% higher y-o-y.

HUNGARY

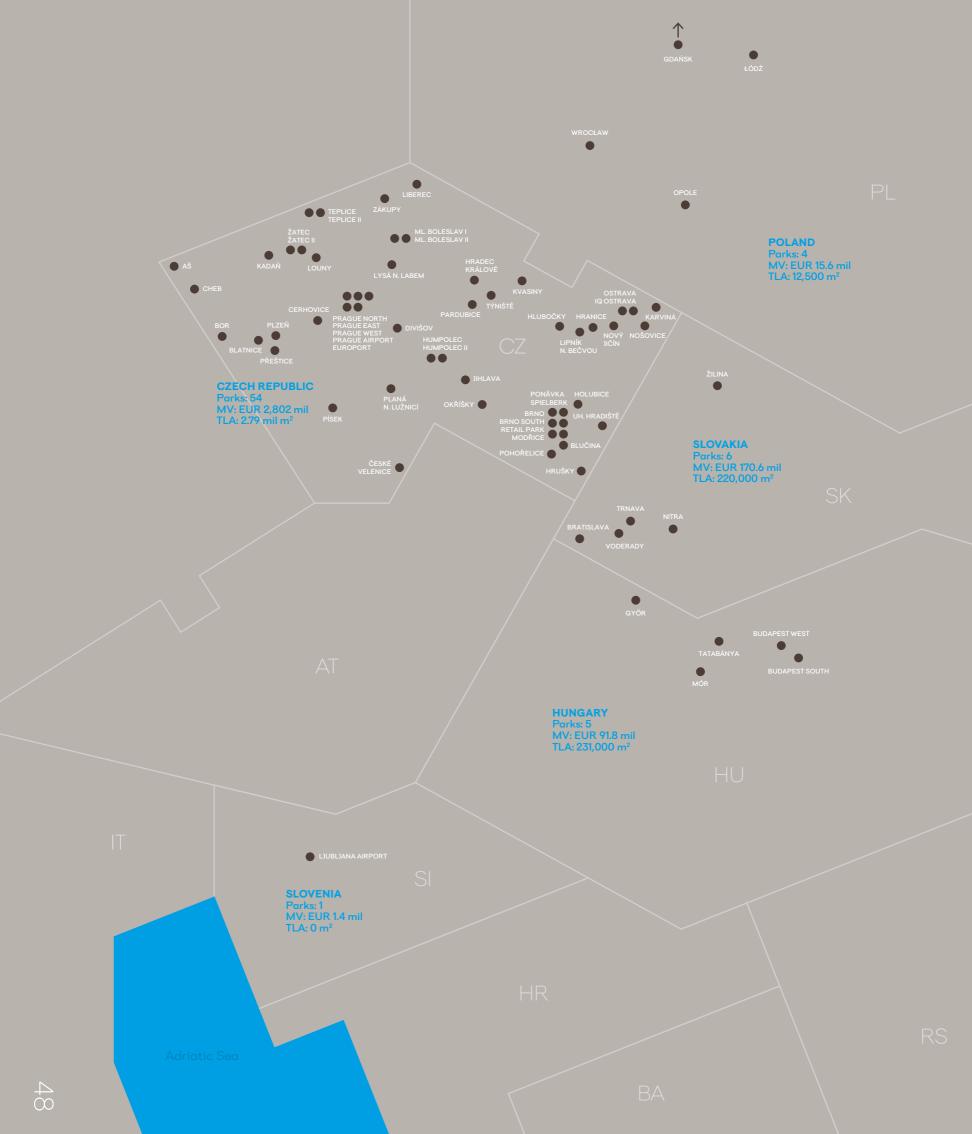
Like the Czech Republic, Hungary is also considered a highly efficient market, with R&D spending on par with the EU average. Considered one of the up-and-coming players in the 'Industry 4.0' revolution, particularly in the auto industry. Audi Hungary posted a GVA per employee of EUR 640,000 on the production of 2 million engines.

ROMANIA

In recent years, Romanian manufacturing has become highly integrated into European supply chains. The country's car industry is responsible for 2% of EU and 10% of CEE production, ranking 11th in Europe. In addition to the major expansion of consumer spending, BPO, Smart Supply Chains, and the IT sectors are seen as the main drivers of future growth and employment. In 2016, these sectors grew 12% y-o-y, the second-most important contributor to GDP growth after consumer spending.

POLAND

The largest of the CEE economies and representative of the region in general, Poland is considered as holding a good balance between political and market conditions, risk and cost. The country has attracted the majority of the region's shared-service centre boom, which employs over 300,000 people regionally.



As at-end 2016, CTP's balanced portfolio of industrial, office, retail and hotel properties comprised 3.84 million m² of premium space for lease throughout Europe. More than 80 parks comprise the award-winning CTPark Network. /IV: EUR 1.9 mil

Czech Republic

The Czech economy grew 2.6% in 2016, with further growth in the forecast.

The Czech economy is dynamic, attracting increasing numbers of high-tech investors. In 2016, the export-driven economy benefited from the sound economy in Germany and the strong European demand for automobiles. The car industry accounts for 20% of exports and 10% of GDP.

Czech growth is based on household consumption and public investment. In 2016, public debt remained moderate; local investors own 75% of public debt. However, budgetary discipline may moderate somewhat in 2017 in the run-up to the parliamentary elections in October. Inflation in 2016 was held at 0.5%.

The Czech economy is one of the most developed in CEE and has remained resilient to external financial shocks. The unemployment rate, which had increased as a result of the crisis, fell sharply in 2016 to 4.7%.

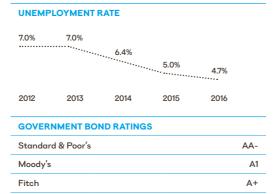
INDUSTRIAL MARKET FACT

In 2016, 500,000 \mbox{m}^2 of new industrial space was constructed, continuing the booming pace set in 2015.

COUNTRY OVERVIEW	
Total area	78,867 km²
Capital	Prague
Total population	10.5 million
Labour force	5.3 million
Adult literacy	99%
COUNTRY ECONOMIC STATISTICS	
GDP Growth	2.6% (2016)
GDP per capita	US\$ 18,326 (2016)
Gross domestic expenditure on R&D	1.95% (2015)
GDP COMPOSITION BY SECTOR	
Services	60.3%
Industry	37.3%
Agriculture	2.4%

2.6%

GDP GROWTH 2016



NUMBER OF PARKS

54

MV (IN EUR THOUSAND)

2,802,000

FEATURED NEW CONSTRUCTION IN 2016 (IN M²)

CTPark Bor

41,000

CTPark Planá nad Lužnicí

29,000

CTPark Modřice

21,000

CTPark Zákupy

16,000

CTPark Plzeň

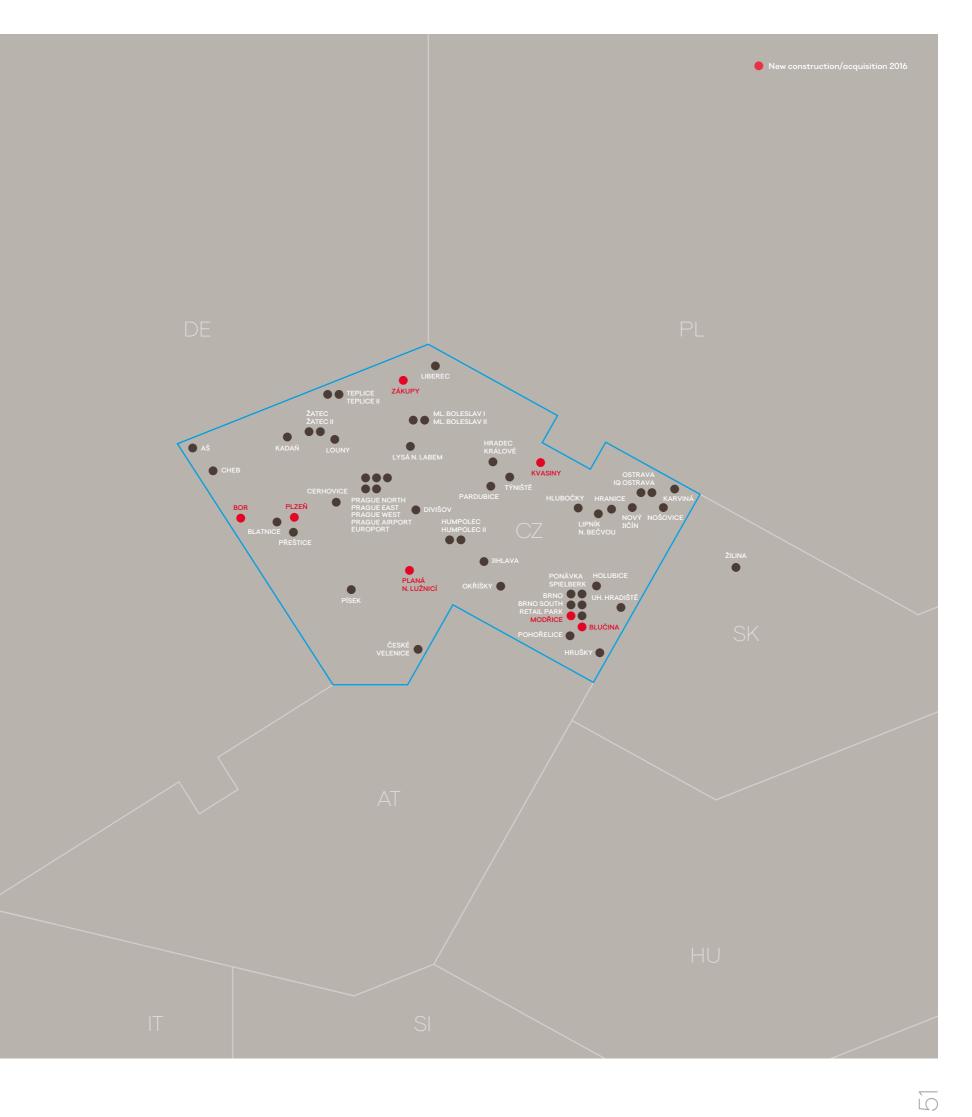
14,000

CTPark Kvasiny

11,000

CTPark Blučina

9,000











































Romania

The Romanian economy has experienced sustained growth in recent years and is now considered the second-most dynamic in CEE after Poland.

In 2016, Romanian GDP grew by 5%. The IMF forecasts a slowdown to 3.8% GDP growth in 2017. In 2016, economic reforms produced a strong fiscal stimulus via the reduction of VAT, an increase of the minimum wage and wage hikes in both the public and private sectors. The government has managed to control the country's finances, and the public deficit is low (2.8%). Moreover, Romania has one of the lowest public debt levels in the EU (39% of GDP in 2016) and a negative inflation rate of -1.1% (2016). Nevertheless, it is expected that reforms, based on tax cuts and welfare expenditure, will increase the government deficit—to 3.4% of GDP in 2017.

The unemployment rate, which was quite low before the financial crisis, has grown since 2008 to reach 6.7% in 2016. The country maintains its objective of joining the Eurozone in 2019.

INDUSTRIAL MARKET FACT

In 2016, 400,000 m² of new industrial facilities was constructed, more than all industrial space developed since 1998 combined.

COUNTRY OVERVIEW	
Total area	238,391 km²
Capital	Bucharest
Total population	21.2 million
Labour force	9.5 million
Adult literacy	97.7%
COUNTRY ECONOMIC STATISTICS	
GDP Growth	5.0% (2016)
GDP per capita	US\$ 9,439 (2016)
Gross domestic expenditure on R&D	0.49% (2015)
GDP COMPOSITION BY SECTOR	
Services	59.4%
Industry	34.2%
Agriculture	6.4%

5.0%

GDP GROWTH 2016



GOVERNMENT BOND RATINGS	
Standard & Poor's	BBB-
Moody's	ВааЗ
Fitch	BBB-

NUMBER OF PARKS

11

MV (IN EUR THOUSAND)

270,500

FEATURED NEW CONSTRUCTION IN 2016 (IN M²)

CTPark Cluj

24,000

CTPark Bucharest West

21,000

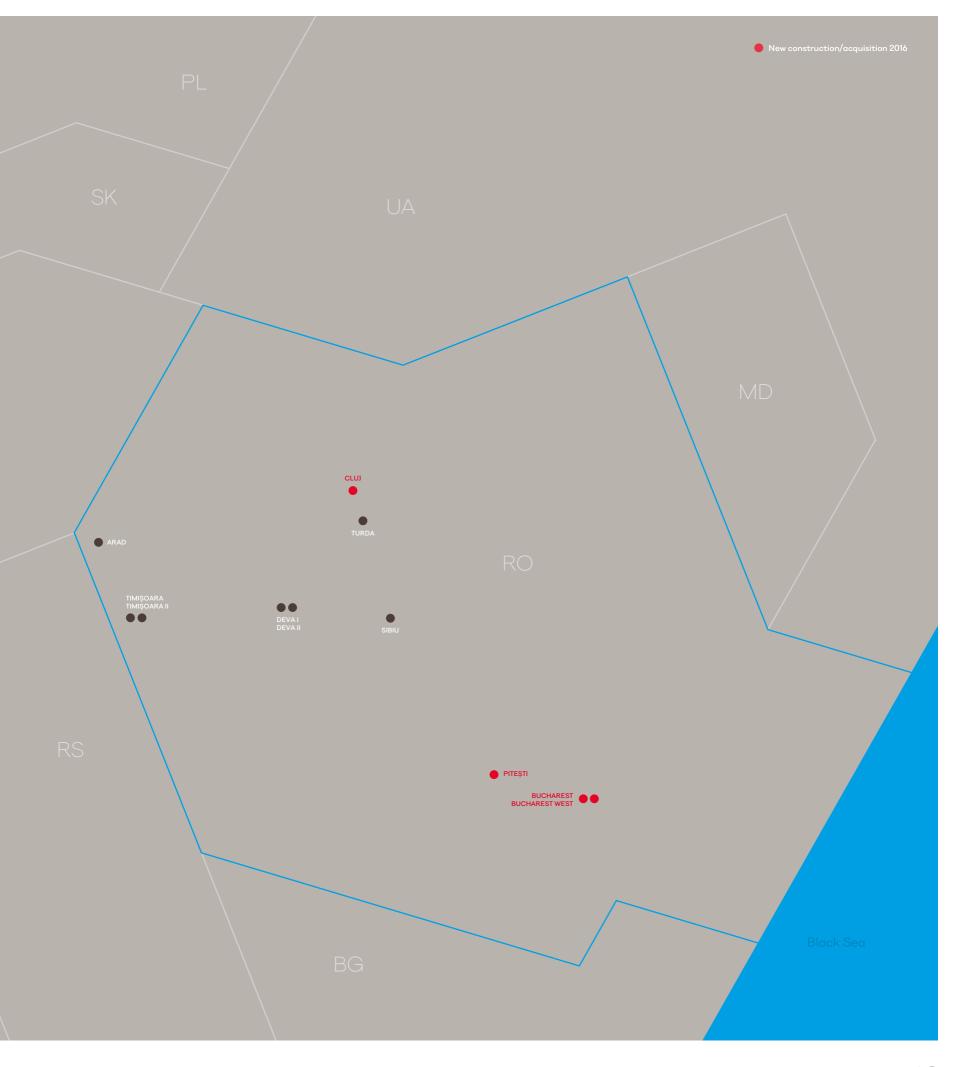
CTPark Bucharest

12,000

CTPark Pitești

14,000

HU















Slovakia has experienced sustained and steady GDP growth since its integration into the European Union in 2004, except for the financial crisis of 2008-2009.

In recent years, the Slovak economy has made a comeback, fueled by the return of internal and European demand. The GDP growth rate is estimated to remain about constant at 3.3% in 2017.

Slovakia's taxation system is well adapted to the needs of trade, and the workforce is highly qualified. The country also benefits from an advantageous location at the crossroads of central Europe. Slovakia remains a small economy but has a strong financial system and offers a solid production platform for the European automotive and electronic industries. In 2016, its trade balance was in surplus of about EUR 4 billion. Inflation was situated at -0.2% in 2016.

Unemployment declined to below 10% in 2016, with a further decline expected in 2017. The country's debt reached 52% in 2016. Exports should remain dynamic in 2017, but will evolve in proportion to the economic dynamism of the country's European partners.

INDUSTRIAL MARKET FACT

Industrial take-up in Slovakia almost doubled in 2016 compared to 2015, with total industrial stock rising nearly 20% to approximately 1.8 million m².

COUNTRY OVERVIEW	
Total area	49,035 km²
Capital	Bratislava
Total population	5.4 million
Labour force	2.7 million
Adult literacy	99.6%
COUNTRY ECONOMIC STATISTICS	
GDP Growth	3.3% (2016)
GDP per capita	US\$ 16,648 (2016)
Gross domestic expenditure on R&D	1.18% (2015)
GDP COMPOSITION BY SECTOR	
Services	64.8%
Industry	31.6%
Agriculture	3.6%

GDP GROWTH 2016

3.3%

UNEMPLOYMENT RATE 11.5% 9.9% 2012 2013 2014 2015 2016 **GOVERNMENT BOND RATINGS** Standard & Poor's Α+ A2 Moody's Fitch A+

NUMBER OF PARKS



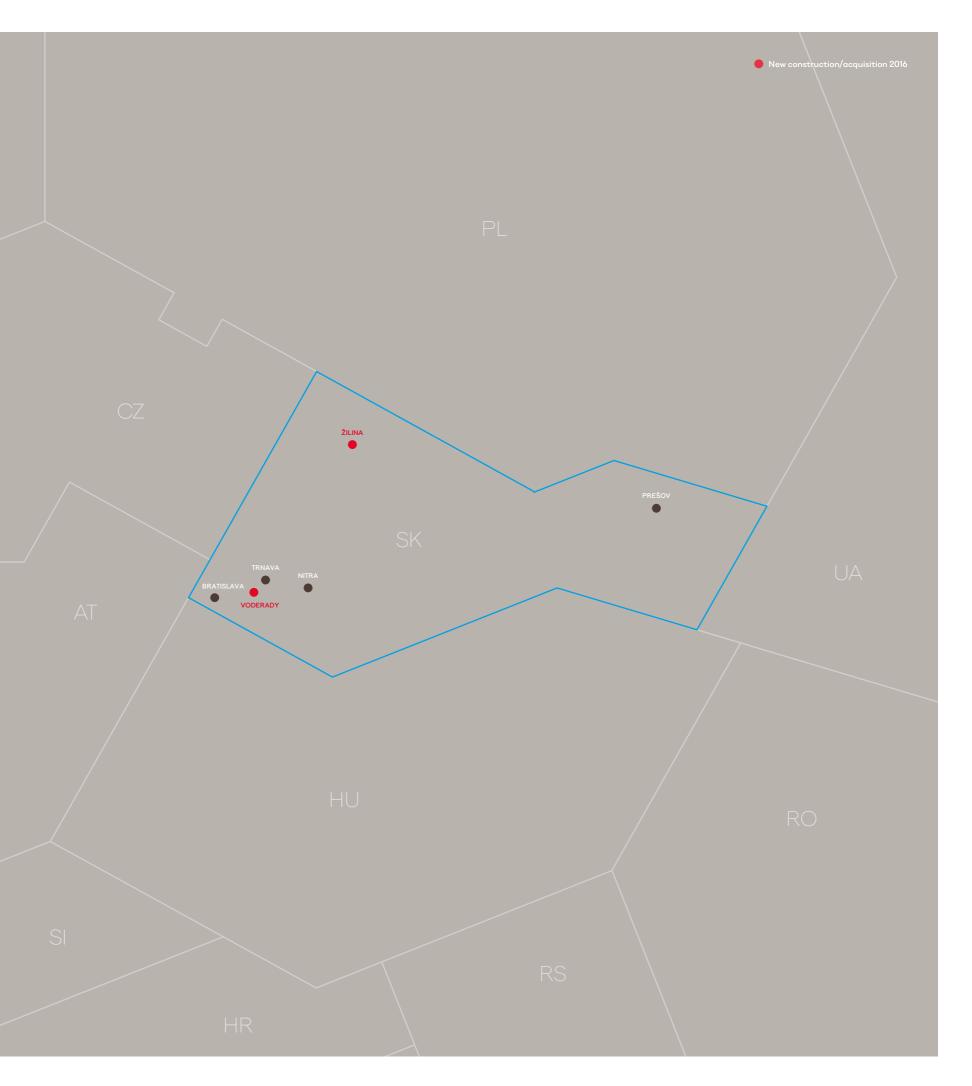
MV (IN EUR THOUSAND)

170,600

FEATURED NEW CONSTRUCTION IN 2016 (IN M2)

CTPark Voderady 10,000

CTPark Žilina 8,000















Hungary

The Hungarian economy grew 2% y-o-y in 2016 and remains resilient despite pressure on the banking sector.

During 2016, the government continued its policy of pursuing the nationalisation of certain banks, and during the year, the fragility of the banking sector penalised the economy, notably due to regulatory uncertainties. GDP growth remained resilient in 2016, due in large part to the inflow of EU structural funds. The level of public debt rose to nearly 75% of GDP during the year but is projected to decrease slightly in 2017.

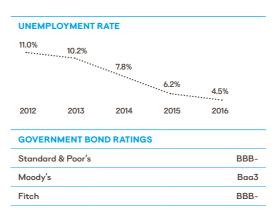
The unemployment rate continued to decline, reaching 4.5% in 2016, and this downward trend is expected to continue in 2017.

INDUSTRIAL MARKET FACT

In 2015, Hungary recorded its highest-ever take-up of industrial space in one year, nearly 500,000 $m^2.\,$ In 2016, the market shattered that record, beating by 15 times the previous year's record.

COUNTRY OVERVIEW	
Total area	93,028 km²
Capital	Budapest
Total population	9.9 million
Labour force	4.4 million
Adult literacy	99%
COUNTRY ECONOMIC STATISTICS	
GDP Growth	2.0% (2016)
GDP per capita	US\$ 11,903 (2016)
Gross domestic expenditure on R&D	1.38% (2015)
GDP COMPOSITION BY SECTOR	
Services	68.6%
Industry	28%
Agriculture	3.4%
GDP GROWTH 2016	

20%



NUMBER OF PARKS

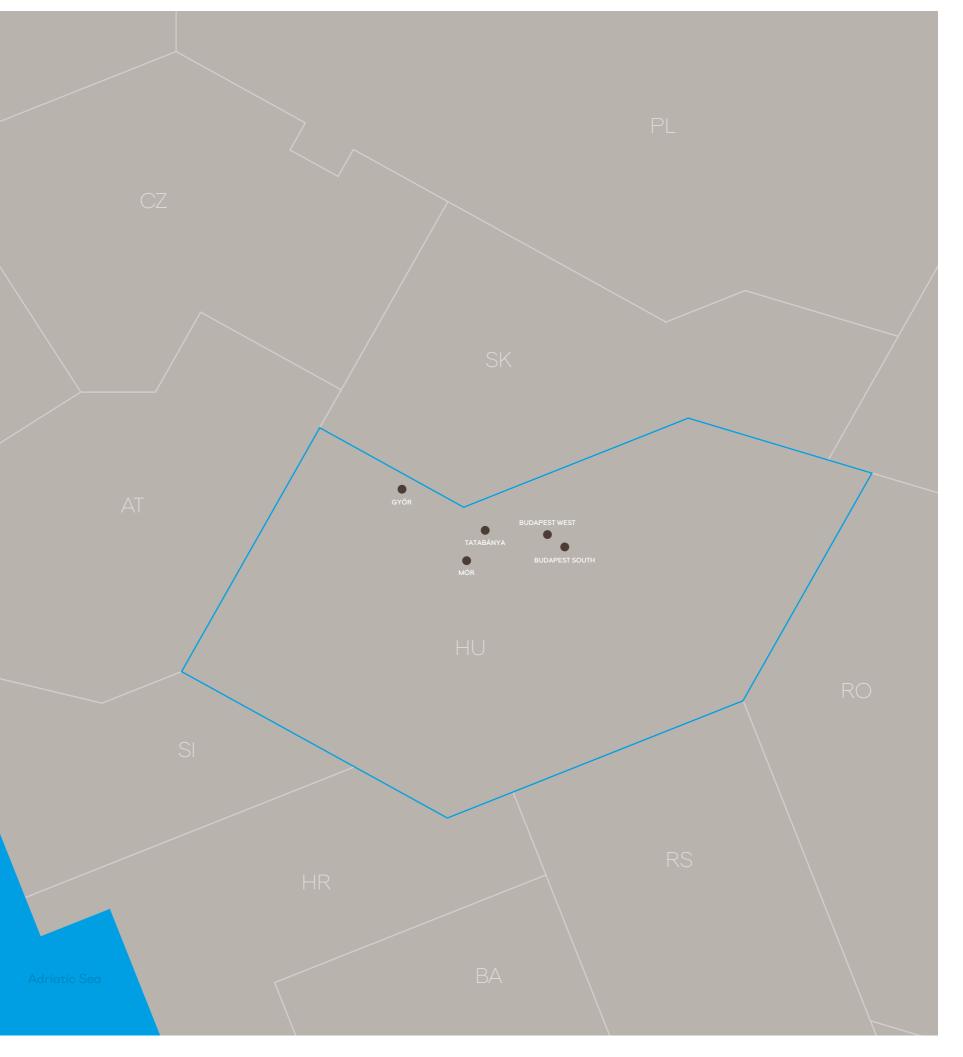
5

MV (IN EUR THOUSAND)

91,800

DE













CTPARK BUDAPEST SOUTH
In 2016, CTP purchased three existing high-bay warehouses totaling 100,000 m², strategically located near the Budapest airport at the intersection of the Budapest ring-road and Route 4. Tenants include DHL Supply Chain, Auchan, Orbico, Trophy King, and Emag, an online retailer, for whom we completed construction of a 12,000 m² expansion in 2016. LED light installation continued during the year, with 50,000 m² to be installed by 2017.









Poland

Poland has emerged as a dynamic market over the past 25 years and was the only EU member state to avoid recession during the financial crisis.

The Polish economy has many advantages: it uses resources from the European Structural Funds efficiently and has a resilient banking system and strong domestic demand. In 2016, GDP growth reached 3.1%, with further growth projected for 2017.

The unemployment rate, which rose during the global economic crisis, has been steadily decreasing since 2013. It fell to 6.5% in 2016.

INDUSTRIAL MARKET FACT

Historically the regional leader in industrial development, the Polish market expanded 1.2 million m^2 in 2016, the most in 19 years, while increasing by more than 10% annually since 2010.

COUNTRY OVERVIEW		
Total area	238,391 km²	
Capital	Bucharest	
Total population	21.2 million	
Labour force	9.5 million	
Adult literacy	97.7%	
COUNTRY ECONOMIC STATISTICS		
GDP Growth	3.1% (2016)	
GDP per capita	US\$ 12,309 (2016)	
Gross domestic expenditure on R&D	1.0% (2015)	
GDP COMPOSITION BY SECTOR		
Services	58.9%	
Industry	38.5%	
Agriculture	2.7%	

GDP GROWTH 2016

3.1%

UNEMPLOYMENT RATE					
10.1%	10.3%	9.0% ······	75%		
				6.5%	
2012	2013	2014	2015	2016	
GOVER	NMENT BON	ID RATING	S		
Standar	d & Poor's				BBB+
Moody's					A2
Fitch					A-

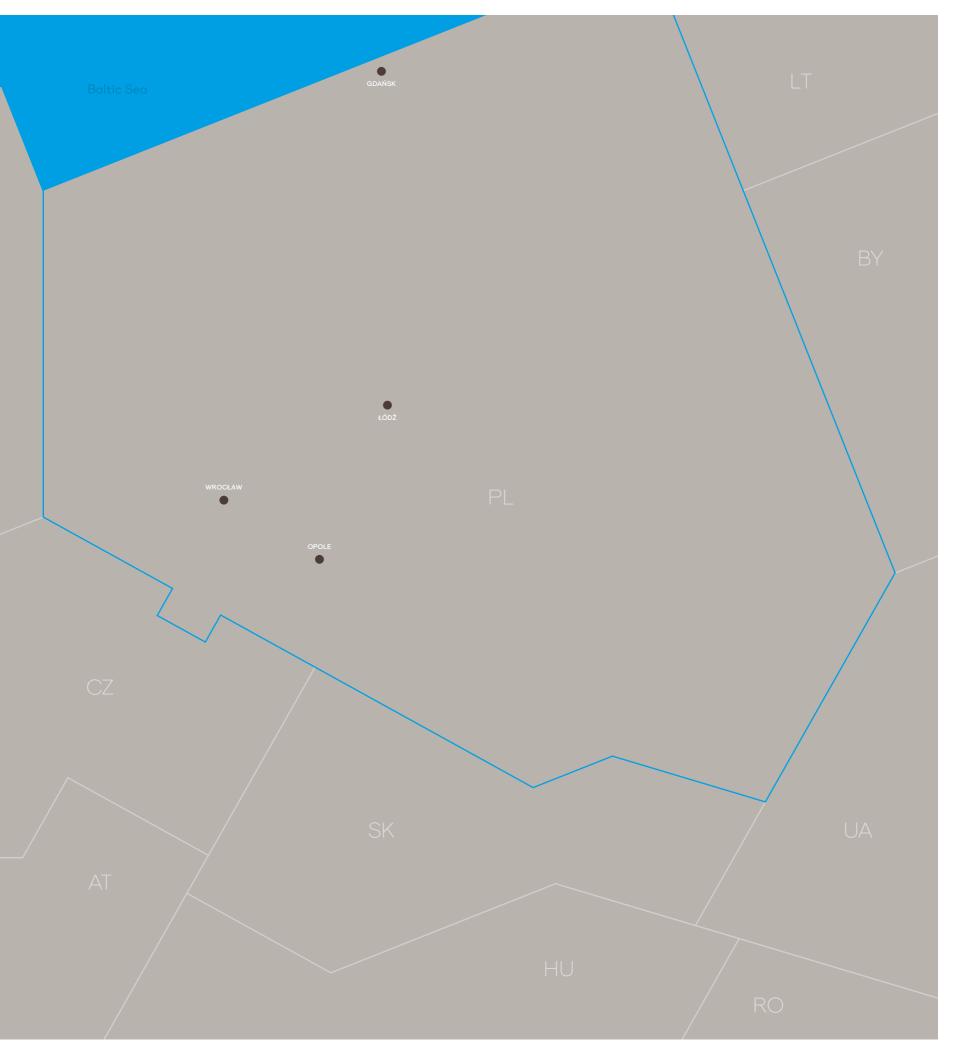
NUMBER OF PARKS

4

MV (IN EUR THOUSAND)

15,600

DE







Portfolio Report

CTP's portfolio of A-Class properties grew in 2016 by over 18% year-on-year, from 3.24 million m², to 3.84 million m². The majority of portfolio growth came from own construction, despite making strategic acquisitions in Hungary in order to grow there quickly. The demand for new premises was strong in all markets, with our home market, the Czech Republic, driving the majority of growth. We continued to invest in our land bank to ensure sufficient room for the future needs of tenants.

PORTFOLIO COMPOSITION

The CTP portfolio consists of both buildings In 2016, we continued to focus on growth in new ing 2016, in order to focus on our core business, we divested some non-core assets in the Czech Republic, which marginally reduced the portfolio Due to a strong team on the ground and strategic size by 19,701 m².

GEOGRAPHIC BREAKDOWN OF PORTFOLIO

The Czech Republic remains our core market in terms of portfolio size, which in 2016 grew by approximately 204,000 m². Romania, our secondlargest market, comprises around 12% of TLA. We expanded our Hungarian portfolio rapidly, growing 191,000 m² in 2016. In Romania and Slovakia, the portfolio grew by a combined 109,000 m². CTP has a small but growing presence in Poland, Ukraine and Slovenia, with plans for future expansion. The company also holds assets in Germany and Austria, but these are non-core to the portfolio.

and land. Our 248 buildings are primarily in- markets as part of our plan to remain the dustrial properties. In 2016, industrial premis- largest developer in CEE, diversifying our portes comprised 90% of total lettable area (TLA). folio strategically across the region to better Warehousing and logistics overtook manu- serve client requirements. As in previous years, facturing during the year to account for the growth in 2016 was driven by current client expanlargest portion of TLA, driven by the growth of sions. As expected, the Czech Republic expanded e-commerce and the automotive industry. Dur- organically more than in other markets as clients continued to expand their current premises.

> timing, CTP was able to grow quickly in Hungary, with the aim to grow in there to 400,000 m² by end 2017. In Romania, we constructed 72,000 m² of new premises, comprising 15% of overall portfolio

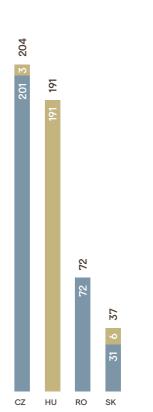
> CTP strategically decides to purchase land in regions where we anticipate future growth, based on our understanding of the market and by maintaining open communication with our clients obout their expansion plans. In 2016 we made significant purchases of land adjacent to fast-growing parks in other markets, including CTPark Bucharest West, where we now hold nearly 120 hectares of land for future growth.

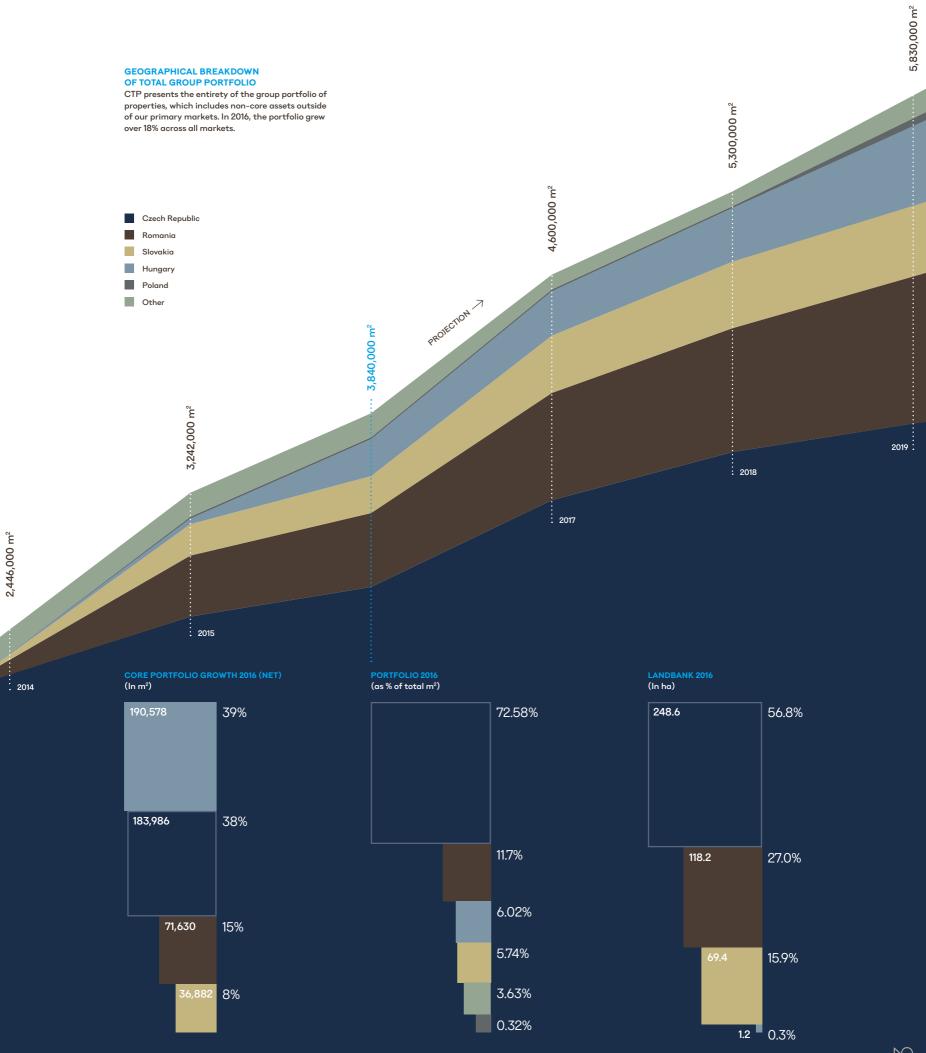
CORE PORTFOLIO GROWTH 2016

(In thousands m2)

The core portfolio grew over 500,000 m² in 2016. Strategic divestments in the Czech Republic resulted in modestly lower net

Construction Acquisition

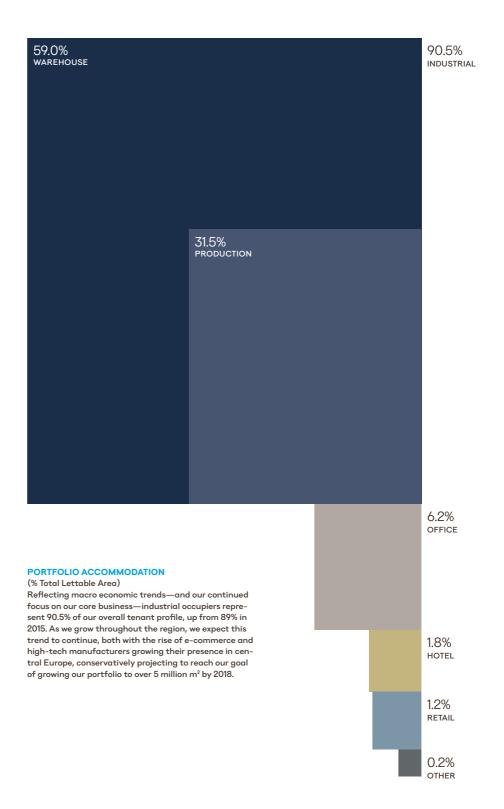




TENANT PROFILE

Our top 20 clients are mainly large-scale international companies representing a diverse array of sectors, which is a positive indicator of the flexibility of the property solutions that CTP offers. The wide variety of business sectors represented and the long-term nature of these operations provides stability to occupancy and therefore to projected rental income. We expect this trend to continue, not just in our home market of the Czech Republic, but also in our expansion markets of Romania, Hungary and Slovakia, where many of our current clients are looking to augment their CEE operations.

TOP 20 CLIENTS	
ABB	Henniges
Avast (AVG)	Honeywell
Brembo	Kompan
Bridgestone	Lidl
Calbertson	Moduslink
DHL	Primark
DSV	SCHNELLECKE
Epoq Logistics	Tech Data
Faurecia	Tieto
FEI	Wistron



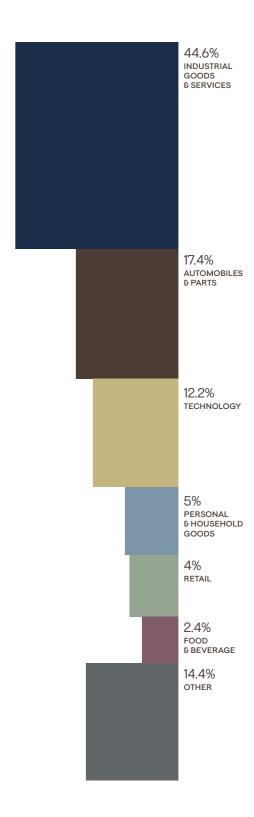
PORTFOLIO PERFORMANCE

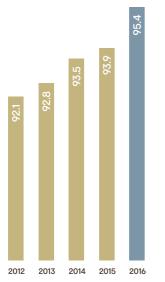
Due to strong market conditions, CTP primarily built new premises based on pre-negotiated future lease agreements, building only a modest amount of speculative space where we were confident of existing client expansions, or where the overall market occupancy and demand were both high. In addition, assets acquired during 2016 were mostly fully occupied. These factors, in combination with the strength of our in-house business development team, allowed CTP to increase occupancy across the portfolio to 95.4%, in accord with—but ahead of—market trends.

REVENUE BY SECTOR

(In %)

While industrial premises represent the majority of lettable area, our tenants represent a wide variety of industries, buttressing the strength of our business model. Occupiers in industries with a long-term horizon, or in high-value added sectors, generate the majority of our revenue streams. This sectoral diversity protects our company from market changes in more volatile industries.





OCCUPANCY OF CORE PORTFOLIO ASSETS

(In %)

Occupancy increased during 2016, growing 1.5 bps to 95.4%, reflecting strong demand on the market, our ability to pre-lease built-to-suit premises, and modest speculative construction.

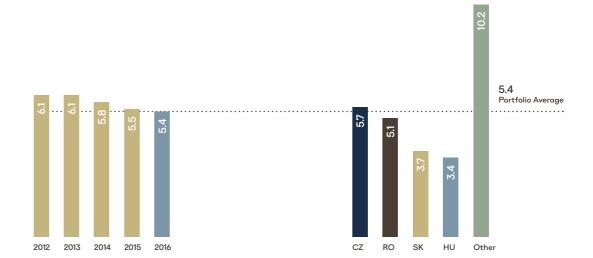
WAULT

In 2016, we managed to maintain stability in our WAULT particularly in our core markets due to both renegotiations with existing clients and take-up of new buildings. Despite an overall increase of logistics and warehouse operators, who generally sign for shorter lease terms than manufacturers, portfolio WAULT was not overly impacted. In countries where we expanded through new construction, annual WAULT regression was damped.

WAULT (WEIGHTED AVERAGE UNEXPIRED LEASE TERM, IN YEARS)

Overall WAULT of our portfolio decreased modestly, reflecting the growth of warehousing and logistics operators who require shorter lease terms. We were able to dampen this effect on WAULT through effective renegotiations of lease expirations in combination with the growth the number of clients in newly built premises.

WAULT (MARKET BREAKDOWN)



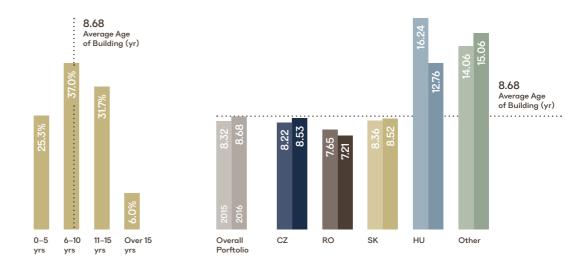
AGE OF BUILDINGS

Our buildings are relatively young, with an average of 8.68 years. As a long-term developer and investor, we continue to upgrade our older facilities to meet improved standards. The age differences of the properties in our new markets is a result of acquisitions of older buildings. We plan investments into these new assets to align them with our more modern standards.

Strategically, CTP has chosen to develop in regions ripe for growth. A majority of our portfolio is comprised of buildings constructed by CTP Invest. Of these, the overwhelming majority is under 10 years old, and therefore, have many years of use ahead. During 2016, due to the construction of over 300,000 m² of new space and acquisitions which fit our portfolio profile, we managed to slow the natural aging of our portfolio, with the average age increasing marginally.

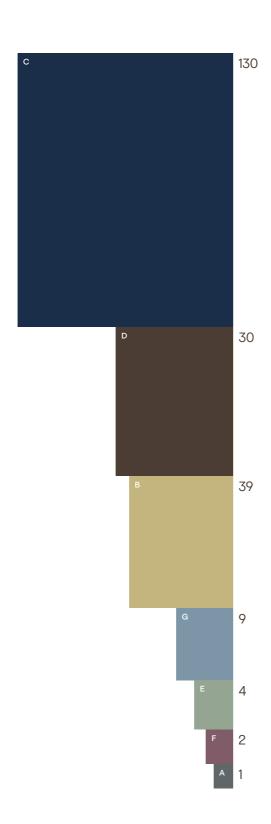
BUILDINGS PER AGE CATEGORY

AVERAGE AGE OF BUILDINGS BY COUNTRY



BREEAM STANDARDS

Beginning in 2014, CTP committed to build all new buildings to BREEAM standards and to undertake BREEAM certification on key new projects. In 2016, we began BREEAM certification of selected buildings in Romania for the first time, targeting Very Good for three of our new industrial buildings at CTPark Bucharest West. To date, CTP has achieved BREEAM Outstanding certification for Tower I at Spielberk and BREEAM Excellent with our office developments IQ Ostrava and the offices at Ponāvka. Significantly, in our industrial parks, we received BREEAM Excellent for both the Honeywell Campus and ABB facilities in CTPark Brno.



BREEAM CERTIFIED BUILD	DINGS				
Building Name	Location	Rating	Date Issued	Scheme	
Czech Republic					
Tower 1	Spielberk	Outstanding	May 2013	BRE 2009	
IQ Ostrava	Ostrava	Excellent	Feb 2014	BRE 2009	
A4.1 A	CTPark Brno	Excellent	Jul 2014	BRE 2009	
A4.1 C	CTPark Brno	Excellent	Sep 2015	BRE 2014	
D2.1	CTPark Brno	Very Good	Nov 2015	BRE 2009	
A3.2 (Original building)	CTPark Brno	Very Good	Feb 2015	BRE 2013	
A3.2 D (Extension)	CTPark Brno	Excellent	Feb 2015	BRE 2013	
Office A1	Ponāvka	Excellent	Jun 2014	BRE 2009	
Romania					
BUW12	CTPark Bucharest West I	Very Good	Dec 2017	BRE 2016	
BUW10	CTPark Bucharest West I	Very Good	Nov 2017	BRE 2016	
BUW13	CTPark Bucharest West I	Very Good	Sep 2017	BRE 2016	

BUILDINGS ACCORDING TO ENERGY CLASSIFICATION (CZECH REPUBLIC SAMPLE)

CTP continues to invest in older properties to bring them up to modern standards, and in the process improving their overall energy consumption. Each year, external auditors rate our buildings in the Czech Republic. In 2016, overall EPC scores in the Czech market were as indicated in the adjacent graph.

PORTFOLIO VALUE

Portfolio value is primarily derived from our industrial properties, which comprise over 85% of the Market Value (MV)* of the entire portfolio. The ovearll market value of the portfolio increased 15.7% y-o-y.

Changes in the valuation of our portfolio mirror changes to the composition of the portfolio during the year, reflecting the increase in overall TLA, the mix of premises, sectors, and occupiers, as well as overall market forces.

Due to the opening of a new Courtyard by Marriott at Spielberk in October, the valuation of our Hotel holdings increased sharply, though still comprising a small portion of the overall portfolio.

The CTP portfolio was independently surveyed by Jones Lang LaSalle and CBRE, who have estimated the fair value of the portfolio at EUR 3,382 million as at 31 December 2016. The comparable value at year-end 2015 was EUR 2,924 million.

PORTFOLIO VALUATION, 2016 (In EUR million)

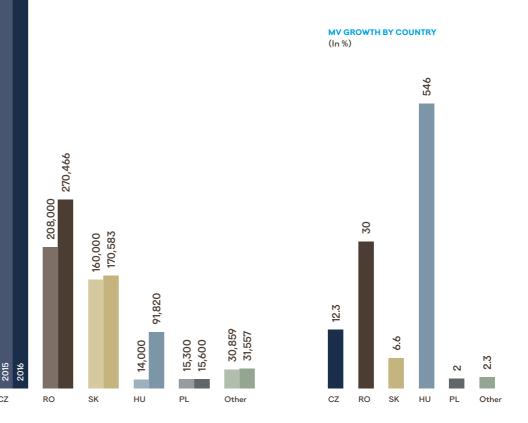
2,802,232

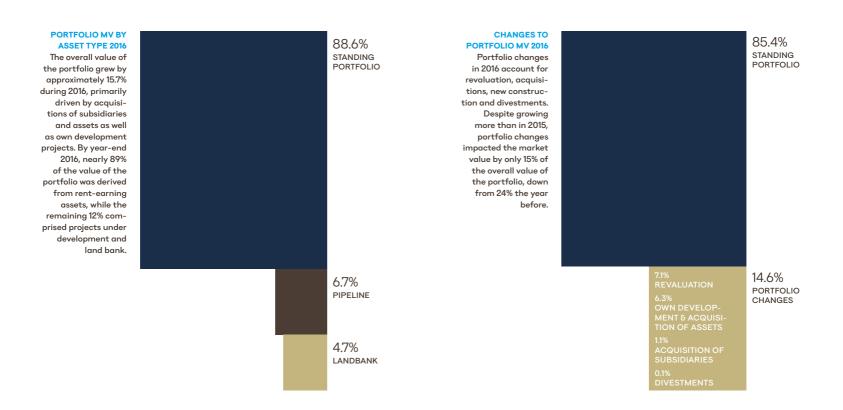
3,382

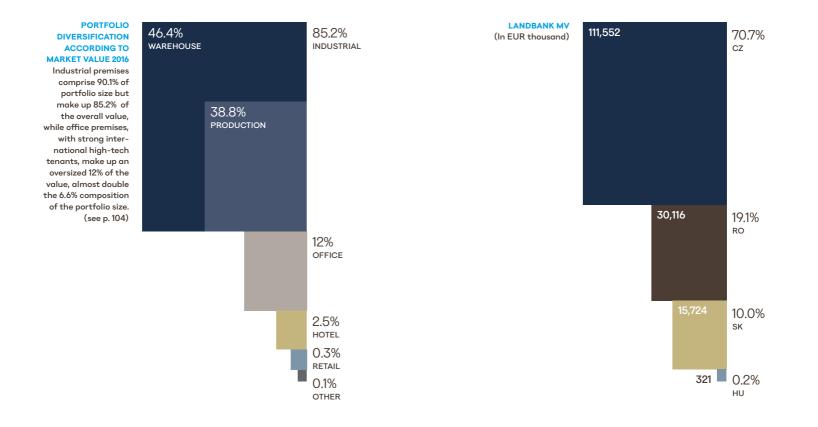
PORTFOLIO VALUATION, 2015 (In EUR million) 2,924



^{*} For the above, Market Value definition under RICS meets the Fair Value Measurement reqauirement under IFRS 13.











Five Building Types

CTP's industrial portfolio is centered on our core business—The CTPark Network—the largest integrated system of premium business parks in CEE. With over 80 locations and sufficient land bank available, the CTPark Network enables our clients to cover the whole region. To meet the requirements of major industries, CTP has developed five, bespoke building types ranging in size and functionality to support diverse business activities, including high-tech manufacturing, supply-chain and distribution centres, advanced R&D and back-office operations. The in-house CTP Platform provides for the financing, design and construction of custom-built industrial properties and interior fit-outs, including sophisticated production lines, clean rooms and laboratories, and complex building management systems.



1. CTBox

450-800 m²

CTBox facilities are specifically designed to support smallerscale and location-specific operations and feature the threein-one functionality of retail, warehousing or light manufacturing, and office facilities under one roof. This flexibility supports a range of activities, including light industrial, wholesale and retail operations, service and customer support centres, and local and last-mile e-commerce warehousing and distribution centres. CTBox units are available at select CTPark locations, particularly at locations near city centres. Additionally, CTBox units are available as part of the unique office and mixed-used development at Ponāvka, in Brno.



2. CTFlex

1,150—3,000 m²

CTFlex buildings are mediumscale, multi-purpose facilities pre-built throughout CEE to support diverse business activities, including high-tech manufacturing, logistics and R&D. Flexible building design and partition walls enable tenants to locate multiple operations, including manufacturing, storage, lab and office functions, in one efficient unit. CTP maintains an appropriate level of available stock in strategic locations to meet the needs of clients seeking rapid expansion. We routinely custom-fit and improve CTFlex facilities for new tenants, thus maximising asset value. CTFlex buildings are often used by clients as a first-step solution while a custom-built property is being developed. CTFlex buildings can also be adapted to meet the changing business requirements of clients.



3. CTSpac

From 3,000 m²

CTP builds and maintains high-quality, modern warehouses to accommodate the storage, distribution and supply-chain needs of global business. We ensure that an appropriate level of pre-built CTSpace stock is available in strategic locations to accomodate clients that require immediate market entry. We often deliver purpose-designed and purpose-built automated warehousing systems as part of CTSpace facilities to support our clients' increasingly sophisticated supply-chain, logistics and delivery operations. CTSpace facilities are available throughout the CTPark Network and are concentrated in geographic areas that best support cross-border business.



4. CTOffice

From 195 m²

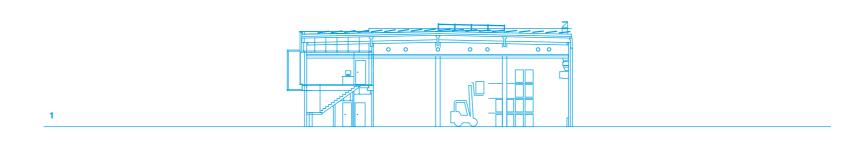
CTOffice buildings are modern, A-class and cost-effective offices designed to support a range of activities. While typically located as part of a larger CTPark location, CTOffices are built to the same standards as CTP's standalone office park developments and include on-site amenities and landscaped gardens, which create a focal point for the CTPark development. CTOffices are available at select locations within the CTPark Network, and all are connected by on-site public transportation to nearby city centres. Activities carried out at CTOffice facilities range from call centres and customer support and billing to R&D labs and regional headquarters for industrial operations. CTOffice buildings can be custom-built to meet specific client requirements.

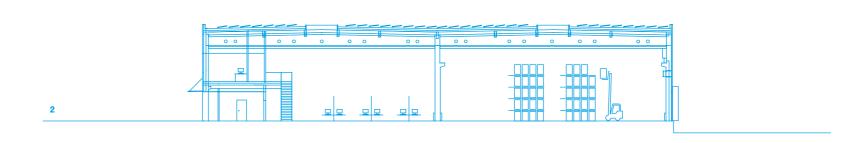


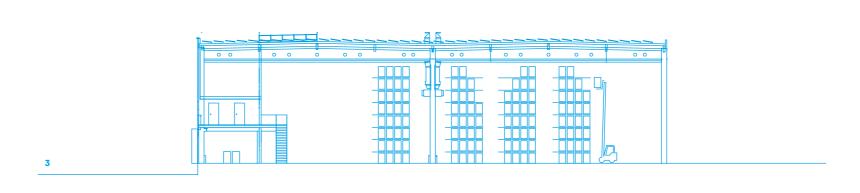
5. CTFit

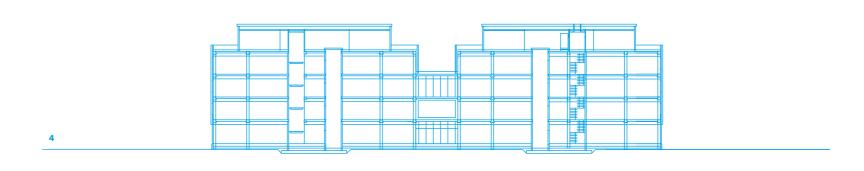
From 5,000 m²

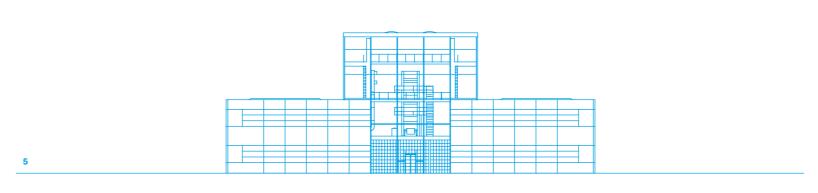
CTP specialises in custom-built properties and fit-outs to meet the most demanding, industry-specific requirements. CTFit properties are typically high-tech manufacturing centres, state-of-the-art R&D laboratories, sophisticated distribution hubs, and premium office properties for companies moving operations to the CEE— both first-time investors and existing CTP clients who are consolidating or expanding operations to new, purpose-built facilities.















Focus: Platform

CTP derives a competitive edge thanks to its vertically integrated business model and dedicated team of professionals, who bring extensive, hands-on experience to each project. The CTP Platform provides seamless, full-service coverage at all stages of property development, together with comprehensive property management services.

The efficiencies and synergies of our business model create savings in both time and direct costs for our clients. Beyond the bottom line, our in-house services mean that we have greater control of project quality during the entire development cycle. By in-sourcing, we increase value and ensure that knowledge is retained in the company and is available for continual improvement and innovation, which allows us to provide better and faster services to our clients, increasing our overall value proposition.

GROWING THE PLATFORM TO MEET DEMAND

In 2016, in line with the growth of our portfolio across the region, CTP invested heaviliy into scaling our platform of professionals in each country where we operate. During the year, we managed to both maintain the embedded talent but also bring in young, energetic blood, especially in the growing markets of Romania and Hungary.

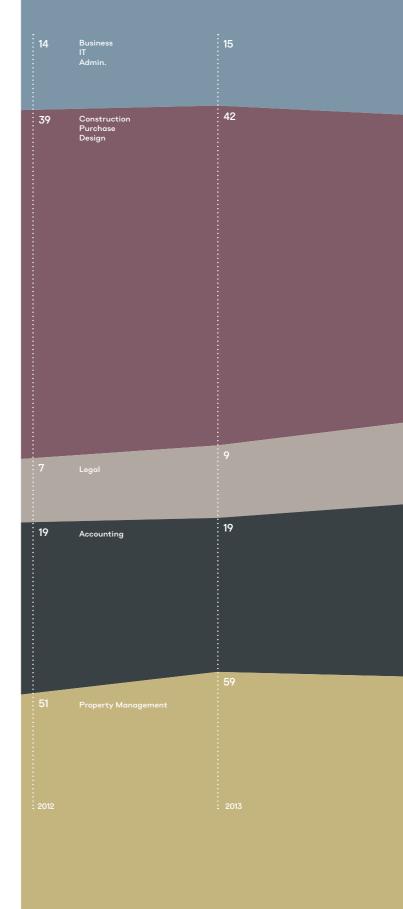
Maintaining strong relationships with our current clients is key to our success, and, as our operations expanded in 2016, CTP remained committed to ensure their continual and smooth operations. In 2016, we responsibly scaled our platform across all departments, particularly in the key areas of client service, business development, legal, accounting and our property management teams, growing 48% overall. In 2016 we brought in strong talent and highly skilled professionals at both top management and operational roles, not only in regions where we have expanded, but also in our core market in the Czech Republic, deepening our on-theground knowledge and allowing us to better serve our clients.

BUSINESS DEVELOPMENT

CTP's business development team is responsible for acquiring new customers and reducing vacancy across the CTP portfolio. Our team of professionals is on the ground in the locations where our customers want to be.

CTP increased occupancy during the year to 95.4%, despite the acquisition of a number of new properties. CTP was able to achieve this by actively engaging with our current clients, who were looking to expand in the improved economic environment.

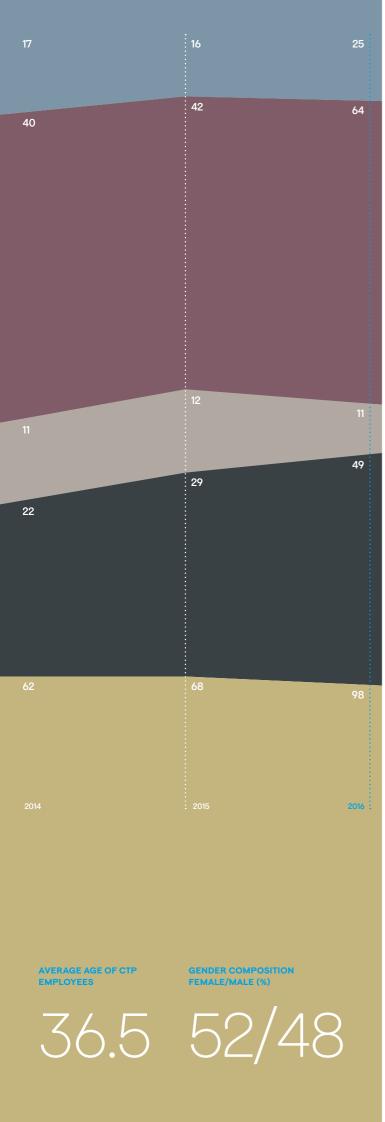
In 2016, for example we brought in a key talent from the Romanian financial industry and a respected personality on the local real estate market, Ana Dumitrache, to head the day-to-day operations of our Romanian business. During the year the business development team, in coordination with the legal team, successfully signed nearly 700 contracts last year, a record for the company.



EMPLOYEES BY DEPARTMENTS

In order to manage growth in the new markets of Hungary and Romania particularly, CTP grew overall headcount nearly 50% to 247 people, focusing on the company's core business of construction, accounting & finance as well as property management.

A growing proportion of young employees in new markets resulted in lowering the average age of our employees to 36.5 years, and as per our policy, genders are represented fairly evenly throughout the company, with women leading in many key positions in Hungary, Romania and the Czech Republic.



LEGAL

A key element to the CTP Platform is our in-house legal team, which consists of experienced local experts who understand how to communicate and work with both local administrative authorities and our international clients. We specialise in lease agreements that ensure the professional and efficient conclusion of client requests, modifications and special requirements, reducing negotiation times as well as legal costs for all parties.

During 2016, we sought experienced professionals to co-head the department and agreed with Jennifer Foss, a specialist in international transactions, to oversee legal duties in all new markets outside the Czech Republic. Jennifer started at CTP in early 2017.

Highlights from the year include the lease agreements negotiated with major clients like Metro, Yanfeng, Lufthansa and Welt Bild—all tenants with strict requirements, but with whom our legal team was able to strike a balance, resulting in satisfaction on all sides. The legal team was also involved in all divestments and acquisitions made during the year.

DESIGN & CONSTRUCTION

In order to streamline costs and ensure rapid response times, CTP maintains an in-house design, engineering and construction team that allows us to operate as general contractor for all newbuild projects. Close cooperation between clients, project managers, property management and the finance teams enables our in-house design team to develop tailored solutions while incorporating best practices at all stages of the development process. Our centralised sourcing, tendering and purchasing for multiple projects enables us to reduce costs while integrating the latest technologies into our standards.

FINANCE

CTP's in-house finance team is responsible for managing all aspects of company financing, including development projects and acquisitions as well as cash flow and day-to-day operations. Finance follows the IFRS rulebook to ensure transparency of income and expenditures at all levels.

As we grow in the regions, we have grown our local accounting and finance teams to manage newly acquired assets. At the group level, we augmented the finance team with specialists in reporting and consolidation of our various assets throughout the region.

PROPERTY MANAGEMENT

Property management at CTP is responsible for our parks, buildings, sustainability and client after-care. CTP's property management team is responsible for oversight of capital expenditure on asset improvements throughout the portfolio. This involves not just repairs and on-going main-

tenance, but also investments into our business and office park environments, including land-scaping, infrastructure, and building management systems, ensuring long-term performance and return on the company's investment.

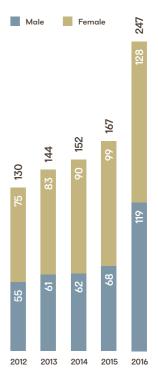
Property management at CTP is underlined by the belief that our most important assets are our almost 400 clients who work in our business parks. The property management team is responsible for making sure that our clients and their employees are satisfied and comfortable in our properties, allowing them to focus on their core business.

In 2016, the property management team was bolstered by a number of strategic hires in Romania, Slovakia, and Hungary to look after our growing portfolios there.

LOOKING FORWARD

Moving into 2017, we will continue to invest into our Platform as a strategic priority. We will grow the team in new markets, especially in Romania, Poland and Hungary. As the management, security and analysis of company data is a strategic priority, we plan continued investment into our IT systems.

EMPLOYEE HEADCOUNT GROWTH





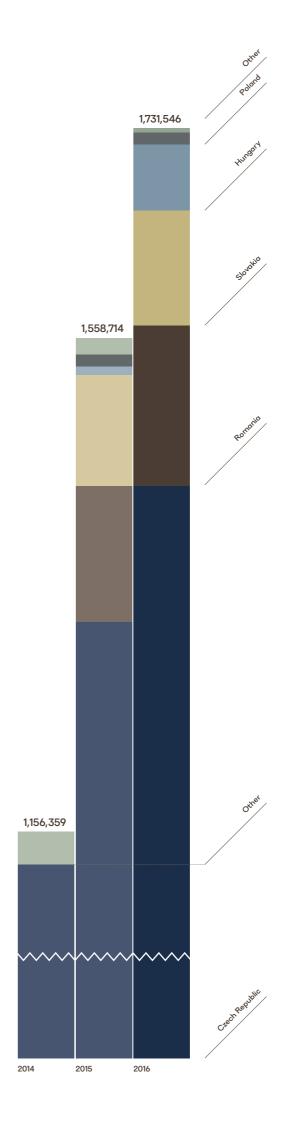


Focus: Finance

A strong financial base underpins the CTP business model. A key focus of the finance team is to pursue our long-term company goals and maintain the sustainable growth of CTP in the region. CTP financial policies are designed to ensure adequate funding for current development projects as well as the smooth operation of day-to-day activities.

INTERNATIONAL DIVERSIFICATION OF FINANCING

(In EUR million)
CTP secures financing for individual projects in the countries where they are located. Thus, we have agreed financing with local banks in new markets, most of which are subsidiaries of financial groups with whom we have worked in the past in the Czech Republic.



DEBT

The goal of the CTP Group's financing policy is to maintain a balanced ratio of external debt and shareholder equity. Debt is used to maximise shareholder returns, and its efficient use is monitored continuously. All debt-structuring strategies are consulted transparently with financing banks.

BANKS

Bank financing is transacted with pan-European banking partners. Financing policy aims to keep a diversified portfolio of debt financing in each banking group within the region. At 31 December 2016 the total consolidated bank debt was EUR 1,732 million. Financing is provided mainly by regional subsidiaries of international banks operating in the CEE region including Erste Bank Group, Raiffeisenbank Group, Unicredit Group, Societé Generale Group and KBC Group. In addition to these, CTP maintains direct relationships with several other European banks, such as Landesbank Hessen – Thüringen Girozentrale, ING Bank N.V., Deutsche Pfandbriefbank AG and others.

BANK FINANCING

Financing transactions are transacted in a bilateral relationship with each bank, to ensure a clear structure of the asset portfolio and collateral policy. In co-operation with bankers with strong knowledge of the local real estate markets, we prioritise the maintenance of a balanced and cross-collateralised portfolio of assets to avoid risk concentration. CTP Group's bank borrowings integrate loan-to-value covenants which are surveyed both by CTP and its financial partners on a regular basis. Each sub-portfolio of assets is, for financing purposes, organised through the creation of independent SPV's. Shares of these SPVs are pledged in favour of the providers of the loans.

RISK MANAGEMENT

The efficiency of CTP's risk management policies and strategies are evaluated continuously and in consultation with bank representatives, board members, and shareholders regularly. Key priorities of risk management are interest and foreign currency risk, which are monitored on an on-going basis.

FOREIGN CURRENCY RISK

CTP Group leases property to its tenants under operating leases. The foreign currency risk exposure arising during the loan repayment period is offset by revenues denominated in the same underlying currency. Denominating rental income and financing in EUR provides a natural hedge against foreign currency risk.

CTP Group pays construction vendors mostly in local currencies. Foreign currency risk arising from planned construction cashflows are covered by currency-based derivative financial instruments, such as swaps and options.

INTEREST RATE RISK

Bank loans are contracted mainly on floating EURIBOR rates, with reference periods between one to six months, increased by a fixed margin. CTP Group mitigates interest rate risk by holding derivative financial instruments—mostly interest rate swaps—in combination with barrier options (caps). Open-interest risk is hedged on the market with the financing bank. The hedging ratio varies between 60% and 100% of the financing volume, depending on the risk profile, and in agreement with participating banks.

LIQUIDITY RISK

CTP Group's focus is to ensure a stable liquidity position. This is monitored both in terms of construction financing as well as overall portfolio yield. Construction financing reflects progress of construction work performed on each project site individually. Financing is diversified geographically and discussed continuously with financing banks.

Overall portfolio financing, as well as acquisition financing, is provided by local banks. The Group's liquidity position is planned, monitored, and updated regularly. Progress reports on liquidity and cash flow management is reported to banks on a quarterly basis.

BANKING RELATIONSHIPS

In 2016, we strengthened our relationships with long-term financing banks, by both seeking financing for new projects as well as refinancing existing loans. Because we are active in multiple CEE markets, we agree financing with the local branches of our current long-term partners.

Refinancing of existing loans allowed CTP to improve the residual maturity of its liabilities, stabilise long-term cash outflow predictions, and better diversify loan obligations. This diversification decreases potential risk for both CTP and the banks.





Focus: Growth

The CTP portfolio grew by approximately 14.4% year-on-year. Organic growth, primarily in the Czech Republic and Romania—where CTP is the market leader—contributed to the bulk of expansion, outstripping growth through acquisitions, which took place mainly in Hungary. CTP was able to absorb overall portfolio growth by appropriately scaling the platform to ensure smooth operations of our current clients and respond to the needs of future tenants.

PORTFOLIO EXPANSION 2016

CTP's portfolio growth during the year occurred throughout the region, with most taking place as expected in our home market of the Czech Republic where we have the largest footprint. We leveraged conditions in Hungary, which comprised 32% of overall growth. CTP remained as market leader in industrial real estate in both the Czech Republic and Romania. New construction was completed mainly in the Czech Republic, Slovakia and Romania. In 2016, although CTP began new construction projects for clients in the new markets of Hungary and Poland, these will be completed during 2017, part of our larger pipeline of projects we plan to carry out through 2018 to reach our

THE RIGHT CONDITIONS

Across CEE we expect the market to continue to CTP exercised care and attention to ensure that draw international investors, particularly in the areas of e-commerce, driven by its greater demand for after-sales return centres and pressure to improve last-mile delivery times. We expect the automotive sector to continue to grow, due to the need for manufacturers to upgrade facilities with the latest high-tech, data-driven automation technologies, as well as the possible changes of combustion to electric engines, automated driving technologies, and data-centric use. The longterm benefits of the CEE region continue to draw investors. These include strategic location, the relative lower cost of labour vis-a-vis western Europe and the region's heritage of technical know-how, as well as its growing reputation as a high-tech centre and its increasing integration into pan-European supply chains.

THE ROLE OF THE PLATFORM

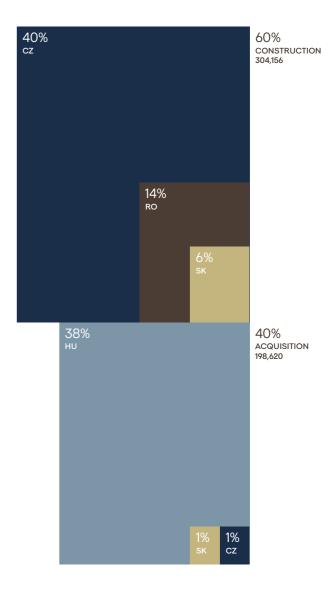
The CTP Platform played a key role in realising company growth. CTP's business development team was active both in acquiring new clients and accommodating current c lients, signing 675 agreements covering over 1.1 million m² of leased space. The construction team was responsible for over 300,000 m² of new facilities in 2016, and, in the coming years, is expected to deliver over 1.9 million m² of new space based on current pipeline projections. As we moved into 2017, CTP had over 80,000 m² either under construction or in the groundworks stage, with the plan to deliver more than 500,000 m² of new premises in 2017.

IDENTIFYING THE RIGHT OPPORTUNITIES

the opportunities identified were correct for the business at that time. Location strategy plays an important part in this. As we slowed the rate of acquisitions in 2016 compared to 2015, CTP chose acquisition targets, particularly in Hungary, in locations with long-term strategic value, namely, those well served by key international transport routes or hubs, and with access to a skilled and available workforce

LOOKING FORWARD

Through 2017–2019, CTP will look to grow primarily through organic means, following a consolidation of our position in the region. The CTP Platform will continue to play a key role in the future of the company, and growth will be driven by the teams in new markets, in tandem with our core team in the Czech Republic. We will continue to remain agile in spotting and identifying opportunities and will seize those that bring added-value to the



KEY ACQUISITIONS 2016			
Park Name	Country	Building size (m²)	Acquired
CTPark Budapest West (Biatorbágy)	Hungary	79,700	3Q & 4Q
CTPark Budapest South (Üllö)	Hungary	64,700	2Q
CTPark Budapest West (Szombathely) Hungary	19,300	4Q
CTPark Mor	Hungary	15,100	1Q
CTPark Györ	Hungary	11,100	1Q
CTPark Nitra	Slovakia	5,600	2Q
CTPark Žatec II	Czech Republic	3,200	4Q

Client	Park Name	Total Expansion (m²)
IAC	CTPark Přeštice CTPark Zákupy	33,400
Grupo Antolin	CTPark Bratislava CTPark Ostrava CTPark Sibiu	21,800
Faurecia	CTPark Žilina CTPark Pitești	17,200
K&N For Edgewell	CTPark Teplice	16,600
Lear	CTPark Plzeň CTPark Voderady	16,500
DSV	CTPark Bucharest	14,100
Lagermax	CTPark Bucharest CTPark Plzeň	11,900
Adient	CTPark Kvasiny	10,700
HP-Pelzer	CTPark Bratislava	10,000
PPG	CTPark Modřice Spielberk Office Centre	9,800

INDUSTRIAL PIPELINE

(In m²)

CTP's plan is to achieve a portfolio of 5.3 million m² by 2018. The current CTP pipeline—arising from committed expansion of our clients' operations—is expected to guarantee or exceed our target. Our projections assume a nominal expectation of new business based on historical trends in the market.

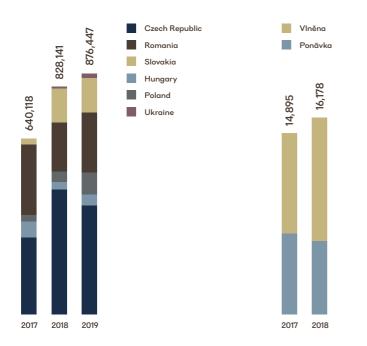
NON-INDUSTRIAL PIPELINE

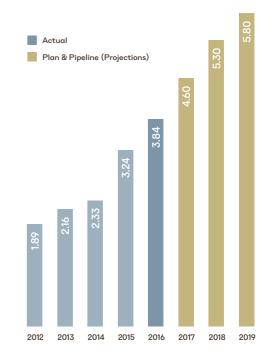
(In m²)

In markets where we have unique advantage, CTP develops premium office schemes which we consider to have a low risk profile and which balance our overall portfolio. We are currenty building new offices at Ponāvka and Vlněna in Brno, which will contribute over 30,000 m² to our portfolio in the coming years.

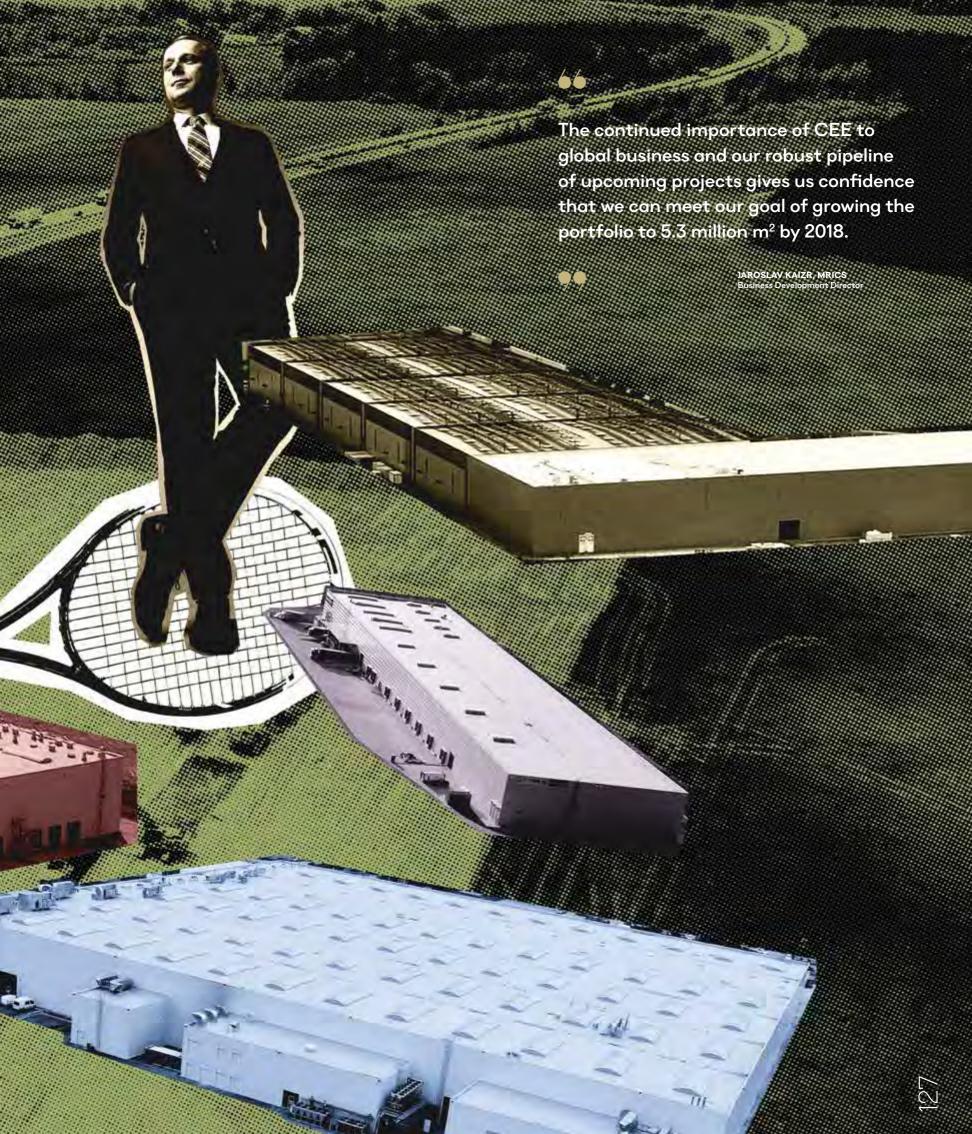
LETTABLE AREA DEVELOPMENT

(In million m²)









Focus: Operations

As a developer of premium industrial properties, the drive for operational excellence cuts through our entire organisation, with a goal to achieve the highest possible value of our properties.

CTP's management structure and entrepreneurial culture enable continuous operational improvement. Many steps were taken during the year to address key company challenges and improve upon our performance.

CAPITAL EXPENDITURES BY TYPE

(In EUR thousand)

We invested over EUR 1.74 million into the maintenance and upkeep of our current portfolio, while continuing on-going improvements to the surrounding parks. In 2016, we prioritised improvements to our buildings, upgrading many for higher energy efficiency, improving building lifespan, and therefore, long-term value.

CAPEX BY COUNTRY 2016

(In EUR thousand)

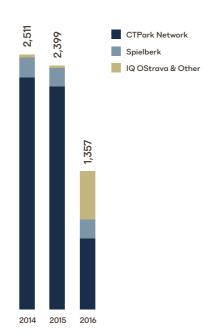
Building Greenery Park 0740



CAPEX BUDGETS

(In EUR thousand)

While capital improvements are heavily geared toward our industrial parks, comprising 51% of the overall budget, we increased spending on refurbishing non-core assets acquired in 2015.



2015

INTERNATIONAL CERTIFICATION

In 2016, CTP continued to seek, and achieve, certifications from key industry bodies. CTP has been reappraised and was successfully re-certified to both ISO 14001 and ISO 50001 norms, the international standard that governs a company's approach to sustainable management systems in environmental and energy management.

REPORTING

A key part of good management policy is reporting, and 2016 reporting was done entirely by our larger in-house reporting and consolidating team. Concurrently, we continue to work with external auditors, who validate our processes and reporting procedures.

SERVICES

A crucial interface between CTP and our clients is the CTP Service Desk. In 2016, we continued to increase our goals and improve our performance, completing 96% of all ServiceDesk requests within five working days. To ensure the smooth continuity of client services as we grew throughout the region, in 2016 we grew by 44% our property and facility management staff, who handled, on average, 311 requests per month. During 2017, we will roll out an all-new ServiceDesk application that will be accessible from mobile devices, allowing clients to contact us more easily and with more detailed documentation, such as utilities consumption.

BUILDING STANDARDS

Our clients believe it is important that their building meets modern standards, to ensure safety and comfort of their employees, but to also lower overall operating costs. Additionally, more clients are demanding cleaner, more climate-friendly solutions.

In 2016, we continued to improve the standards used in our "CTP White Book" which we utilise throughout CEE to ensure that the high standard of quality is the same for all of our buildings. In 2017, we will embark on our "Whitebook 2020" plan. The long-term goal aims to improve the composition of the materials we use in our buildings in terms of their impact on the environment. This includes how much CO_2 is generated in their manufacture, their effect on allergens, and the degree of recyclability at their end of usage.

INVESTING

As we remain owners of our portfolio of properties, it is in our interest to invest into our buildings as they age. We additionally invest in and around the parks, planting trees and grasslands that enhance the 'liveablity' and 'workability' of the park. In 2016, we invested into the greenery around newly acquired parks in Romania, investing EUR 200,000 in the country, 35% of our overall budget. In addition, we invested nearly EUR 1.1 million in LED upgrades throughout our parks, with over EUR 800,000 invested into Romanian assets acquired in 2015.

LED lighting brings many benefits to the clients, not only reducing energy consumption by a minimum of 30%, directly lowering costs, but also improves the overall workspace. LED lighting, with higher luminosity and a warmer light, creates a more enjoyable working environment. The brighter work area increases safety by reducing potential on-site accidents, which may result from low visibility.

New smart LED technology lighting is low maintenance due to easily replaceable parts, in addition to losing only 10% of overall luminosity after 50,000 hours of use. The system is highly programmable, allowing for time- or sense-based lighting schedules.

SMART METERING

In 2016, we started the process of integrating smart metering into our new buildings. A smart metering system automatically collects data from various sensors in short intervals, allowing CTP and tenants to monitor data in real-time. With automatic management systems in place, buildings become much more efficient, saving time, the environment as well as costs. CTP plans on full implementation of the program by end 2017.

SERVICEDESK REQUESTS RESOLVED WITHIN ONE WEEK

(In %)

Beating our goal of 95%, we are pleased with the continual improvements on issue resolution as well as response times by our service team. Incidents included a range of issues from leaky faucets to damage caused by inclement weather conditions.

MONTHLY SERVICEDESK REQUESTS

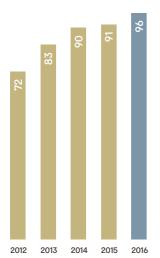
In total, CTP's ServiceDesk team handled over 3,700 requests during the year.

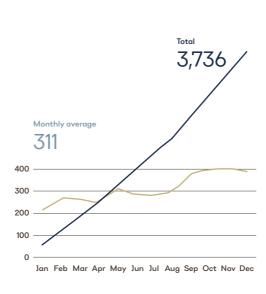
CONTRACTS SIGNED

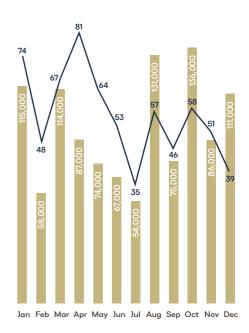
With each of our over 400 clients, contracts are required to cover new leases, extensions, & renewals, among many others. Our legal and buisness development teams signed 673 contracts in 2016, an average of over 56 per month in 2016 and representing over 1 million m² of space.



Count of contracts











Milestones & Awards

1998

2003

2004

2005

Construction of CTP headquarters and the company's first business park gets underway at CTPark Humpolec.

CIJ AWARDS

Best Warehouse/Logistics
 Development:
 CTPark Brno

AFI, MPO, CZECHTRADE

1) Industrial Zone with Greatest Economic Impact:

CTPark Modřice

AFI, MPO, CZECHTRADE

Zone of the Year–Zone with Best
 Urban Solution:
 CTPark Ostrava

CIJ AWARDS

Best Warehouse/Logistics
 Development:
 CTPark Brno

CTP launches construction of its flagship office park, Spielberk Office Centre in Brno.

2010

ATOZ

Best Logistics Park:
 CTPark Bor

CIJ AWARDS

Best Overall Development:
 AVG, IQ Buildings, Spielberk, Brno

2011

CIJ AWARDS

Best Warehouse/Logistics
 Development:
 CTPark Brno II

1) Industry Leadership Award: **Remon L. Vos**

CTP's annual income from rental activity exceeds EUR 100 million for the first time.

2012

AFI, MPO, CZECHTRADE

Industrial Zone of the Year:
 CTPark Mladá Boleslav

CZECH TOP100

3 Annual Report of the Year:
CTP

2013

CIJ AWARDS

1) Industry Leadership Award: **Remon L. Vos**

BEST OF REALTY

- Industrial/Warehouse Park of the Year:
 CTPark Mladá Boleslav
- ② New Administrative Centres: CTZone Brno

CZECH GREEN BUILDING COUNCIL

Certificate of Merit:
 Tower I, Spielberk, Brno

CTP enters Prague market.

CTP Portfolio reaches 2 million m^2 .

CTP delivers the first BREEAM Outstanding office building outside the UK-Tower I at Spielberk Office Centre in Brno.

2006

2007

2008

2009

CIJ AWARDS

- 1 Developer of the Year: CTP Invest
- Best Warehouse/Logistics
 Development:
 CTPark Plzeň

AFI, MPO, CZECHTRADE

- Industrial Park of the Year–Park with Greatest Economic Impact:
 CTPark Ostrava
- ② Brownfield of the Year: CTZone Brno

AFI, MPO, CZECHTRADE

- (2) Industrial Park of the Year–Park with Greatest Economic Impact: CTPark Brno
- Business Property with Greatest Contribution to Research and Innovations:
 CTPark Brno

AFI, MPO, CZECHTRADE

① Business Property of the Year–Zone of the Year: CTPark Ostrava

CTP signs a EUR 100 million loan agreement with Erste Bank for new development projects.

2014

BEST OF REALTY AWARD

- (1) Industrial/Warehouse Park of the Year:
 - CTPark Brno, FEI Technology Centre

CIJ AWARDS

- Best Industrial/Warehouse
 Development of the Year:
 CTPark Brno, FEI Technology
 Centre
- Lease of the Year:
 CTPark Brno, FEI Technology
 Centre
- Industrial Leadership Award:
 Remon L. Vos

CTP ranked as 4^{th} largest industrial developer in Europe According to European development magazine PropertyEU.

Remon Vos recognised as RICS Fellow.

2015

CIJ AWARDS

- Lease of the Year, Romania:
 CTPark Bucharest West
- Industrial Acquisition of the Year,
 Romania:

CTPark Bucharest West

1 Industrial Leadership Award: Remon L. Vos

CZECH TOP 100

3 Annual Report of the Year: CTP

CTP acquires 380,000 m² in Romania, becoming market leader in the country.

2016

SEE REAL ESTATE AWARDS

- Industrial Project of the Year, Romania:
 CTPark Bucharest West
- 1) Warehouse Developer of the Year:

AFI INVESTOR AND BUSINESS PROPERTY COMPETITION

 Business Property of the Year: Spielberk, Brno

CIJ AWARDS

- Best Warehouse Development, Romania:
 CTPark Bucharest West
- ① Warehouse Developer of the Year, Romania: CTP
- Hospitality Development of the Year, Czech Republic:
 Courtyard by Marriott at Spielberk

CIJ HALL OF FAME AWARDS EUROPE

1 Leadership of the Year: Remon L. Vos

CZECH TOP 100

② Annual Report of the Year: CTP

CTP launches in Hungary, acquiring over 190,000 $\,\mathrm{m}^2$.

CTP finishes development at Spielberk, with the launch of Courtyard by Marriott Hotel Brno in Tower I.









Combined pro-forma financial information for the year ended 31 December 2016

CTP Property N.V. Luna ArenA, Herikerbergweg 238 1101 CM Amsterdam Zuidoost The Netherlands CTP Invest, spol. s r.o. Central Trade Park D1 1571 Humpolec Czech Republic

Content

142	Combined pro-forma statement of comprehensive income
143	Combined pro-forma statement of financial position
144	Combined pro-forma statement of changes in equity
145	Combined pro-forma statement of cash flows
146	Notes to the combined pro-forma financial information
146	1. General information
147	2. Going concern
148	3. Basis of combination
148	4. Basis of preparation of consolidated financial statements of the Sub-group
153	5. Significant accounting policies
160	6. EPRA profit reconciliation
160	7. Revenues
161	8. Property operating expenses
161	9. Net income from development activities
162	10. Other income
162	11. Operational expenses (including administrative expenses)
163	12. Net finance costs
163	13. Income tax expense
163	14. Investment property
165	15. Investment property under development
165	16. Net valuation result on investment property
166	17. Property, plant and equipment
166	18. Finance lease receivables
166	19. Trade and other receivables
167	20. Cash and cash equivalents
167	21. Assets classified as held for sale
167	22. Equity
168	23. Interest-bearing loans and borrowings from financial institutions
169	24. Trade and other payables
169	25. Financial derivatives
170	26. Deferred tax liability
171	27. Subsidiaries
174	28. Related parties
175	29. Risk policies
177	30. Contingent liabilities
178	31. Pledges
179	32. Subsequent events
180	Appendix 1 — Group structure

CTP Group

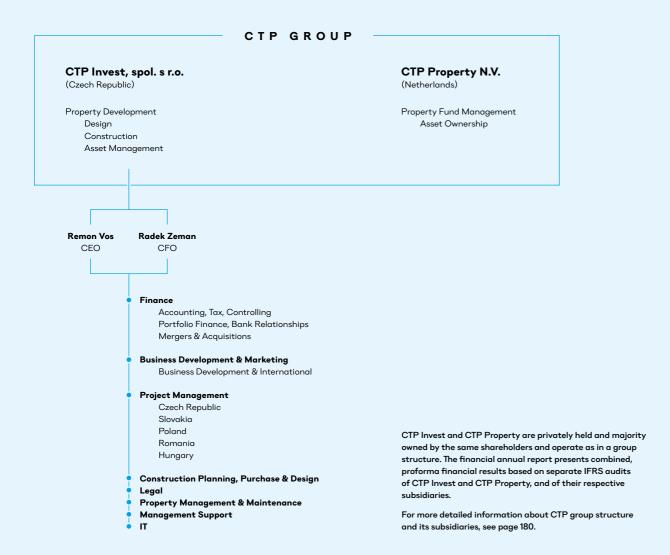
The CTP group provides full-service property development and asset management via two privately held business entities: CTP Invest, spol. s r.o. (Czech Republic) and CTP Property N.V. (Netherlands). This corporate structure provides a balance between operational risk and long-term financial stability.

CTP Invest

is a 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

is a 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.



Independent auditors' report

Deloitte.

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

INDEPENDENT AUDITOR'S REPORT

To the Members 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 N.V. and CTP Invest, spol. s r.o. (the "Group"), which comprise the combined statement of financial position as at 31 December 2016, 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 2016, 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 30 May 2017

Deloitte Audit s.r.o.

registration no. 079

Audit firm:

Statutory auditor:

r r

David Batal registration no. 2147

hu

Delotte refers to one or more of Delotte Touche Tohmatsu Limited, a, UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also refer to as "Delotte Global") dues not provide services to Global Se

Combined pro-forma statement of comprehensive income

For the year ended 31 December

In EUR thousand	Note	2016	2015
Revenues	7	207,356	165,282
Property operating expenses	8	-11,686	-10,921
Net rental and related income		195,670	154,361
Income from development activities	9	5,194	9,913
Expenses from development activities	9	-4,108	-7,091
Net income from development activities		1,086	2,822
Valuation gains on investment property	16	289,007	199,098
Valuation losses on investment property	16	-35,491	-25,035
Net valuation result on investment property		253,516	174,063
Other income	10	8,199	6,224
Operational expenses (including administrative expenses)	11	-36,672	-23,846
Net other income/expenses		-28,473	-17,622
Net profit/loss before finance costs		421,799	313,624
Finance income	12	20,515	23,338
Finance expense	12	-58,148	-68,969
Net finance costs		-37,633	-45,631
Profit/loss before income tax		384,166	267,993
Income tax	13	-73,369	-50,778
Profit for the period attributable to equity holders of the Company		310,797	217,215
OTHER COMPREHENSIVE INCOME			
		277	1,095
Foreign currency translation differences		-844	4,854
Total comprehensive income for the year attributable to equity holders of the Company		310,230	223,164

The notes 1 to 32 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	2016	2015
ASSETS			
Investment property	14	3,156,036	2,698,414
Investment property under development	15	226,070	225,806
Property, plant and equipment	17	23,406	23,300
Finance lease receivables	18		186
Financial derivatives	25	2,275	1,226
Other long-term receivables			1,354
Long-term receivables due from related parties	28	35,943	18,989
Deferred tax assets	26	8,091	7,225
Total non-current assets		3,451,821	2,976,500
Inventory			245
Trade and other receivables	19	54,083	41,000
Short-term receivables due from related parties	28	64	45
Finance lease receivables	18		57
Financial derivatives	25		257
Cash and cash equivalents	20	64,417	43,307
Assets classified as held for sale	21	59,540	40,007
Total current assets	21	178,104	84,911
Total assets		3,629,925	3.061.411
Total assets		3,027,723	3,001,411
	22	04 410	700177
Issued capital		86,419	388,133
Translation reserve	22	-5,690	-4,847
Reserves	22	619,529	626,888
Retained earning		412,829	-113,434
Revaluation reserve		10,349	10,072
Net result for the year		310,797	217,215
Total equity attributable to parent		1,434,233	1,124,027
Non-controlling interest			
Total equity attributable to parent		1,434,233	1,124,027
LIABILITIES			
Interest-bearing loans and borrowings from financial institutions	23	1,649,085	1,455,438
Trade and other payables		9,747	8,820
Long-term payables to related parties	28	12,745	12,445
Financial derivatives	25	26,703	20,430
Deferred tax liabilities	26	303,885	245,255
Total non-current liabilities		2,002,165	1,742,388
Interest-bearing loans and borrowings from financial institutions	23	82,461	103,276
Interest-bearing loans and borrowings from other parties			5,000
Trade and other payables	24	68,944	78,261
Short-term payables to related parties	28	67	67
Financial derivatives	25	1,333	7,586
		2,828	806
Provisions			500
Provisions Liabilities associated with disposal group bled for sale	21		
Liabilities associated with disposal group hled for sale	21	37,894	 400 001
	21		194,996 1,937,384

The notes 1 to 32 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
Balance at 1 January 2015	388,133	-9,701	626,888	8,977	-341,957	228,523	900,863
TOTAL COMPREHENSIVE INCOME FOR THE PER	RIOD						
Profit for period	==					217,215	217,215
OTHER COMPREHENSIVE INCOME							
Revaluation of Plant and equipment				1,095			1,095
Foreign currency translation differences	==	4,854					4,854
Total other comprehensive income		4,854		1,095		217,215	223,164
Total comprehensive income for the period		4,854		1,095		217,215	223,164
OTHER MOVEMENTS							
Transfer of profit 2014					228,523	-228,523	
Addition to the legal reserve							
Total other movements					228,523	-228,523	
Balance at 31 December 2015	388,133	-4,847	626,888	10,072	-113,434	217,215	1,124,027
Balance at 1 January 2016	388,133	-4,847	626,888	10,072	-113,434	217,215	1,124,027
TOTAL COMPREHENSIVE INCOME FOR THE PER	RIOD						
Profit for period						310,797	310,797
OTHER COMPREHENSIVE INCOME							
Revaluation of Plant and equipment				277			277
Foreign currency translation differences		-843					-869
Total comprehensive income for the period		-843		277		310,797	310,231
OTHER MOVEMENTS							
Transfer of profit 2015					217,215	-217,215	
Decrease of issued capital and reserves	-301,714		-7,359		309,048		
Total other movements	-301,714		-7,359		526,263	-217,215	
			-,		,		
Balance at 31 December 2016	86,419	-5,690	619,529	10,349	412,829	310,797	1,434,233

Combined pro-forma statement of cash flows

For the year ended 31 December

In EUR thousand	2016	201
OPERATING ACTIVITIES		
Result for the year	310,797	217,21
Change in value of investment property	-245,958	-174,06
Depreciation	4,096	1,833
Net interest expense and expenses from derivatives	52,450	37,17
Other changes	4,742	80
Income tax benefit/expense	73,369	50,77
Operating profit before changes in working capital and provisions	199,496	133,74
Decrease/increase in finance lease receivables		2
Decrease/increase in trade and other receivables	-33,992	-9,10
Increase/decrease in trade and other payables	-40,976	19,04
Decrease/increase in inventory	245	1,90
Cash generated from/used in operations	-74,723	11,87
Interest paid and expenses from derivatives	-41,964	-57,91
Interest received	2,978	41
Income taxes paid	-8,676	-5,45
Cash flows from/used in operating activities	77,111	82,66
INVESTMENT ACTIVITIES		
Acquisition of subsidiaries	-38,063	-50,64
Acquisition of property, plant and equipment	-16,905	-1,58
Development of investment property	-173,865	-145,82
Cash flows from/used in investing activities	-228,833	-198,05
FINANCING ACTIVITIES		
Proceeds from changes in lease liabilities		-12,87
Repayment of borrowings	-846,437	-679,75
Proceeds from interest-bearing loans and borrowings	1,019,269	812,37
Cash flows from financing activities	172,832	119,74
Cash and cash equivalents at 1 January	43,307	38,94
Net increase in cash and cash equivalents	21,110	4,36
Cash and cash equivalents at 31 December	64,417	43,30

The notes 1 to 32 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 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 N.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 under the common control of their majority share-holders during 2015 and 2016 (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 audited IFRS consolidated financial statements. 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 ended 31 December 2016.

For the structure of CTP as at 31 December 2016 refer to Note 26 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. The Sub-group CTP Property leases property to its tenants under operating leases. As at 31 December 2016, the investment property portfolio is held directly by the Sub-group CTP Property and by the finance lease provider.

Registered office:

Luna ArenA, Herikerbergweg 238 1101 CM Amsterdam Zuidoost 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 N.V. was incorporated on 2 April 2007, for an unlimited period of time.

Shareholders as at 31 December 2016:

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 N.V.	5,000	4.0%	4.0%
	124,000	100.0%	100.0%

On 18 September 2015 both Multivest B.V. and Finspel B.V. acquired each 50% of the 1,240 thousand shares, i.e. 620 thousand shares from Erste Group International Immorent Holding GmbH.

Management as at 31 December 2016:

Directors: Remon Leonard Vos

Jan Gijsbertus 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 2016 and 31 December 2015:

Shareholder	Share in registered capital 31 December 2016	Share in registered capital 31 December 2015
Multivest B.V.	49.99%	49.99%
Finspel B.V.	49.99%	49.99%
Multifin B.V.	0.02%	0.02%
	100.0%	100.0%

Management as at 31 December 2016:

Director: Remon Leonard Vos
Director: Radek Zeman

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 2016 during 2017 as follows:

In EUR thousand

Current liabilities as at 31 December 2016	-192,194
Current assets excluding cash and cash equivalents as at 31 December 2016	113,736
Funds required in 2017 to cover the short-term liquidity gap	-78,458
Available cash as at 31 December 2016	64,417
Expected funds to be received in 2017 from operating activities	75,479
Expected funds to be received in 2017 from existing loan agreements	20,292
Interest-bearing loans and borrowings from financial institutions to be renegotiated to a long-term basis	38,576
Recurring overdraft	3,207
Expected funds to be received in 2016 to cover the short-term liquidity gap	201,972

Management is convinced of appropriately applying the going concern assumption based on the 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 audited 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 following adaptations were carried out to the aggregation of the separate audited 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 consolidated financial statements 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 were authorised and approved for issue by the management on 29 May 2017.

The separate IFRS consolidated financial statements of the Sub-group CTP Invest were authorised and approved for issue by the management on 29 May 2017.

New and amended standards adopted by CTP in 2016

For the preparation of these consolidated financial statements, the following new or amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2016 (the list does not include new or amended standards and interpretations that affect first-time adopters of IFRS since they are not relevant to Group).

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2016, they did not have a material impact on the annual consolidated financial statements of the Group.

▶ Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group did not have such transactions in the current year.

► Amendments to IAS 1

The amendments to IAS1 clarify, rather than significantly change, existing IAS1 requirements. The amendments clarify:

- ▶ The materiality requirements in IAS 1
- ► That specific line items in the statement(s) of profit or loss and Other comprehensive income (OCI) and the statement of financial position may be disaggregated
- ▶ That entities have flexibility as to the order in which they present the notes to financial statements
- ► That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

These amendments do not have any material impact on the Group.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset.

As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are applied prospectively and do not have any impact on the Group, given that it has not used a revenue-based method to depreciate its non-current assets.

▶ Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

► Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 clarify the accounting treatment for contributions from employees or third parties to a defined benefit plan. According to the amendments, discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plan specify contributions from employees or third parties, the accounting depends on whether the contributions are linked to service.

These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

The Group has applied these amendments for the first time in the current year. The Annual Improvements to IFRSs 2010 - 2012 Cycle include a number of amendments to various IFRSs, which are summarised below.

- ▶ The amendments to IFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'.
- ▶ The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss.
- ▶ The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.
- ▶ The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short- term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
- ▶ The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/ amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
- ▶ The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of these amendments has had no impact on the disclosures or amounts recognised in the Group's consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements include:

▶ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5.

▶ IFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be made retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

Offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

► IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

Initial application of the above stated new or amended standards did not have any significant effect on the financial statements of the Group for the current or prior periods.

Standards, interpretations and amendments to standards issued before 31 December 2016 but not yet effective

a) The following new standards have been issued and adopted by the EU but are not yet effective for the year ended 31 December 2016 and were not applied in preparing these consolidated financial statements:

▶ IFRS 9 Financial Instruments

Effective for annual periods beginning on or after 1 January 2018; to be applied retrospectively with some exemptions. The restatement of prior periods is not required, and is permitted only if information is available without the use of hindsight. Early application is permitted.

This Standard replaces IAS 39, Financial Instruments: Recognition and Measurement, except that the IAS 39 exception for a fair value hedge of an interest rate exposure of a portfolio of financial assets or financial liabilities continues to apply, and entities have an accounting policy choice between applying the hedge accounting requirements of IFRS 9 or continuing to apply the existing hedge accounting requirements in IAS 39 for all hedge accounting.

The Group does not expect IFRS 9 to have material impact on the consolidated financial statements.

▶ IFRS 15 Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

The new Standard provides a framework that replaces existing revenue recognition guidance in IFRS. Entities will adopt a five-step model to determine when to recognise revenue, and at what amount. The new model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the goods or services is transferred to the customer.

IFRS 15 also establishes the principles that an entity shall apply to provide qualitative and quantitative disclosures which provide useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

The Group has not completed a thorough analysis of expected impact of the new Standard yet.

b) The following new standards, amendments to the standards and a new interpretation have been issued but not yet adopted by the EU which are not yet effective for the year ended 31 December 2016 and were not applied in preparing these consolidated financial statements:

► IFRS 16 Leases

Effective for annual periods beginning on or after 1 January 2019 but not yet adopted by the EU.

The new Standard brings significant change in accounting policies for lease contracts for lessees. Under the new Standard, the lessee does not distinguish between finance and operating leases and almost all lease contracts (except for short-term leases) are recognised (related assets and liabilities) in the statement of financial position similarly as current finance lease contracts.

The Group is assessing the impact of IFRS 16.

- ► Amendments to IFRS 2 Share-based Payment Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018),
- ▶ Amendments to IFRS 4 Insurance Contracts Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (effective for annual periods beginning on or after 1 January 2018 or when IFRS 9 "Financial Instruments" is first applied),
- ➤ Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures
 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),
- ► Amendments to IFRS 15 Revenue from Contracts with Customers Clarifications to IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018),
- Amendments to IAS 7 Statement of Cash Flows Disclosure Initiative (effective for annual periods beginning on or after 1 January 2017).
- ► Amendments to IAS 12 Income Taxes Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017),
- Amendments to IAS 40 Investment Property Transfers of Investment Property (effective for annual periods beginning on or after 1 January 2018),
- ➤ Amendments to various standards Improvements to IFRSs (cycle 2014-2016) resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording (amendments to IFRS 12 are to be applied for annual periods beginning on or after 1 January 2017 and amendments to IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after 1 January 2018),
- ▶ IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for annual periods beginning on or after 1 January 2018).

The Group anticipates that the adoption of these amendments to the existing standards and a new interpretation will have no material impact on the financial statements of the Group in the period of initial application.

B) FUNCTIONAL AND PRESENTATION CURRENCY

Sub-group CTP Property

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The IFRS model of CTP Property includes only companies in local 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.

Sub-group CTP Invest

In 2016 the Group operated in the Czech Republic, Slovakia, Poland, Hungary and Ukraine and considered the local currencies to be its functional currency.

Transactions in foreign currencies are translated to the functional currency of the Sub-group entities 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.

The Sub-group presentation currency is the euro (EUR). The Sub-group has selected a different presentation currency because the owners base their economic decisions on information expressed in EUR. All financial information presented in EUR has been rounded to the nearest thousand.

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	Date	Closing Exchange Rate PLN/EUR	Average Exchang Rate PLN/EUR for the yea
31 December 2015	27.025	27.283	31 December 2015	4.262	4.18
31 December 2016	27.020	27.033	31 December 2016	4.424	4.36
Date	Closing Exchange Rate UAH/EUR	Average Exchange Rate UAH/EUR for the year	Date	Closing Exchange Rate RON/EUR	Average Exchang Rate RON/EUR for the yea
31 December 2015	26.223	24.190	31 December 2015	4.445	4.52
31 December 2016	28.423	28.312	31 December 2016	4.491	4.5
Date	Closing Exchange Rate HUF/EUR	Average Exchange Rate HUF/EUR for the year			
31 December 2015	313.120	309.900			
31 December 2016	311.020	311.460			

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 JUDGMENTS

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 an 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 audited IFRS financial statements of the Sub-groups all the above statements apply to the pro-forma combined financial information as well.

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.

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.

Business combinations arising from transfers of interest in entities that are under the joint control of the party that controls the Sub-groups are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented, the date the company was founded or, if later, at the date that common control was established.

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 cash or equity paid for the acquisition 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. Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

In respect of business acquisitions on or after 1 January 2009, the Sub-groups measure goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

In respect of business acquisitions prior to 1 January 2009, goodwill represents the excess.

of the cost of the acquisition over the Sub-group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

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.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated against the investment to the extent of the Sub-group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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 2016 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 2 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 2016 were following:

5.95% - 8.30%
6.25% - 7.75%
6.50% - 7.75%
6.75% – 7.50%
0.00% - 7.00%
3.50 – 5.50 EUR
3.50 – 5.50 EUR 9.00 – 13.00 EUR

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

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 land acquired under finance lease and 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 comparables 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 2016 and was incorporated into the pro-forma combined financial information. Value of investment property was determined by external, independent property valuators, 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 has been categorised as the Level 2 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 2016 were following:

Capitalisation rates	6.25% - 8.50%
Ongoing Vacancy	0.00% - 5.00%
ERV PER SQM	
Industrial premises	3.50 – 5.50 EUR
Office properties	8.90 – 12.25 EUR
Retail properties	12.25 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 5 h). 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 20-30 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 5 b). 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.

F) NON-DERIVATIVE FINANCIAL ASSETS

The Sub-groups initially recognise loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) 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.

The Sub-groups have the following non-derivative financial assets: finance lease receivables, loans and receivables.

Finance lease receivable represents a repayment of the principal and finance income to reimburse the lessor for its investment and services. Finance lease receivable has fixed determinable payments and is not a derivative.

The initial measurement of the finance lease receivable includes initial direct costs, such as commissions and legal fees that are incremental and directly attributable to negotiating and arranging a lease.

Loans and 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. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise loans, trade and other receivables.

G) 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.

H) 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 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.

I) 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.

J) EQUITY

Sub-group CTP 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 CTP 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.

K) 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.

L) 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 or cancelled or expire.

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 has the following non-derivative financial liabilities: 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.

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

As at the reporting date the nominal value of loans is increased by unpaid interest.

Interest and other financial expenses relating to the acquisition of qualifying assets incurred until the asset is put in use are capitalised. Subsequently, they are recorded as financial expenses.

M) 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.

N) 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.

O) 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);
- lacksquare 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 OCI.

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

P) 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 realisation 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 income tax rate for the period ended 31 December 2016 was:

- ▶ 19% in the Czech Republic (2015 19%),
- 29.48% in Germany (2015 29.48%),
- ▶ 22% in Slovakia (2015 22%),
- ▶ 16% in Romania (2015 16%),
- ▶ 25% in Austria (2015 25%),
- ▶ 19% in Poland (2015 19%),
- ▶ 19% in Hungary (2015 19%),
- ▶ 25% in the Netherlands (2015 25%),
- ▶ 28.8% in Luxembourg (2015 28.8%),

which are the sole jurisdictions in which the Group operates.

Q) 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.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

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.

R) 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 OCI 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. EPRA PROFIT RECONCILIATION

In EUR thousand	2016	2015
Gross rental income	197,729	158,249
Property operating expenses	-12,242	-10,921
Net rental and related income	185,487	147,328
Net income from development activities	1,086	2,822
Other income	4,973	3,190
Operational expenses (including administrative expenses)	-29,934	-18,711
Net other income/expenses	-24,961	-15,521
EPRA net profit/loss before finance costs	161,612	134,629
Finance income	1,721	2,703
Finance expense	-43,807	-54,133
Net finance costs	-42,086	-51,430
EPRA profit/loss before income tax	119,526	83,199
ADJUSTMENTS		
Net valuation result on investment property	246,503	131,278
Valuation gain - Negative goodwill		42,785
Other income - Revaluation of assets held for sale	7,013	
Other income - Sale of investment property	2,568	3,034
Net profit from hotel operations	2,889	1,897
Change in fair value derivatives	-10,363	10,809
Net foreign exchange gains/losses	14,816	-5,009
Other income	1,214	
Profit/loss before income tax	384,166	267,993

EPRA profit before tax is an alternative to its IFRS equivalent. It is calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA).

This alternative has been used because it highlights the underlying recurring performance of the property rental business that is the CTP's principal activity.

7. REVENUES

In EUR thousand	2016	2015
Warehouse	85,903	56,309
Production	72,767	65,190
Office	23,305	22,125
Hotel operations	9,626	7,033
Retail	3,131	3,014
Park management fee	12,325	9,585
Other	298	2,026
	207,356	165,282

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.

Income from hotel operations is represented by sales revenues from operating two hotels in the Czech Republic that CTP acquired during 2015 and one hotel finished and launched in November 2016.

The revenues were generated in the following countries where CTP operates:

In EUR thousand	2016	2015
Czech Republic	170,449	156,329
Romania	18,634	2,979
Slovakia	10,921	2,943
Hungary	3,514	28
Germany	2,402	2,304
Poland	1,256	519
Austria	180	180
	207,356	165,282

The revenues generated in the Czech Republic include the sales revenues from the hotel operations.

8. PROPERTY OPERATING EXPENSES

In EUR thousand	2016	2015
Park management expenses	-4,070	-3,948
Maintenance and repairs	-3,902	-3,715
Real estate tax	-2,589	-1,957
Insurance	-524	-447
Other	-601	-854
	-11,686	-10,921

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

The other property operating expenses represent services which are not covered by the park management fees paid by tenants.

The maintenance and repairs include expenses for the green concept, i.e. for improvements of the environment in the industrial and office parks.

9. NET INCOME FROM DEVELOPMENT ACTIVITIES

In EUR thousand	2016	2015
Income from development activities	5,194	9,913
Expenses connected with development activities	-4,108	-7,091
	1,086	2,822

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

10. OTHER INCOME

In EUR thousand	2016	2015
Revenues from sale of assets	7,097	3,034
Other income	1,102	3,190
	8,199	6,224

Gains from sale of assets mainly comprise the sale of the Thakurova Office Building in the amount of EUR 2,876 thousand, sale of Pekařská Office, s. r. o. in the amount of EUR 2,568 thousand and sale of land and other property in the amount of EUR 1,068 thousand.

11. OPERATIONAL EXPENSES (INCLUDING ADMINISTRATIVE EXPENSES)

In EUR thousand	2016	2015
Administrative personnel expenses	-6,440	-5,203
Legal, tax and audit	-4,133	-2,818
Fee for real estate consultants and brokers	-2,285	-603
Utilities	-2,181	-1,026
Taxes and charges	-2,077	-1,124
Advertising and promotion expenses	-1,293	-1,069
Rent	-1,340	-963
Depreciation	-4,096	-1,833
Other	-6,089	-4,071
Total operational expenses (exluding hotel operations)	-29,934	-18,710
Personnel expenses from hotel operations	-2,499	-2,080
Expenses from hotel operations	-4,239	-3,056
Total operational expenses	-36,672	-23,846

In 2015, the Group acquired two hotels (both the properties and the operations) in the Czech Republic and in 2016, the Group finished construction of a hotel in the Czech Republic.

Personnel expenses

In EUR thousand	2016	2015
Project management	-959	-804
Administrative	-6,440	-5,203
	-7,399	-6,007

The average number of employees in 2016 was 209 (2015 – 149 employees).

12. NET FINANCE COSTS

In EUR thousand	2016	2015
Interest income	890	951
Payment and change in fair value derivatives	3,746	20,635
Net foreign exchange gains	15,047	
Other financial income	832	1,752
Finance income	20,515	23,338
Interest expense	-26,716	-28,490
Net foreign exchange losses	-230	-5,009
Payment and change in fair value derivatives	-14,109	-9,827
Interest expenses from derivatives	-10,652	-20,440
Other financial expenses	-6,441	-5,203
Finance costs	-58,148	-68,969
Net finance costs	-37,633	-45,631

Payment and change in fair value derivatives comprise EUR 10,626 thousand of prematurely terminated derivatives (2015 – EUR 7,752 thousand).

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

13. INCOME TAX EXPENSE

In EUR thousand	2016	2015
Current tax	-9,219	-5,201
Deferred tax	-64,150	-45,577
Total income tax expense in income statement	-73,369	-50,778

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 2016 and is as well valid for the future periods when the Group expects to utilise the tax impacts from previous years.

14. INVESTMENT PROPERTY

In EUR thousand	2016	2015
Buildings and land	2,998,323	2,564,753
warehouse	1,392,079	1,097,345
production	1,161,363	1,029,957
office	359,680	346,595
hotels	73,915	38,625
retail	9,781	47,917
other	1,505	4,314
Landbank	157,713	133,661
Total	3,156,036	2,698,414

In EUR thousand	Owned build- ings and land	Leased build- ings and land	Land Bank	Total
Balance at 1 January 2015	1,952,831	12,540	116,077	2,081,448
Transfer from / to investment property under development	10,506		-4,505	6,001
Transfer within investment property	11,663	-12,540	877	
Acquisitions	328,780		21,999	350,779
Additions / disposals	90,027		3,446	93,473
Translation reserve	1,359		1,525	2,884
Valuation gains	160,474		4,297	164,771
Valuation gains recognized in previous years on investment property under development transferred to investment property	14,389			14,389
Valuation losses	-5,276		-10,055	-15,331
Balance at 31 December 2015	2,564,753		133,661	2,698,414
Balance at 1 January 2016	2,564,753		133,661	2,698,414
Transfer from / to investment property under development	17,830		10,549	28,379
Transfer within investment property	-437		437	
Acquisitions	34,980			34,980
Additions / disposals	149,905		295	150,200
Valuation gains	215,683		25,769	241,452
Valuation gains recognized in previous years on investment property under development transferred to investment property	18,619			18,619
Valuation losses	-3,010		-12,997	-16,007
Balance at 31 December 2016	2,998,323		157,713	3,156,036

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 upto-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 23).

Fair value hierarchy

The fair value measurement for investment property has been categorised as Level 2 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 valuators as at 31 December 2016.

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

In EUR thousand	2016	2015
Czech Republic	2,802,080	2,495,814
Romania	270,466	207,942
Slovakia	170,583	160,094
Hungary	91,820	14,211
Germany	25,662	24,862
Poland	15,600	15,300
Austria	2,580	2,530
Ukraine	1,866	2,023
Slovenia	1,449	1,444
	3,382,106	2,924,220

Lettable area per countries in m²	2016	2015
Czech Republic	2,785,912	2,601,926
Romania	449,080	377,450
Hungary	231,121	40,543
Slovakia	220,254	183,372
Germany	138,066	138,066
Poland	12,451	12,451
Austria	1,380	1,380
	3,838,263	3,355,188

15. INVESTMENT PROPERTY UNDER DEVELOPMENT

In EUR thousand	2016	2015
Balance at 1 January	225,806	158,501
Additions/disposals	23,121	55,005
Divestments		-6,772
Transfers from/to investment property	-28,380	-6,001
Transfers from/to property, plant and equipment		687
Valuation gains	40,543	34,327
Valuation losses	-19,484	-9,704
Valuation gains recognized in previous years on investment property under development transferred to investment property in current year	-18,619	-14,389
Write off/Impairment / (reversal of impairment) of investment property under development		580
Acquisitions of subsidiaries	3,083	11,171
Translation reserve		2,401
Balance at 31 December	226,070	225,806

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. The management estimates the pipeline projects to be built in the coming three years.

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.

Fair value hierarchy

The fair value measurement for investment property under development has been categorised as Level 2 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.

16. NET VALUATION RESULT ON INVESTMENT PROPERTY

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

In EUR thousand	2016	2015
Valuation gains	289,007	199,098
out of which: Investment Property	267,084	179,160
Investment Property under development	21,923	19,938
Valuation losses	-35,491	-25,035
out of which: Investment Property	-16,007	-15,331
Investment Property under development	-19,484	-9,704
Net valuation gains (- losses) on investment property	253,516	174,063

In 2015 the bargain purchase in the amount of EUR 42,785 thousand was reclassified to the valuation gain from the category of other income. All acquisitions carried out during 2016 were considered by the Group as acquisition of assets.

17. PROPERTY, PLANT AND EQUIPMENT

In EUR thousand	Plant	Equipment	2016	2015
Balance at 1 January	20,909	2,391	23,300	22,828
Acquisitions		186	186	208
Additions		4,467	4,467	1,588
Disposals		-10	-10	-197
Transfers from/to investment property under development				-687
Valuation gain/loss on solar plants	-441		-441	1,350
Depreciation	-1,169	-2,927	-4,096	-1,833
Translation reserve				43
Balance at 31 December	19,299	4,107	23,406	23,300

Under Plant are presented the solar plants installed on the roofs of several buildings. The value of EUR 19,299 thousand (2015 – EUR 20,909 thousand) represents the fair value of the solar panels based upon the independent valuation report.

Under Equipment in the amount of EUR 4,017 thousand (2015 – EUR 2,391 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.

18. FINANCE LEASE RECEIVABLES

In 2016 the Group did not conclude finance lease contracts on machines. In 2015 the machines in the amount of EUR 243 thousand have been re-leased.

19. TRADE AND OTHER RECEIVABLES

In EUR thousand	2016	2015
Trade receivables and other assets	35,778	32,488
VAT receivables	18,305	8,512
	54,083	41,000

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

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of EUR 64,418 thousand (2015 – EUR 43,307 thousand) entirely consist of bank balances. Balances consist of the following currencies:

In EUR thousand	2016	2015
EUR	44,788	34,783
CZK	14,869	5,601
RON	2,571	2,414
HUF	1,538	115
CHF	438	183
PLN	192	68
Other	21	143
	64,417	43,307

21. ASSETS CLASSIFIED AS HELD FOR SALE

During 2016, the Group signed an agreement with a third party for the sale of 100% interest in Dúbravská 2, s.r.o. and CT Retail s.r.o., therefore the Group classified these subsidiaries as a disposal group held for sale. No assets were classified as held for sale as at 31 December 2015.

The detailed structure of the assets and liabilities of the disposal group as at 31 December 2016 is as follows:

In EUR thousand	Dúbravská 2, s.r.o.	CT Retail s.r.o.	Total
Investment property	13,600	38,920	52,520
Loans and deposits	691	4,545	5,235
Trade and other receivables	79	687	766
Cash and cash equivavents	143	876	1,019
Total assets	14,512	45,028	59,540
Loans and borrowings	7,684	21,776	29,460
Deferred tax liability	1,431	4,953	6,384
Other financial liabilities	50	488	539
Trade and other payables	526	985	1,512
Total liabilities	9,692	28,203	37,894

22. EQUITY

CTP Property N.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 at 31 December 2016, 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 between the par value and the value at the date of issuance of the shares. As at 31 December 2016, the share premium amounts to EUR 619,528 thousand (31 December 2015 – EUR 619,528 thousand).

Revaluation reserve

The Revaluation reserve in the amount of EUR 10,349 thousand (2015 – EUR 10,072 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 (31 December 2015 – EUR 375,733 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 the basis of preparation in Note 4 b).

Reserves

Reserves comprise legal reserve of CTP Invest, spol. s r.o. of EUR 0 thousand (31 December 2015 – EUR 7,360 thousand).

23. INTEREST-BEARING LOANS AND BORROWINGS FROM FINANCIAL INSTITUTIONS

In EUR thousand	2016	2015
Non-current liabilities		
Interest-bearing loans and borrowings from financial institutions	1,649,085	1,455,438
	1,649,085	1,455,438
Current liabilities		
Interest-bearing loans and borrowings from financial institutions	82,461	103,276
	82,461	103,276

Interest-bearing loans relate to the following:

		Balance	e as at 31 Decembe	er 2016		Balance as at 31 Dec. 2015
		Due within Due in			Total	Total
In EUR thousand	1 year	2 years	3-5 years	follow. years		
Erste Group	16,800	15,408	46,877	243,497	322,582	319,899
Erste Group Bank AG						137,953
Česká spořitelna, a.s.	12,391	12,391	37,174	207,208	269,164	134,036
Banca Comerciala Romana S.A.	4,409	3,017	9,703	36,289	53,418	47,910
Raiffeisen International Group	16,438	27,785	80,380	145,662	270,264	236,876
Raiffeisenbank a.s.	11,936	22,950	25,135	129,183	189,204	190,876
Tatra banka, a.s.	3,101	3,163	40,961		47,225	46,000
RAIFFEISEN BANK S.A.	789	880	11,277		12,946	
RAIFFEISEN BANK ZRT.	612	792	3,007	16,479	20,890	
UniCredit Bank Czech Republic and Slovakia, a.s.	14,531	44,529	72,353	129,062	260,474	236,281
UniCredit Bank Czech Republic and Slovakia, a.s.	13,716	43,714	62,584	129,062	249,076	227,566
UniCredit Bank Hungary Zrt.	814	814	9,770		11,398	8,715
KBC Group	8,088	18,167	25,980	147,047	199,283	
Československa obchodní banka, a.s.	7,610	17,193	22,911	131,535	179,249	160,073
K&H	478	974	3,070	15,512	20,034	
Société Générale Group	9,020	9,197	98,800	82,974	199,991	153,934
Komerční banka, a.s.	5,681	5,938	40,509	82,974	135,102	117,452
BRD-Groupe Société Générale S.A.	3,339	3,258	58,291		64,889	36,482
Deutsche Pfandbriefbank AG	2,860	2,860	8,580	124,080	138,380	141,240
Raiffeisenlandesbank Niederösterreich-Wien AG	5,073	5,173	16,101	100,457	126,804	124,748
ING Bank N.V.	3,375	3,375	10,125	61,438	78,313	74,156
Landesbank Hessen-Thüringen Girozentrale	2,154	2,154	43,616		47,924	50,078
Všeobecná úverová banka a.s.	1,650	2,242	7,137	31,622	42,651	36,946
Oberbank AG	738	752	2,341	7,057	10,888	8,101
PPF banka a.s.	1,070	1,101	18,869		21,039	16,382
MONETA Money Bank, a.s.	665	664	11,625		12,954	
	82,461	133,406	442,783	1,072,895	1,731,547	1,558,714

Interest rates for loans and borrowings are based on EURIBOR and PRIBOR, plus margins that vary from 1.65% to 3.50%.

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. These are usually secured by pledges of shares, real estate, receivables and bank accounts.

The share pledges related to interest bearing loans are described in detail in Note 31.

The interest-bearing loans and borrowings were received in the following countries where CTP operates:

In EUR thousand	2016	2015
Czech Republic	1,438,456	1,326,704
Romania	131,253	110,973
Slovakia	93,958	90,499
Hungary	52,323	8,715
Poland	9,968	10,464
Germany	5,588	11,359
	1,731,546	1,558,714

24. TRADE AND OTHER PAYABLES

Current trade and other payables:

In EUR thousand	2016	2015
Trade payables and other liabilities	53,170	67,047
Tax payables	15,774	11,214
	68,944	78,261

25. FINANCIAL DERIVATIVES

In EUR thousand	2016	2015
Financial derivatives		
Receivables	2,275	1,483
Liabilities	-28,036	-28,016
	-25,761	-26,533

As at 31 December 2016 and 31 December 2015 CTP held the following financial instruments. Fair value of financial derivatives as at 31 December 2016:

	Due within				Total
In EUR thousand	1 year	2 years	3-5 years	follow. years	
Interest Rate Swap - EUR	-363	-698	-6,069	-15,769	-22,900
Interest Rate Swap - CHF	0	0	-1,651	0	-1,651
Interest Rate Swap - CZK	-631	0	0	-238	-869
COLLAR - EUR	-338	0	4	0	-334
CAP - EUR	0	-8	0	0	-8
	-1,333	-706	-7,716	-16,007	-25,761

Fair value of financial derivatives as at 31 December 2015:

	Due within				Total
In EUR thousand	1 year	2 years	3-5 years	follow. years	
Interest Rate Swap - EUR	0	-629	-17,109	-4,876	-22,614
Interest Rate Swap - CHF	0	0	-2,180	0	-2,180
Interest Rate Swap - CZK	0	0	-354	124	-230
COLLAR - EUR	0	-1,192	0	0	-1,192
CAP - EUR	-9	-702	-95	487	-319
CAP - CZK	0	0	2	0	2
	-9	-2,523	-19,737	-4,264	-26,533

As at 31 December 2016 and 31 December 2015 CTP did not have any FX deals opened. As at 31 December 2016 the nominal value of financial derivatives is in amount of EUR 1,380,651 thousand (2015: EUR 1,257,422 thousand).

26. DEFERRED TAX LIABILITY

Deferred tax assets and liabilities were offset in the consolidation with respect to companies 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 2016 and 31 December 2015:

In EUR thousand	2016	2015
Temporary differences		
Investment property	-1,632,201	-1,306,814
Tax losses	53,281	87,118
Property, plant and equipment	17,601	17,868
Other (receivables, hedge accounting etc.)	4,508	-50,962
Total temporary differences	-1,556,811	-1,252,790
Average tax rate (majority of deferred tax arises in the Czech Republic)	19%	19%
Deferred tax liability	-295,794	-238,030
Change of deferred tax in period ended 31 December	-57,764	-60,210
Deferred tax recorded in statement of comprehensive income	-64,150	-45,577
Deferred tax recorded in translation reserve	844	-6
Deferred tax arised from revaluation of Property, plant and equipment		-259
Deferred tax arised from acquisitions		-14,368
Deferred tax arised from assets held for sale	5,542	

27. SUBSIDIARIES

CTP Invest, spol. s r.o.

CTP Invest, spol. s r.o. owns the following subsidiaries:

		Ownersh	•
Subsidiaries	Country	2016	2015
CTP Invest 1, spol. s r.o. (1)	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. (2)	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. (3)	Czech Republic	100%	
CTP Invest XV, spol. s r.o. (4)	Czech Republic	100%	
CTP Invest XVI, spol. s r.o. (5)	Czech Republic	100%	
Brno Retail s.r.o. (6)	Czech Republic	100%	100%
LORNOKA REAL ESTATE, s.r.o.		100%	100%
COPOK s.r.o. (7)	Czech Republic		
	Czech Republic	100%	100%
Bohemia Pilz s.r.o.	Czech Republic	100%	100%
2P, s.r.o.	Czech Republic	100%	100%
including its subsidiary Hotel Operations Plzeň s.r.o.	Czech Republic	100%	100%
Europort Airport Center a.s.	Czech Republic	100%	100%
including its subsidiary Hotel Operations EUROPORT s.r.o.	Czech Republic	100%	100%
CTPersonal Bor, spol. s r.o.	Czech Republic	100%	100%
Dúbravská 2, s.r.o.	Slovakia	100%	100%
CTP Invest Hungary Kft	Hungary	100%	100%
including its subsidiaries:			
CTPark Alpha Kft	Hungary	100%	100%
CTPark Beta Kft	Hungary	100%	100%
CTPark Gamma Kft	Hungary	100%	100%
CTP Property Poland I Sp. z o.o.	Poland	100%	100%
CTPark Ukraine LLC	Ukraine	100%	100%
including its subsidiaries:			
CTPark Lviv	Ukraine	100%	100%
IQ Lviv LLC	Ukraine	100%	100%
CTP Karviná, spol. s r.o. (8)	Czech Republic	100%	
CTP Management Hungary, Kft. (9)	Hungary	100%	
DUNSTAR a.s. (10)	Czech Republic	83,33%	
GreenPark Resi I Sp. z o.o.(11)	Poland	100%	
GreenPark Resi II Sp. z o.o. (12)	Poland	100%	
CTP Divišov I, spol. s r.o.	Czech Republic	29%	29%
CTP DIVISION 1, Spoil S 1.0.	Czech Republic	2%	29/6
CTP Immobilienverwaltung GmbH	Austria	1%	1%
-			
CTP-ark Bratislava, spol. s r.o.	Slovakia	15%	15%
CTP ark Nitra, s.r.o.	Slovakia	10%	10%
CTP Slovakia, s.r.o.	Slovakia	10%	10%
CTPark Bucharest SRL	Romania	10%	10%
CTPark Bucharest West I SRL	Romania	10%	10%
DEVA LOGISTIC CENTER SA	Romania	1%	1'

- 1) On 1 January 2016 the company BB Asset s.r.o. and its subsidiary Muvela Estates s.r.o. were merged into CTP Invest, spol. s r.o.
- 2) On 1 January 2016 the companies RLRE Epsilon Property s.r.o. and Lehet-ZK a.s. were merged into CTP Property XX, spol. s r.o.
- 3) On 12 May 2016, the Group established subsidiary CTP Invest XIV, spol. s r.o.
- 4) On 12 May 2016, the Group established subsidiary CTP Invest XV, spol. s r.o.

- 5) On 14 November, the Group acquired from a third party a 100% share in CTP Invest XVI, spol. s r.o. (subsidiary was renamed from Valinial Hold, s.r.o.)
- 6) In 2016 the subsidiary was renamed to Brno Retail s.r.o.
- 7) On 1 January 2016 the companies FW consulting s.r.o., PROCON a.s. and CISK s.r.o. were merged into COPOK s.r.o.
- 8) On 29 June 2016 the Group acquired a 100% share in CTP Karviná spol. s r.o.
- 9) On 4 August 2016, the Group established subsidiary CTP Management Hungary Kft
- 10) On 28 June 2016 the Group acquired a 100% share in DUNSTAR a.s.
- 11) On 16 November 2016, the Group established subsidiary Greenpark Resi I sp. z o.o.
- 12) On 16 November 2016 the Group established subsidiary Greenpark Resi II Sp. z o.o.

CTP Property N.V.

CTP Property N.V. ultimately owns mainly through CTP Property Lux, S.à r.I., the 100%-subsidiary in Luxembourg, the following subsidiaries in the Czech Republic, the Slovak Republic, Austria, Germany, Romania, Slovenia, Hungary and Bulgaria:

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subsidiaries CTPARK ALPHA S.R.L., CTPARK DELTA S.R.L. and CTPARK GAMMA S.R.L.	
CTPARK BETA S.R.L. Romania 100% 100%	
CTPark Bucharest SRL Romania 90% 90%	
CTPark Bucharest West I, SRL Romania 90% 90%	
DEVA LOGISTIC CENTER SA Romania 99% 99%	
H.E.E. (MERCURY) PROPRIETATI SRL Romania 100% 100%	
CTP Ljubljana d.o.o. Slovenia 100% 100%	
CTPark Biatorbágy, Kft. Hungary 100%	
CTPark Arrabona, Kft. Hungary 100%	4)
CTPark Alpha, EOOD Bulgaria 100%	4)

- 1) The company Hotel Operations Brno, spol. s r.o. was newly established in 2015 and opened the brand new Courtyard hotel in Brno in 2016.
- 2) In 2016 the company Pekařská Office, s. r. o. was sold.
- 3) As at 1 January 2016, the companies Trnavainvest dodavatelský park s.r.o., Nitra Park s.r.o. and Logistics Development s.r.o. merged into CTP Slovakia, s.r.o.
- 4) The companies CTPark Biatorbágy, Kft., CTPark Arrabona, Kft. and CTPark Alpha, EOOD were newly established in 2016 for new future developments.

Further the Company holds the remaining 1% or respectively 10% in the share capital for the companies marked with X) in the overview of companies held by CTP Property Lux, S.à.r.l.

For the subsidiary marked with Y) the share of the Company in the subsidiary is 0.71% and for the subsidiary marked with Z) the share of the Company in the subsidiary is 1.84%.

28. RELATED PARTIES

CTP has a related party relationship with its directors and executive officers and other companies which equity holders are Multivest 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 2015 and 2015 CTP had the following revenues and expenses with related parties:

	2016		201	5
In EUR thousand	Revenues	Expenses	Revenues	Expenses
Multifin B.V interest	464	-298	328	-328
Multivest B.V interest	95		119	-123
CTP Partners N.V interest	41		37	
Finspel B.V interest	581		35	
CTP Invest Poland sp. z o.o interest		-2	9	
MaVo Lux S.a.r.L interest	6		6	
CTP Alpha Poland sp. z.o.o interest		-2	1	-5
CTP Solar, a.s interest	2			-1
Others			1	
	1,189	-302	536	-457

As at 31 December 2016 and 2015, CTP has the following receivables from and payables to related parties:

	201	2016		2015		
In EUR thousand	Receivables	Payables	Receivables	Payables		
Current receivables and payables						
Remon L. Vos			42			
Multifin B.V.	8		3			
CTP Energy TR, a.s.		67		67		
CTP Invest Poland Sp. z o.o.	56					
Current receivables and payables	64	67	45	67		

Current non-trade receivables from and non-trade payables to related parties are interest bearing and bear interest at 3M EURIBOR+3% margin.

	2016		2015		
In EUR thousand	Receivables	Payables	Receivables	Payables	
Non-current receivables and payables					
Multifin B.V.	16,919	12,654	15,683	12,356	
Finspel B. V.	14,010		1,429		
CTP Partners N.V.	1,792		1,660		
MaVo LUX s.a.r.l	257		216		
CTP Solar, a.s.	2	91	1	89	
CTP Invest Poland Sp. z o.o.	342				
Multivest B.V.	2,621				
Non-current receivables and payables	35,943	12,745	18,989	12,445	
Total (Current and Non-current receivables and payables)	36,007	12,812	19,034	12,512	

As at 31 December 2016 the Group provided loans in the amount of EUR 16,919 thousand to Multifin B.V. (2015 – EUR 15,683 thousand). The interest rate applied for 2016 as well as 2015 was 3M EURIBOR+3%.

As at 31 December 2016 the Group received loans in the amount of EUR 12,654 thousand from Multifin B.V. (2015 – EUR 12,356 thousand). The interest rate applied for 2015 and 2014 was 3M EURIBOR+3%.

Other non-current non-trade receivables from and non-trade liabilities to related parties are interest bearing and bear interest at 3M EURIBOR+3% margin.

Executive management

The average number of executives and remuneration paid for the period ended 31 December 2016 and 31 December 2015 were as follows:

In EUR thousand	2016	2015
Number of employees	14	14
Personnel expenses	1,809	1,710

29. 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	Total 2016	Total 2015
Amounts due from banks	64,417	43,307
Amounts due from financial derivatives	2,275	1,483
Amounts due from related parties	36,000	19,034
Amounts due from third parties	35,785	34,085
Amounts due from tax institutions	18,305	8,512
	156.782	106,421

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 a 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 maximising the return to shareholders through the optimisation of the debt and equity balance. CTP's overall strategy remains unchanged compared to 2015.

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 22.

Gearing ratio:

In EUR thousand	2016	2015
Debt	2,195,692	1,937,384
Equity	1,434,233	1,124,027
	153%	172%

Debt is defined as long-term and short-term liabilities as detailed described in Note 22. Equity includes all capital and reserves of CTP (see Note 22).

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 51 % at 31 December 2016 (2015 – 53%) 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 fulfil 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 minimisations of these risks. During 2016, 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 optimising 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 2016 CTP analysed 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 2016 and 2015, 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 2016 and 31 December 2015 due to changes in assumptions:

Completed investment properties as at 31. 12. 2016 in thousands of EUR

	Current average yield	Current market value	Increased yield by 25 bp	FMV based upon increased yield	Effect of increase in yield by 25 bp
Increase of 25 bp in reversionary yield	7.95%	2,985,757	8.20%	2,894,719	-91,038
	Current average yield	Current rental income	Decrease rental income by 5%	FMV based upon decreased rental income	Effect of de- crease in rental income by 5%
Decrease of 5% in estimated rental income	7.95%	237,345	225,478	2,836,469	-149,288

Completed investment properties as at 31. 12. 2015 in thousands of EUR

	Current average yield	Current market value	Increased yield by 25 bp	FMV based upon increased yield	Effect of increase in yield by 25 bp
Increase of 25 bp in reversionary yield	7.8%	2,530,115	8.05%	2,451,532	-78,583
	Current average yield	Current rental income	Decrease rental income by 5%	FMV based upon decreased rental income	Effect of de- crease in rental income by 5%
Decrease of 5% in estimated rental income	7.8%	197,327	187,461	2,403,609	-126,506

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.

Derivative

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 5 b).

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 5 c).

30. 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.

31. 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
CTP Property XVII, spol. s r.o.	Raiffeisenbank a.s.
CTP Property XX, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Products I, spol. s r.o.	Všeobecná úverová banka a.s.
CTP Invest X, spol. s r.o.	Oberbank AG
2P, s.r.o.	Raiffeisenbank a.s.
Hotel Operations Plzeň s.r.o.	Raiffeisenbank a.s.
CTP Karviná, spol. s r.o.	Raiffeisenbank a.s.
Europort Airport Center a.s.	MONETA Money Bank, a.s.
Hotel Operations EUROPORT s.r.o.	MONETA Money Bank, a.s.
Dúbravská 2, s.r.o.	Tatra banka, a.s.
CTPark Alpha Kft	UniCredit Bank Hungary Zrt.
CTP Property Poland I Sp. z o.o.	PPF banka a.s.
CTP Property XVI, spol. s r.o.	Deutsche Pfandbriefbank AG
CTP, spol. s r.o.	Všeobecná úvěrová banka a.s.
CTP Property, a.s.	Helaba Landesbank Hessen-Thüringen
CTP Property II, a.s.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Property IV s.r.o.	ING Bank N.V.
CTP Property V, a.s.	Komerční banka, a.s.
CTP Invest VIII, spol. s r.o.	Komerční banka, a.s.
CTP Property VIII, a.s.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Property IX, a.s.	Československá obchodní banka, a. s.
CTP Property X, spol. s r.o.	Československá obchodní banka, a. s.
CTP Property XIV, spol. s r.o.	Česká spořitelna, a.s.
CTP Property XVIII, spol. s r.o.	Raiffeisenbank a.s.
CTP Property XXI, spol. s r.o.	Československá obchodní banka, a. s.
CTP Property XXII, spol. s r.o.	Raiffeisenbank a.s.
CTP Invest V, spol. s r.o.	Raiffeisenbank a.s.
Hotel Operations Brno, spol. s r.o.	Raiffeisenbank a.s.
CTP Invest VII, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Invest IX, spol. s r.o.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Brno I, spol. s r.o.	Česká spořitelna, a.s.
CTP Divišov I, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.

Company	Shares pledged in favour of
CTP Hranice II, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Plzeň I, spol. s r.o.	Česká spořitelna, a.s.
CTP Pohořelice I, spol. s r.o.	Česká spořitelna, a.s.
CTPark Bor, spol. s r.o.	Deutsche Pfandbriefbank AG
CTPark Brno Campus s.r.o.	Komerční banka, a.s.
CTPark Mladá Boleslav II, spol. s r.o.	Raiffeisenbank a.s.
CTPark Prague East, spol. s r.o.	Československá obchodní banka, a. s.
CT Finance, spol. s r.o.	Erste Group Bank AG
CT Retail s.r.o.	Raiffeisenbank a.s.
CTZone Brno, a.s.	Komerční banka, a.s.
CTPark Prague North, spol. s r.o.	Erste Group Bank AG
Spielberk Office Center, spol. s r.o.	Raiffeisenbank a.s.
CTP Germany GmbH	PPF banka a.s.
CTP Alpha SK, spol. s r.o.	Tatra banka, a.s.
CTPark Bratislava, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Slovakia, s.r.o.	Tatra banka, a.s.
Nitra park II, s.r.o	Tatra banka, a.s.
CTPARK ALPHA S.R.L.	Raiffeisen Bank S.A.
CTPARK BETA S.R.L.	Banca Comerciala Romana S.A.
CTPark Bucharest SRL	BRD-Groupe Société Générale S.A.
CTPark Bucharest West I SRL	Banca Comerciala Romana S.A.
DEVA LOGISTIC CENTER SA	Banca Comerciala Romana S.A.
H.E.E. (MERCURY) PROPRIETATI SRL	BRD-Groupe Société Générale S.A.
CTPark Beta, Kft.	RAIFFEISEN BANK ZRT.
CTPark Gama, Kft.	RAIFFEISEN BANK ZRT.
COPOK s.r.o.	Česká spořitelna, a.s.
LORNOKA REAL ESTATE s.r.o.	PPF banka a.s.
CTZOne Ostrava, a.s.	Raiffeisenbank a.s.
CTPark Delta Kft.	K & H Bank Zrt.
CTP Property XI, spol.s r.o.	Všeobecná úverová banka a.s.
CTPark Biatorbágy, Kft.	K & H Bank Zrt.

32. SUBSEQUENT EVENTS

Loan agreements

Czech Republic

On 23 January 2017, CTP signed a loan agreement with Raiffeisenbank, a.s. for financing industrial property – project Karvina to be constructed up to an amount of EUR 10,800 thousand.

On 24 February 2017, CTP signed a loan agreement with UniCredit Bank Czech Republic and Slovakia, a.s. for financing project Vlnena to be constructed up to an amount of EUR 33,000 thousand.

CTP signed a loan agreement on 2 March 2017 with Landesbank Hessen - Thuringen Girozentrale for financing the existing portfolio of properties in CTPark Ostrava, Jihlava and Brno up to an amount of EUR 59,500 thousand.

CTP signed a loan agreement on 13 April 2017 with Landesbank Hessen - Thuringen Girozentrale and Deutsche Pfandbriefbank AG for financing existing properties in CTPark Bor and construction of project B10 up to an amount of EUR 176,756 thousand.

Romania

CTP signed a loan agreement on 28 March 2017 with BRD-Groupe Société Générale S.A. and Komerční banka, a.s. for financing an industrial project in CTPark Bucharest. The loan agreement is for the amount of up to EUR 26,000 thousand.

Hungary

CTP signed a loan agreement on 12 April 2017 with Kereskedelmi és Hitelbank Zrt. for financing of an industrial project in CTPark Biatorbágy. Loan agreement of the amount up to EUR 11,812 thousand.

CTP signed a loan agreement on 17 May 2017 with OTP BANK NYRT. for financing an industrial project in CTPark Györ. The amendment is for the amount of up to EUR 7,050 thousand.

Slovakia

CTP signed an amendment to a loan agreement on 20 April 2017 with Tatra banka, a.s. for financing an extension of an industrial project in CTPark Voděrady. The amendment is for the amount of up to EUR 7,050 thousand.

Group structure

In 2017 CTP Group acquired portfolios of industrial and office buildings in Romania (Chitila, Phoenix), Hungary (Rosalia) and the Czech Republic (Aviva) – all partially financed by newly signed bank loans – and spent more than EUR 21 million on land acquisitions across CEE in the first four months of year 2017.

The management of the Group has initiated the process of spin-off by merger in the location CTPark Plzeň from companies CTP Property XX, spol. s r.o., CTP Property II, a.s., CTP Property IX, a.s. and CTP Property V, a.s. by a merger into CTP Plzeň I, spol. s r.o. with the effective date as of 1 January 2017.

The management of the Group has also initiated the process of spin-off by merger in the location CTPark Teplice from companies CTP Property II, a.s. a CTP Property XVIII, spol. s r.o. by a merger into CTP Property XXX, spol. s r.o. with the effective date as of 1 January 2017.

Subsidiaries

In 2017 the Group incorporated the below subsidiaries:

Name	Country
CTPark Seven Kft.	Hungary
CTPark Eight Hft.	Hungary
CTPARK KAPPA SRL	Romania
CTPARK LAMBDA SRL	Romania
CTPARK OMEGA SRL	Romania
CTPARK SIGMA SRL	Romania
CTPARK THETA SRL	Romania
CTPARK PHI SRL	Romania
CTPARK PSI SRL	Romania
CTPARK SIGMA SRL	Romania
CTPARK TAU SRL	Romania
CTPARK THETA SRL	Romania
CTPARK ZETA SRL	Romania
CTP CONTRACTORS SRL	Romania

In January 2017, the Group purchased 100% share in CTP ALPHA POLAND SP. Z O.O. and CTP INVEST POLAND SP. Z O.O. from Multivest B.V. and Finspel B.V for the total consideration of EUR 195 thousand and EUR 5 thousand, respectively.

29 May 2017

Remon L. Vos, FRICS

Jan G. Koop

Appendix 1 CTP Group structure

As at December 31, 2016

Multivest B.V.

Finspel B.V.

99.98% (0.02% Multifin B.V.) CTP Invest, spol. s r.o.
Property Development, Asset Mgmt.

CZECH REPUBLIC

CTP Property XVII, spol. s r.o. Vlněna, landb

100%

CTP Karviná, spol. s r.o.

landbank, Karviná 100%

Plzeň, hotel Marriott 100%

Hotel Operations Plzeň s.r.o.

Plzeň, operations Marriott 90% (10% CTP Invest spol. s r.o)

Europort Airport Center a.s. Prague, hotel Marriott 100%

Hotel Operations EUROPORT s.r.o.

Prague, operations Marriott 90% (10% CTP Invest spol. s r.o)

CTP Property XX, spol. s r.o. 1 building in each of CTPark Humpolec & CTPark Modřice; 2 buildings in CTPark Plzeň

LORNOKA REAL ESTATE, s.r.o

CTPark Blučina 100%

CTP Property XVI, spol. s r.o. CTPark Bor, landbank Phase II 100%

COPOK s.r.o.

1 building & landbank, CTPark Kvasiny

CTP Products I, spol. s r.o.

1 industrial building, Přeštice 100%

CTP Invest X, spol. s r.o.

CTPark Zakupy

Landbank CTPark Prague North (D8) 83.33% % (16.67% CTPark Prague North, spol. s r.o.)

Brno Retail, spol. s r.o. Landbank, Brno Retail Park

100%

Bor Logistics, spol. s r.o.

CTPark Brno II, landbank 100%

CTP Invest 1, spol. s r.o.

Jirny, landban 100%

Bohemia Pilz s.r.o. 📙

CTP Property XIX, spol. s r.o. Landbank, Nošovice

CTP Property XXIII, spol. s r.o.

CTP Invest XVI, spol. s r. o.

CTP Invest XII, spol. s r.o. Landbank, Ostrava-Poruba

100%

CTP Property XXVI, spol. s r.o.

CTP Invest III, spol. s r.o.

100%

Multidisplay s.r.o. 🗉

CTPersonnel Bor, spol. s r.o.

CTP Invest XI, spol. s r.o.

CTP Invest XIV, spol. s r.o.

CTP Invest XV, spol. s r.o.

SLOVAKIA Dúbravská 2, s.r.o

Westend Tower, Bratislava

HUNGARY

CTP Invest Hungary Kft.

CTPark Alpha, Kft. Ullo, Tatabánya, Gyor Buildings 100%

CTPark Beta, Kft.

CTPark Gamma, Kft.

CTPark Mór, 1 building 100%

CTP Management Hungary, Kft.

CTP PROPERTY POLAND I SP. Z O.O. 3 industrial buildings, Poland

GREENPARK RESI I sp. z o.o. 🗉

GREENPARK RESI II sp. z o.o.

UKRAINE

CTPark Lviv LLC

99%, (1% IQ Lviv LLC)

☐ IQ Lviv LLC 99%, (1% Czech Invest)

CTP Ukraine LLC

Nepřevázka, 3 buildings, landbank Hradec Králové 99% (1% CTP Property N.V.)

CTPark Mladá Boleslav II, spol. s r.o.

CZECH REPUBLIC

CTP Property XVIII, spol. s r.o.

CTPark Humpolec, 3 buildings 99% (1% CTP Property N.V.)

CTP Property XXII, spol. s r.o.

Ponāvka, CTOffice Box 99% (1% CTP Property N.V.)

CT Retail s.r.o. Retail Portfolio 99% (1% CTP Property N.V.)

CTP INVEST V, spol. s r.o. Tower I, Tower II / Spielberk 90% (10% CTP Property N.V.)

Hotel Operations Brno, spol. s r.o.
Brno, operations Marriott
100%

CTZone Ostrava, a.s.

Spielberk Office Center, spol. s r.o.

Spielberk Office Center, 6 Buildings

CTP Invest IX, spol. s r.o.

CTPark Ostrava / CTPark Brno, 5 buildings 90% (10% CTP Property N.V.)

CTP Property II, a.s. Real Estate, 13 buildings

100%

CTPark Prague North, spol. s r.o. Project D8, 1 building; landbank 100%

CTFinance s.r.o.
19 buildings in Modřice & Prague

100%

CTP Brno I, spol. s r.o.

CTPark Brno, 8 buildings 99% (1% Spielberk Office Center, spol. s r.o.)

CTP Plzeň I, spol. s r.o. CTPark Plzeň, 4 buildings 99% (1% Spielberk Office Center, spol. s r.o.)

CTP Property XIV, spol. s r.o. CTPark Ostrava, Okřišky, 9 buildings 100%

CTP Pohořelice I, spol. s r.o.

CTPark Pohořelice, 1 building 99% (1% Spielberk Office Center, spol. s r.o.)

CTP Property IX, a.s. CTPark Plzeň & Žatec, 6 buildings; landbank Žatec

CTP Property X, spol. s r.o.

CTPark Brno II,7 buildings 99% (1% Spielberk Office Center, spol. s r.o.)

CTP Property XXI, spol. s r.o. CTPark Ostrava, 1 building; CTPark Kadaň, 2 Buildings

99% (1% CTP Property N.V.)

CTPark Prague East, spol. s r.o. Nupaky, 5 buildings; landbanl

100%

KOMERČNÍ ZÓNA NUPAKY, s.r.o. 100%

CTP Invest VII, spol. s r.o.

IQ Ostrava, landbank 99% (1% CTP Property N.V.)

CTP Divišov I, spol. s r.o.

CTPark Divišov, portfolio of 26 properties 70.02% (0.71% CTP Property N.V., 29.27% CTP Invest, spol. s r.o.)

CTP Hranice II, spol. s r.o.

Landbank, CTPark Hranice, 1 building 99% (1% CTP Property N.V.)

CTP Property VIII, a.s. 100%

CTP Invest XIII, spol. s r.o.

CTPark Delta Kft.
Ruukki building and landplot, 100%

CTPark Brno Campus s.r.o. 2 buildings, CTPark Brno 100%

CTP Property V, a.s.

9 buildings 100%

CTP Invest VIII, spol. s r.o.

CTZone Brno, a.s. Ponāvka 100%

CTP, spol. s r.o.

CTPark Mladá Boleslav, 3 buildings 100%

CTP Property XI, spol. s r.o.

99% (1% Spielberk Office Center, spol. s r.o.)

CTP Property IV s.r.o. 13 Buildings

100%

CTP Property, a.s. 8 buildings

100% CTPark Bor, spol. s r.o.

CTPark Bor, 8 buildings 98% (1.84% CTP Invest, spol. s r.o.,

0.16% CTP Property N.V.) CTP Property XXVII, spol. s r.o.

CTPark Hrušky, landbank 90% (10% CTP Property N.V.)

CTP Infrastructure, a.s. 100%

CTP Invest IV, spol. s r.o.

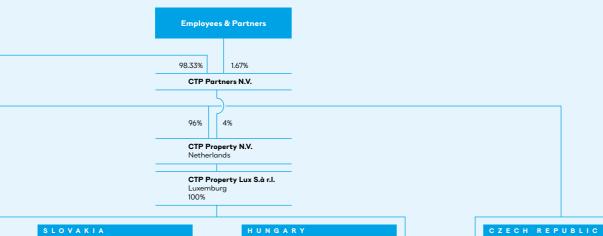
Landbank, Týniště 90% (10% CTP Property N.V.) CTP Property III, a.s. 🗉

CTP Finance, a.s. 100%

CTP Property XXVIII, spol. s r.o.

CTP Property XXIX, spol. s r.o.

CTP Property XXX, spol. s r.o.



CTP Alpha SK, spol. s r.o. 1 building each in CTPark Žilina & CTPark Voderady 90% (10% CTP Property N.V)

CTP Slovakia, s.r.o.

CTPark Trnava, Nitra 90% (10% CTP Invest, spol. s r.o.)

Nitra park II, s.r.o.

1 Building in Nitra 100%

CTPark Bratislava, spol. s r. o. DNV building, Dunaj Building, Slovakia 85% (15% CTP Invest, spol. s r.o.)

CTP Invest SK, spol. s r.o.

Landbank 90% (10% CTP Property N.V.)

CTP Beta SK, spol. s r.o. 90% (10% CTP Property N.V

CTPark Nitra, s.r.o. 5 90% (10% CTP Invest, spol. s r.o.)

ROMANIA

DEVA LOGISTIC CENTER SA

1 industrial building, Romania 99% (1% CTP Invest, spol. s r.o.)

CTPARK BUCHAREST WEST I S.R.L.

2 Properties, CTPark Bucharest West I 90.48% (9.52% CTP Invest, spol. s r.o.)

CTPARK BETA SRL

2 Industrial buildings, Romania 98.82% (1.18% Spielberk Office Center, spol. s r.o.)

CTPARK BUCHAREST SRL

7 Properties, CTPark Bucharest 90% (10% CTP Invest, spol. s r.o.)

H.E.E. (MERCURY) PROPRIETATI SRL

CTPark Bucharest West II, 3 properties 99.99994% (0.00006% CTP Invest, spol. s r.o.)

CTP INVEST BUCHAREST SRL 🖪

Landbank 98.94% (1.06% Spielberk Office Center,

CTPARK ALPHA SRL

3 industrial buildings 100%

CTPARK GAMMA SRL

95% (5% CTP Invest, spol. s r.o.)

CTPARK DELTA SRL 95% (5% CTP Invest, spol. s r.o.)

CTPark Biatorbágy, Kft.

CTPark Arrabona, Kft. 100%

GERMANY

CTP Germany GmbH Building in Dusseldorf 100%

DN Beteiligungs GmbH
Real Estate Portolio, Germany
90% (10% CTP Invest, spol. s r.o.)

GmbH ■

90% (10% CTP Invest, spol. s r.o.)

AUSTRIA

CTP Immobilienverwaltung GmbH

1 building in Austria 99% (1% CTP Invest, spol. s r.o.)

SLOVENIA

CTP Ljubljana d.o.o. 🗓

BULGARIA

CTPark Alpha, EOOD E

CTP ENERGY TR, A.S.

POLAND

CTP ALPHA POLAND SP. Z O.O.

CTP INVEST POLAND SP. Z O.O. \blacksquare 100%

NETHERLANDS

MULTIFIN B.V.

☐ Jade-Shipping Betriebs GmbH & Co. KG.

Jade-Shipping I GmbH Port Services in Germany 60%

Jade Dienst GmbH Port Services in Germany 88%

VU1 CORPORATION

→ BOMAN B.V.

MaVo Lux S. À r.I. ■

CTP Solar, a.s. E

E Empty Company Landbank



Meet the TOP 30

REMON VOS, FRICS

CEO

Remon established CTP together with two other investors in 1998 to develop full-service business parks for companies doing business in Central Europe. Since the start, he has been CTP's managing director and takes a hands-on approach to running the business. Remon's focus is to grow the company's portfolio and platform of services, and to develop and strengthen relationships with long-term business partners.



FLÓRA BADACSONYI

Financial Manager, CTP Hungary

Flóra started working for CTP in June 2016 as a financial manager for the Hungarian loan portfolio and was instrumental in arranging financing for CTP's acquisions during 2016. She likes running, trekking and climbing.



JÚLIUS ALEVA Deputy CFO

Július joined CTP in 2015 as Deputy CFO. He worked previously as part of the finance team of Raiffeisenbank (Czech Republic), where he spent eight years in managerial positions. Prior to that, he was employed by Deloitte, working in the banking and financial institutions group.

Július studied Economics and Finance in Bratislava, Slovakia and in Gent, Belgium.





HENDRIK JUNG Senior Business Development Manager

Hendrik joined CTP in 2015. He studied Economics & Business Administration in the Netherlands and Italy, before spending three years with Cushman & Wakefield's CEE industrial & logistics brokerage team. As Senior Business Development Manager, Hendrik is responsible for German-speaking and international key accounts across CTP's multinational portfolio.



Regional Director

Zdeněk joined CTP in 2012. He worked previously for Valeo as a Division Facility Manager for the Czech Republic and Germany. At CTP he is responsible for construction and property management in the Central Bohemia region.

TOMÁŠ TESAŘ

Head of Marketing

Tomáš joined CTP in the beginning of October 2016 as Head of Marketing. He leads CTP"s in-house team of creatives and is responsible for the PR in the Czech Republic as well and other countries where CTP operates. Prior to joining CTP, Tomáš worked for almost nine years as the Head of Communications and Marketing for the Royal Bank of Scotland covering bank's activities in CEE region. Tomáš holds degree in International Trade from the University of Economics in Prague.



RADEK ZEMAN CFO

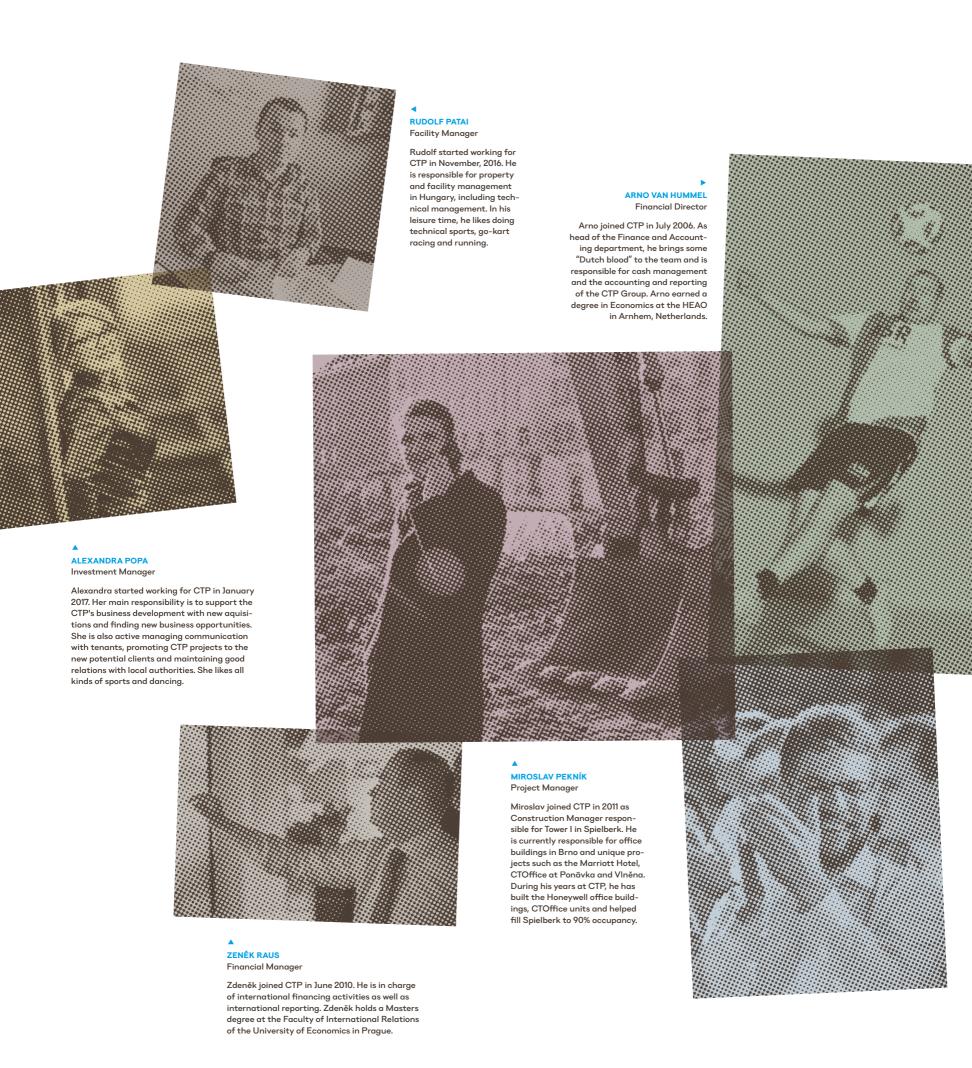
Radek joined CTP in 2008. He earned a Master's degree at the University of Economics in Prague and after additional studies in Germany became a member of the Czech Chamber of Auditors and the Czech Chamber of Tax Advisors. As CFO, Radek is responsible for overall financial management of CTP and the financing of company activities and subsidiary companies.



■MILOŠ DIFFERENC

Head of Accounting

Miloš joined CTP in 2016 as portfolio accounting manager responsible for the reporting of domestic and foreign CTP entities. He started his career at KPMG in 2004 in the Financial Services department, where he qualified as a Chartered Accountant. Before he joined CTP, he spent six years at Raiffeisenbank where he participated in the implementation of a new IT system.







Head of Legal

Luboš joined CTP in October 2006. As head of the Legal department, he is responsible for all legal aspects of company business, including negotiation and conclusion of financial loan agreements, client lease agreements, land purchase and zoning, permitting licenses and intellectual property.

JAROSLAV KAIZR, MRICS

Business Development Director

Jaroslav joined CTP in mid-2014 following his many years' experience working in the Czech industrial market. His focus is mainly on maintaining low vacancy across the portfolio and on finding opportunities for new development. Jaroslav holds Masters degrees from the University of Economics in Prague and Sheffield Hallam University. Jaroslav is Member of Royal Institution of Chartered Surveyors.

JIŘÍ KOSTEČKA Business developer

Jiří joined CTP in 2007 as Business Development Manager based in Brno. He has been instrumental in introducing new business to many of our Brno-based properties. He holds an MBA in Management Ethics. He is an active runner, and enjoys exotic races.

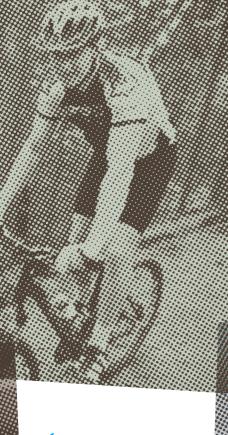
KAREL SMEJKAL Head of Construction

Karel joined CTP in 2007. As construction manager responsible for stand-alone office developments, he is known at CTP for his leadership role in steering our flagship office project, Spielberk, to BREEAM Outstanding certification, and he currently oversees preparations for all new A-class office developments across the CEE region. Karel holds a degree in Civil Engineering from the Czech Technical University in Prague and is an authorised building engineer.

DAVID CHLÁDEK

Regional Director, North Moravia

David joined CTP in 2010. One of his first tasks was the successful development of CTPark Hranice near Ostrava, and he is now in charge of all development projects in North Moravia. He holds an MBA in Strategic Management from the International Business School in Brno and a degree in Engineering from the Technical University of Ostrava.



TOMÁŠ PAŇKO Accounting Manager

Tomáš joined CTP's Finance & Accounting Team in December 2016 and is responsible for part of the Czech portfolio of companies. His hobbies are mountain biking, cross-country skiing and travelling.

MARCIN PLICHTA

Head of Change and Process Management

Marcin joined CTP in September 2016. His main focus is a change and process management in order to support the smooth implementation of new IT solutions. Before joing CTP Marcin worked in various positions at Raiffeisenbank and as external implementation advisor. His hobbies are whatever his daughters come up with.



MARIAN ORZU

Head of Leasing and Business Development, CTP Romania

Marian has been part of the Romanian industrial market since its early beginnings in 2005 and participated actively in its development. Prior to joining CTP, he was involved in most of the major leases and disposals on the Romanian market working with big manufacturers, retailers and 3PL's.



Head of Property Management, Brno Region

Barbora joined CTP in 2015. She is responsible for smooth operations of the office centres Spielberk and Ponāvka in Brno. Her focus is on keeping these A-class premises well maintained, user friendly, pleasant, and to ensure that all customers remain satisfied. Barbora gained an Honours Degree in Business Studies at Thames Valley University London and Masters Degree in Economics at the Technical University Ostrava.



Group Financial Controller

Lukáš joined the CTP controlling department as Group Financial Controller. He is responsible mainly for management reporting, cash flow forecasting and overhead budgets. Lukáš started his carreer as an auditor at PricewaterhouseCoopers and, prior to joining CTP, Lukáš worked almost nine years as a Finance Manager at a private equity real estate investment fund, focused on opportunistic investments into real estate across CEE. Lukáš holds a degree in Economics from the Charles University in Prague.









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CTP Annual Report 2016

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CTP WOULD LIKE TO THANK OUR PARTNERS, CLIENTS, SUPPLIERS, PUBLIC OFFI-CIALS AND—MOST IMPOR-TANTLY—OUR EMPLOYEES FOR MAKING THE COMPA-NY SUCH A SUCCESS IN THE LAST YEAR. WE LOOK FORWARD TO FURTHER COOPERATION WITH ALL IN THE FUTURE. OF YOU

