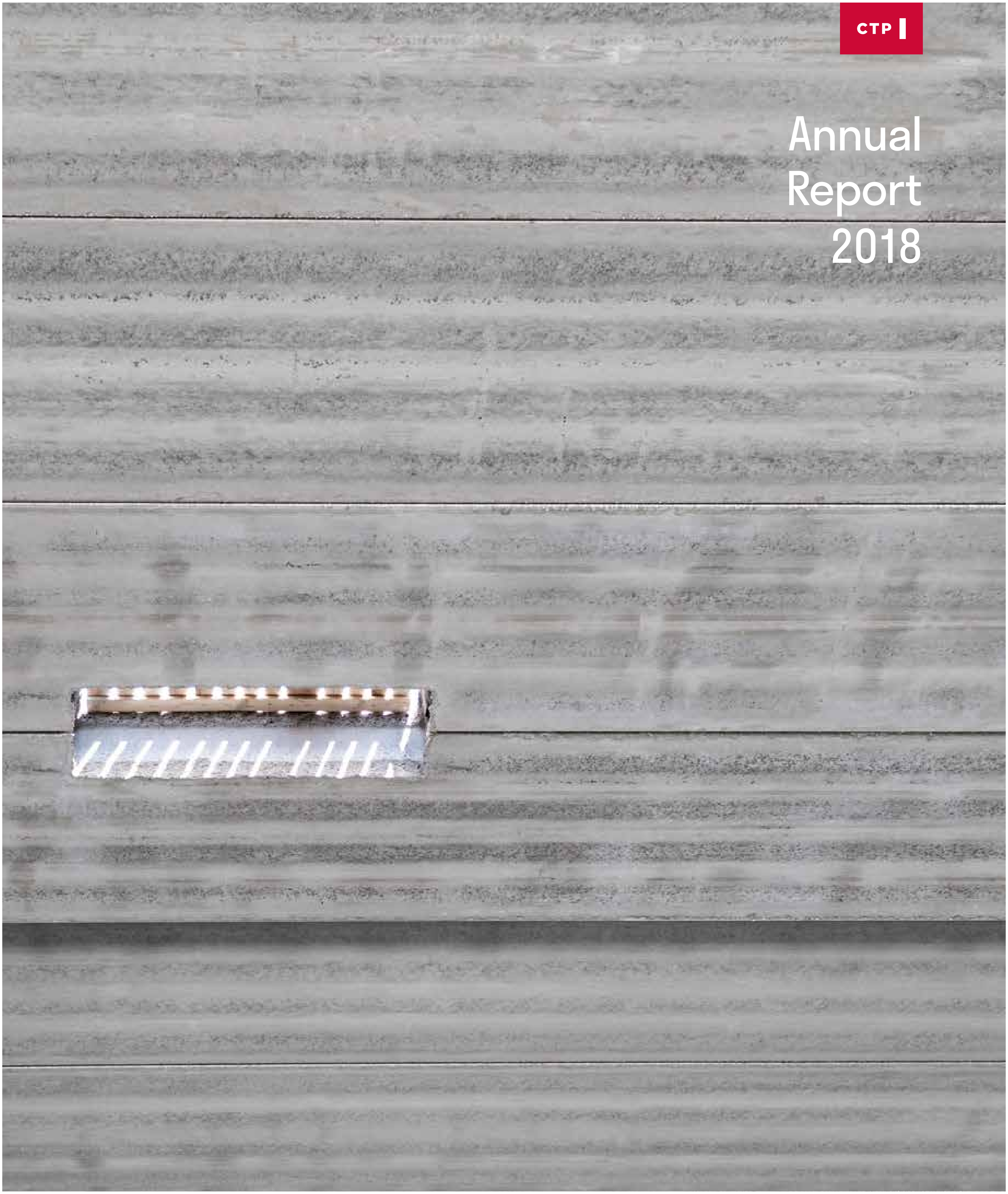
Annual Report 2018



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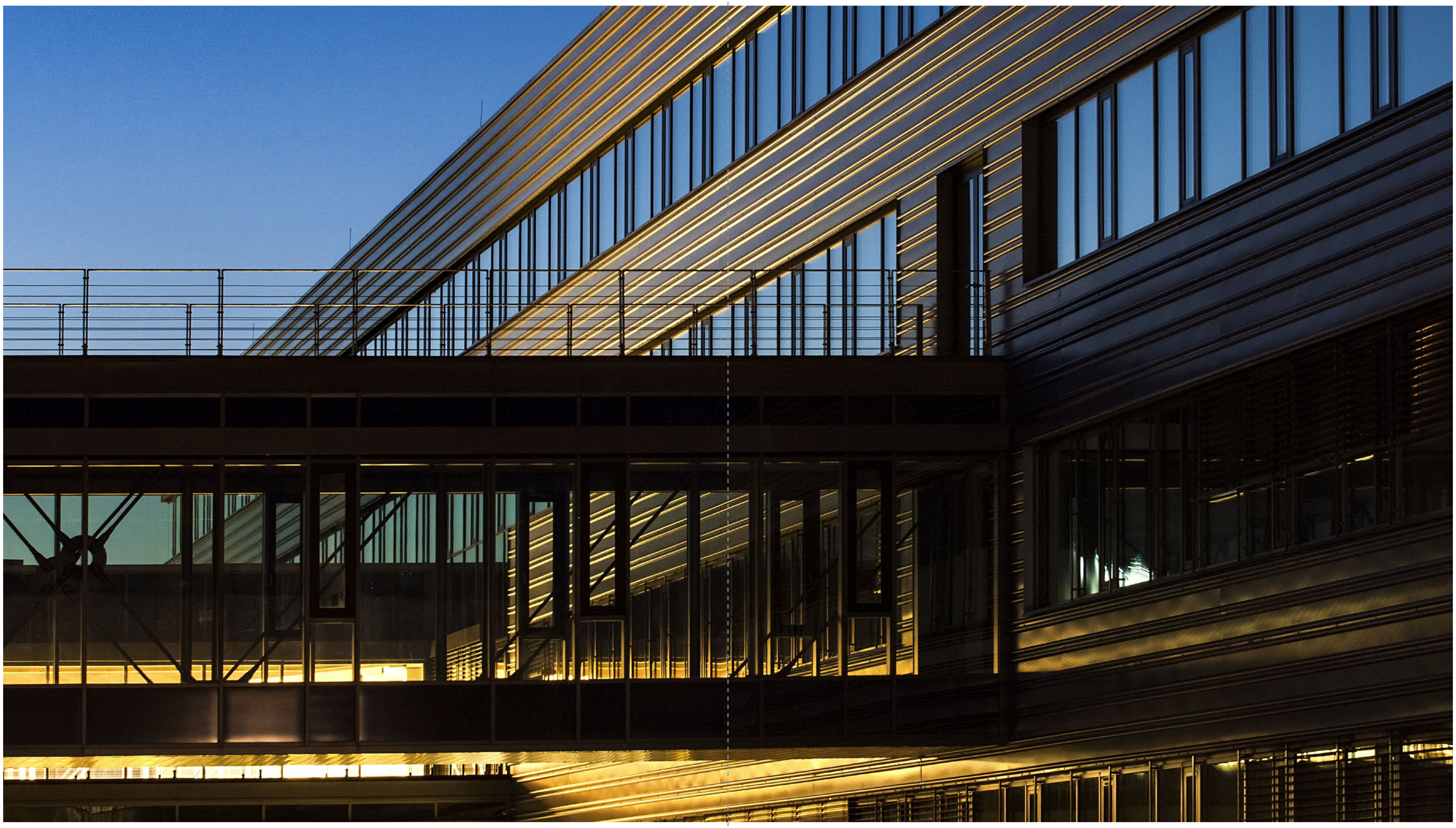
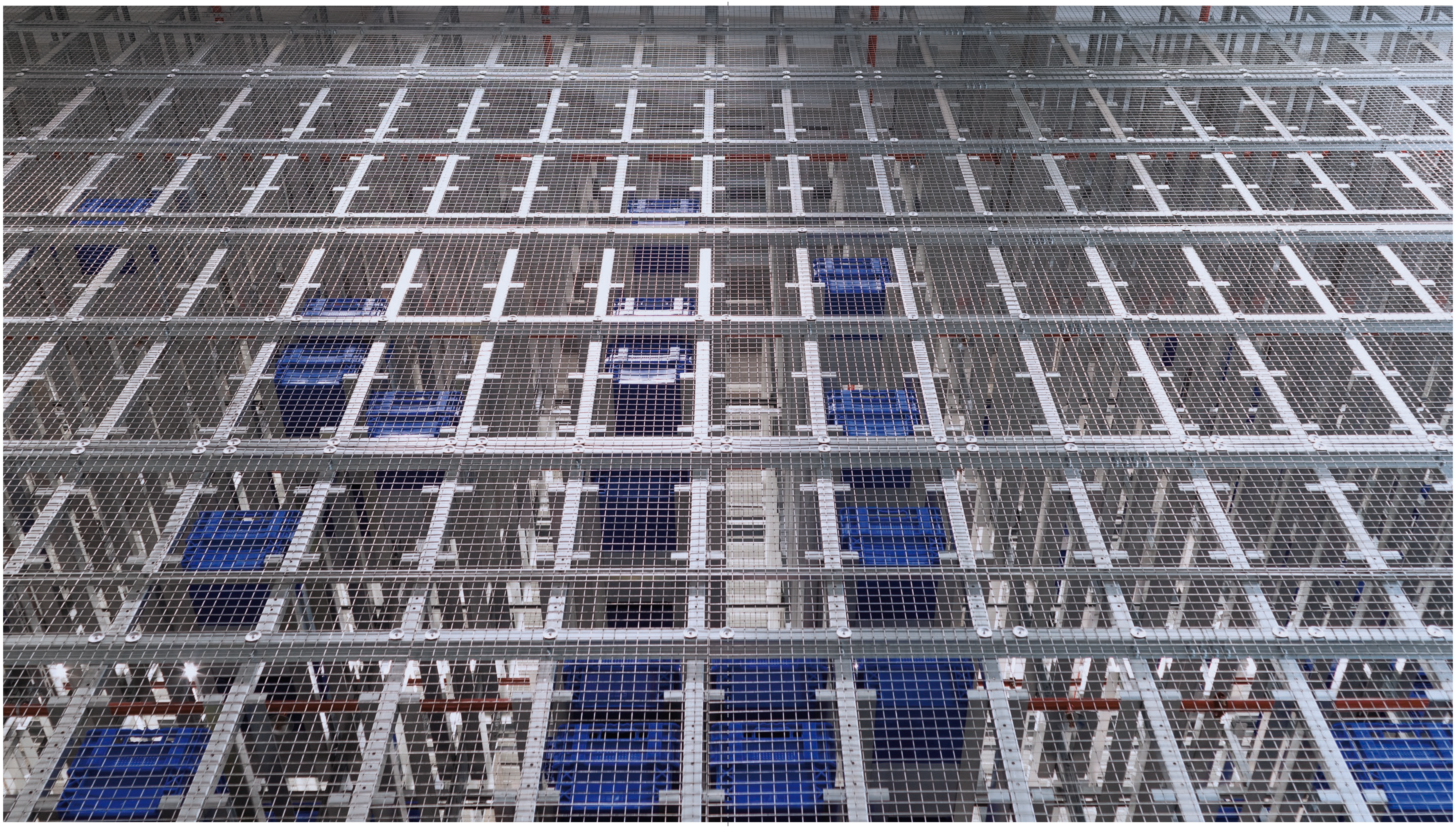




Key Financials 2018

(In EUR million)

274
Gross rental income

4,404
Total investment property

4,839
Total asset value

2,053
Total equity

422
Profit before tax

2,131
Total financing

246
Net valuation result
on investment property

48%
Loan-to-value ratio

Operational Highlights 2018

Q1

Lettable area reaches 4.6 million m².

Quarterly revenues exceed EUR 62 milllion.

Portfolio grows by 153,182 m², of which 127,000 m² is own development.

CTP signs leases for 114,000 m² of space, worth an annual income of nearly EUR 6 million.

Over 537,000 m² under construction at end Q1.

DHL Supply Chain takes over 36,000 m² of space at CTPark Budapest South.

Exyte Technology (formerly M+W Products) takes over a newly completed 8,000 m² facility at CTPark Teplice.

Quehenberger takes over a new 19,000 m² facility at CTPark Arad.

Tech Data prolongs lease covering nearly 54,000 m² at CTPark Bor.

DSV launches their new 42,500 m² logistics space at CTPark Bucharest West.

Fraenkische expands to 10,000 m² at CTPark Turda.

MAKRO starts operations at its 53,000 m² high-tech facility at CTPark Prague North.

CTP completes construction of over 22,000 m² for Petainer at CTPark Aš.

Emanoil Dascalu joins CTP in Romania as Construction Director.

Rudolf Nemes joins CTP as Country Head for Hungary.

Istvan Pozderka joins CTP in Hungary as Senior Business Developer.

Q2

CTP completes its first acquisition project in Serbia with an existing 10,000 m² building and the option to build an additional 14,000 m².

CTP wins land tender near Novi Sad in Serbia for our second park in the country.

Total lettable area exceeds 4.7 million m².

Vacancy remains low at 3.2%.

CTP grows portfolio over 117,000 m² through new construction.

Long term client Raben moves into a 28,000 m² custom-built facility at CTPark Prague East.

CTP signs leases for 176,244 m² of space, worth an annual income of nearly EUR 10.5 million.

CTP acquires additional land to expand CTParks Dunahraszti and Budapest East.

NOD expands to 44,000 m² at CTPark Bucharest West.

CTP begins construction works at CTPark Cluj II.

Q3

Total lettable area reaches 4.8 million m².

Revenues exceed EUR 65 million.

CTP signs new leases for a total of 217,000 m², worth an annual income of nearly EUR 13.1 million.

CTP divests of non-core projects amounting to almost 35,000 m².

Richard Wilkinson joins CTP as new Group CFO.

CTP announces investments of EUR 75 million in Serbia for projects in Belgrade and Novi Sad.

CTP completes Phase I of CTPark Nošovice, plans expansion of another 10,000 m².

CTP announces plans to expand CTPark Bucharest West to 1 million m², which will make it the largest industrial park in CEE when completed.

CTP agrees with OP Tiger for 10,000 m² facility at CTPark Ústí nad labem.

DB Schenker moves in to its new 21,000 m² 'green building' at CTPark Bucharest West.

László Vágó joins CTP in Hungary as Construction Director.

Q4

Total lettable area reaches 5 million m².

CTP finalises sale of 430,000 m² West Bohemian portfolio to Deka Immobilien through a 10-year cooperation deal where CTP remains as exclusive Park Mananger & Leaseing Agent for the sold properties.

Portfolio grows by 591,180 m² for the year, including acquisitions and divestments of non-core projects.

Gross rental income including hotel operations reaches EUR 274 million.

CTP agrees leases with clients for 221,660 m² of space, worth an annual income of nearly EUR 12.8 million.

CTP has 678,000 m² under construction at end 2018.

CTP completes first three buildings at Vlněna, offering 18,000 m² of premium class office space in downtown Brno.

Constellium enlarges its operations at CTPark Žilina to 6,000 m².

CTP announces full occupancy of Domeq at Ponávka.

Emerge signs a 20-year lease at CTPark Mladá Boleslav for an 18,500 m² facility.

Eugen Sonnleithner joins CTP as Group Head of Legal.

Oliver Oros joins CTP as Senior Counsel for Leasing and Land Issues.

Adam Varnusz joins CTP as CFO for Hungary.

Milestones & Awards

1998

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

2003

CIJ Awards Czech Republic
Best Warehouse/Logistics Development:
CTPark Brno

AFI, MPO, CzechTrade
Industrial Zone with Greatest Economic Impact:
CTPark Modřice

2004

AFI, MPO, CzechTrade
Zone of the Year–Zone with Best Urban Solution:
CTPark Ostrava

2005

CIJ Awards Czech Republic
Best Warehouse/Logistics Development:
CTPark Brno

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

2006

CIJ Awards Czech Republic
Best Warehouse Development and Developer:
CTPark Plzeň

2007

AFI, MPO, CzechTrade
Industrial Park of the Year–Park with Greatest Economic Impact:
CTPark Ostrava
Brownfield of the Year:
CTZone Brno (2nd)

2008

AFI, MPO, CzechTrade
Industrial Park of the Year–Park with Greatest Economic Impact:
CTPark Brno (2nd)
Business Property with Greatest Contribution to Research and Innovations:
CTPark Brno (3rd)

2009

AFI, MPO, CzechTrade
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.

2010

ATOZ
Best Logistics Park:
CTPark Bor

CIJ Awards Czech Republic
Best Overall Development:
AVG, IQ Buildings, Spielberk, Brno

2011

CIJ Awards Czech Republic
Best Warehouse/Logistics Development:
CTPark Brno II
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

2013

CIJ Awards
Industry Leadership Award:
Remon L. Vos

Best of Realty
Industrial/Warehouse Park of the Year:
CTPark Mladá Boleslav
New Administrative Centres:
CTZone Brno (2nd)

Czech Green Building Council
Certificate of Merit:
Tower I, Spielberk, Brno

- CTP enters the Prague market.
- CTP portfolio reaches 2 million m².
- CTP delivers the first BREEAM Outstanding office building outside the UK—Tower I at Spielberk Office Centre in Brno.

2014

Best of Realty Award
Industrial/Warehouse Park of the Year:
CTPark Brno, FEI Technology Centre

CIJ Awards Czech Republic
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 fourth-largest industrial developer in Europe by European development magazine PropertyEU.
- Remon Vos recognised as RICS Fellow.

2015

CIJ Awards Romania
Lease of the Year:
CTPark Bucharest West
Industrial Acquisition of the Year:
CTPark Bucharest West
Industrial Leadership Award:
Remon L. Vos

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

2016

SEE Real Estate Awards
Industrial Project of the Year:
CTPark Bucharest West
Warehouse Developer of the Year

AFI Investor and Business Property Competition
Business Property of the Year:
Spielberk, Brno

CIJ Awards Romania
Best Warehouse Development:
CTPark Bucharest West
Warehouse Developer of the Year

CIJ Awards Czech Republic
Hospitality Development of the Year:
Courtyard by Marriott at Spielberk

CIJ Hall of Fame Awards Europe
Leadership of the Year:
Remon L. Vos

- CTP launches in Hungary, acquiring over 190,000 m².
- CTP finishes development at Spielberk with the launch of the Courtyard by Marriott Hotel Brno in Tower I.

2017

SEE Real Estate Awards
Industrial Project of the Year:
CTPark Bucharest West
Warehouse Developer of the Year

CIJ Awards Romania
Best Warehouse Development and Developer
Best Leadership:
Ana Dumitrache

CIJ Awards Czech Republic
Warehouse Developer of the Year
Best Warehouse Development:
CTPark Prague North

Best of Realty Awards
Best Industrial and Storage Space:
CTPark Planá nad Lužnicí

- CTP, Allianz and ING sign a EUR 160 million loan to refinance a portfolio of industrial properties in the Czech Republic.
- CTP opens Domeq, a new living concept for young professionals and students in Brno.

2018

CIJ Awards Czech Republic
Best Warehouse Development & Developer:
CTPark Prague East, Raben

CIJ Awards SEE & Serbia
Best Land Transaction:
CTPark Novi Sad (2nd)
Warehouse Developer of the Year

CIJ Awards Romania
Best Warehouse Development:
CTPark Bucharest West
Warehouse Developer of the Year

CIJ Awards Hungary
Best Land Transaction:
CTPark Budapest West
Warehouse Lease:
CTPark Székesfehérvár

Hungarian & Balkans Real Estate Awards
Warehouse Developer of the year

Euro-Constructii Gala
Excellence in Business & Development

SEE Real Estate Awards
Industrial Project of the Year
Warehouse Developer of the Year

Romanian Real Estate Awards
Developer of the Year

- CTP's portfolio reaches 5 million m² of GLA across CEE.
- CTP launches development of first parks in Serbia.
- CTP enters into 10-year partnership with German-based fund Deka Immobilien through the sale of appoximately 8% of the portfolio at the time of sale.

CEO Statement

Remon L. Vos, FRICS
Chief Executive Officer

We celebrated our 20th anniversary in 2018, and I have been involved as Managing Director and CEO from Day 1. As one of the company founders, I have seen continuous growth for two decades. During this time we have made many friends and have been able to do fantastic projects in many regions. On a personal level, I have gotten to know different cultures and discovered some of the beautiful places in CEE. It has been a fantastic ride, and I would like to thank all our clients, the authorities, our suppliers, bankers, my colleagues and all the others who have supported us over the years. It is a true pleasure to be part of a 374-strong team of young, creative and ambitious people and to be working for 500 long-term clients to develop premium properties in beautiful places like Prague, Budapest, Brno or Sibiu.

2018 milestones

It was another record year for CTP in 2018. We grew the portfolio by 591,178 m² to over 5 million m² under management, a 13% increase year-on-year, with a land bank to support the development of a further 3 million m² on our way to our target of 10 million m² by 2023. One significant event was the sale of a portion of our portfolio to German investment fund Deka Immobilien in what was the largest industrial real estate transaction in CEE during the year*. In early January 2019, driven by growing demand in the e-commerce and logistics sector, our Romanian portfolio reached the 1 million m² milestone.

CTP culture sets us apart

At CTP we do our best to innovate and to develop the level of our company as well as the level of buildings that we construct for our demanding clients. To support company growth, in 2018 we focused both on increased staffing as well as improving operational efficiencies. During the year we grew the team by over 20% to 374 people across the region. As part of our strategy, we have delegated greater autonomy to our local teams in each country, as they are in the best position to care for our clients. They ensure progress while constructing new properties, and they also guarantee that our parks are always well maintained and in excellent condition. Overall, our team is well balanced, with a nearly 50:50 male-to-female employee ratio and average employee age of 35.5 years.

Innovation

To allow our teams to work more collaboratively and share best practices across the company, investments into new IT systems reached EUR 4 million in 2018. The new IT system supports greater efficiency, data security, and better reporting at all levels of the company. We chose and designed our IT systems to scale with company growth as we expand the portfolio. Most importantly, our investment in IT—by giving us greater insight into our own processes—enables us to continually improve relationships with our current clients, who continue to be our main source of new business. In 2018, in line with previous years, around 70% of all new business originated with current clients—either expanding an existing facility or building a new facility at a different location, often in a different country where we are active.

Sustainability

Growth is not only about numbers. We take sustainable long-term growth seriously at CTP. To underscore this, in 2018 we successfully achieved BREEAM certification for our entire Romanian portfolio of 36 buildings, which guarantees the high-efficiency and low environmental impact of our properties. During the year we also re-certified our Czech portfolio and work is underway on BREEAM certification for our properties in Hungary, Slovakia and Poland. We are particularly proud of our Vlněna office project in Brno. In 2018 we completed the first three buildings (rated BREEAM Excellent 2019) with outstanding clients like Oracle, Avast and STRV, who are helping to make Vlněna Brno's new IT hub.

Sustainability also includes investing directly in the communities where we work and live. In 2018, among other social investments in the Czech Republic, Slovakia and Romania, we launched a new initiative with the Tereza Maxová Foundation to support disadvantaged youth from children's homes as part of summer work project hosted at our Domeq property at Ponávka in Brno.

Market trends

Over the past few years, expanding local retail markets and the growth of e-commerce have been driving demand for high-quality industrial properties in major urban areas across CEE. In response, we have been buying strategic land sites around the five capitals in our key CEE markets: Prague, Belgrade, Bucharest, Bratislava and Budapest. In Budapest we have acquired excellent assets that now allow us to offer warehouse property all around the city. As the market leader in Romania we are strong in Bucharest with three sites at the major entry points to the city, which offers greater choice to our logistics and e-commerce tenants. During the year our flagship development in Romania, CTPark Bucharest West, became one of the most successful industrial parks in CEE and is on track to become one of the largest in Europe, with current plans for the construction of over 1 million m² of lettable area. We expect the e-commerce sector to be a major component of our portfolio growth in 2019 and going forward.

Looking ahead

Looking ahead to end-2019, our pipeline including 546,000 m² of new construction will enable us to grow the portfolio by 15% across our markets to over 5.85 million m² on the back of strong demand in the logistics and e-commerce sectors. We plan to grow mostly in our largest markets—the Czech Republic and Romania—but we are also active in our newest market, Serbia, with three new parks launched in the past 12 months.

Another great year ahead, full speed.

***Portfolio sale**

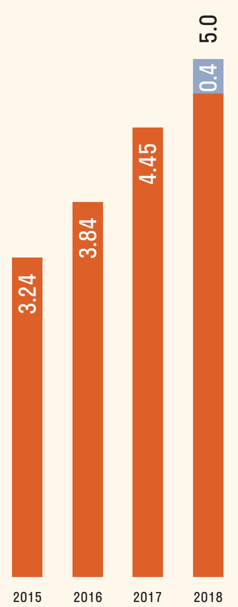
A major event in 2018 was the sale of a select portion of our portfolio of industrial properties to an outside investor, German-based investment fund Deka Immobilien. The transaction—the largest in CEE in 2018—involved the sale of a 430,000 m² portfolio of fully-leased premium industrial properties in the Czech Republic. The deal was structured as a 10-year partnership, under which CTP remains responsible for leasing and acts as exclusive property and park manager, in order to mitigate any repercussions to clients and ensure the long-term value and high quality of the properties.

"2018 was a great year for CTP throughout the region. Thanks to the energy and passion of our team, we achieved our goal of increasing the portfolio to 5 million m² on our way to 10 million."

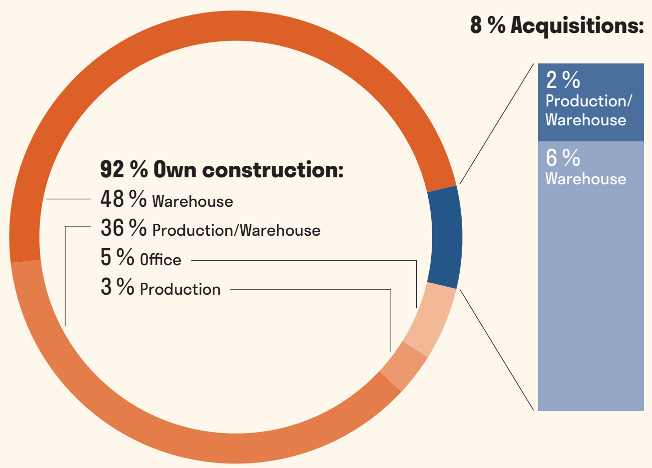
Remon L. Vos, FRICS
Chief Executive Officer

591,178 m²

Gross portfolio growth, 2018



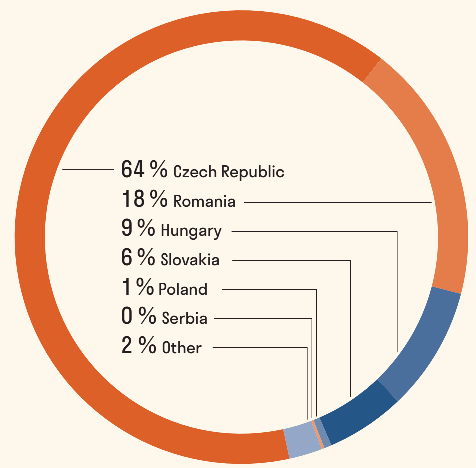
Gross lettable area development
(In million m²)
CTP expanded the overall portfolio by 591,178 m² to 5 million m² in 2018. CTP also provides property management services for 390,000 m² of industrial properties to Deka Immobilien under a 10-year management agreement. The audited financial statements pertain only to the portfolio under CTP ownership.



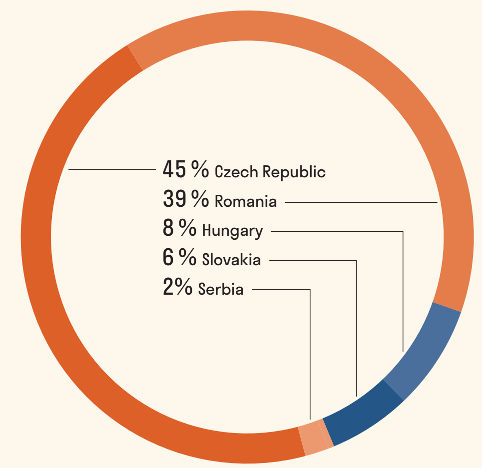
Portfolio expansion, 2018
92% of CTP's expansion in 2018 resulted from organic growth, with the majority coming from existing clients opening new or expanding current facilties. This expansion will generate approximately EUR 32 million in annual revenues. Acquisitions are carefully selected and undertaken based on the underlying value of the assets and occupiers. Warehousing facilities, either as a whole or part of our occupiers' operations, made up 92% of portfolio growth and will generate 97% of new income.

92%

Portfolio growth from own construction, 2018



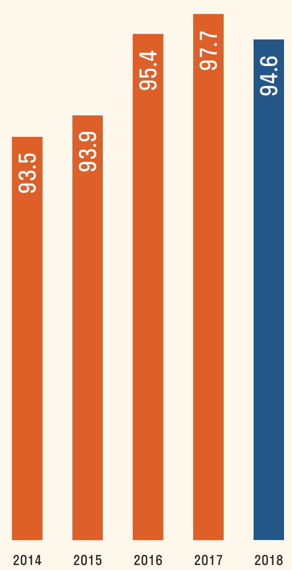
Portfolio breakdown by country, 2018
The Czech Republic remains our largest market with nearly two-thirds of our total portfolio. As we grow in our other markets, this share will decrease gradually over the next years.



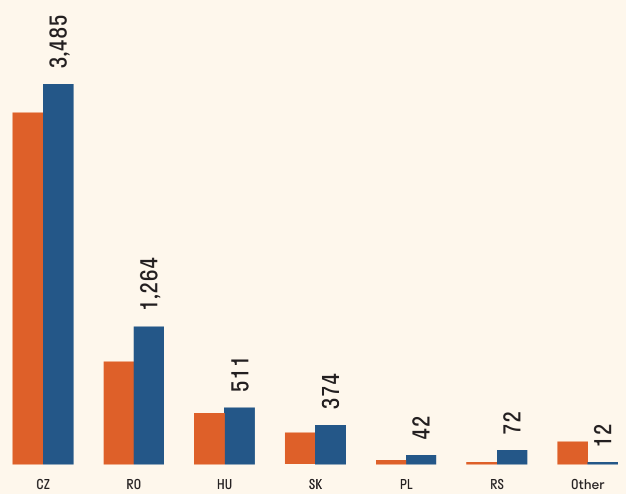
Portfolio growth by country, 2018
Continuing the trend from 2017, the portfolio outside the Czech Republic comprised the majority of overall portfolio growth, making up 55% of expansion during the year.

70,000

Total employed by CTP clients, 2018

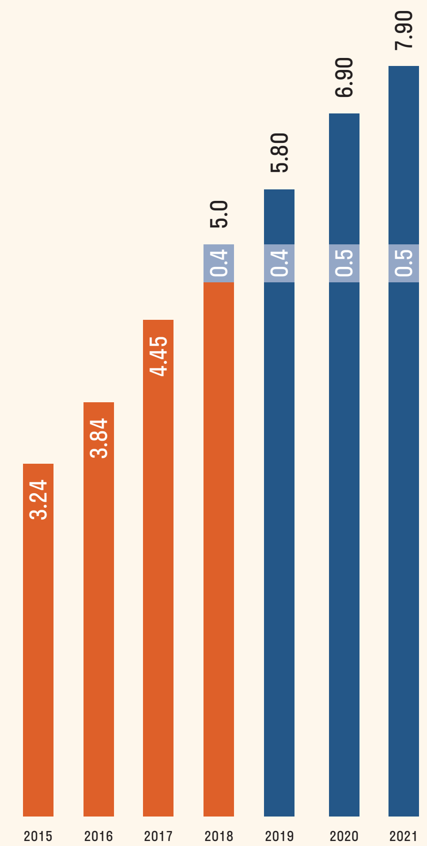


Occupancy of core portfolio assets
(In %)
Occupancy across the portfolio remained at historic highs in line with the overall market. Despite a modest y-o-y drop owing to a select number of speculative construction projects coming to completion without pre-leases, we expect vacancy to decrease during 2019 due to on-going high-demand in the markets where we have pre-built space.



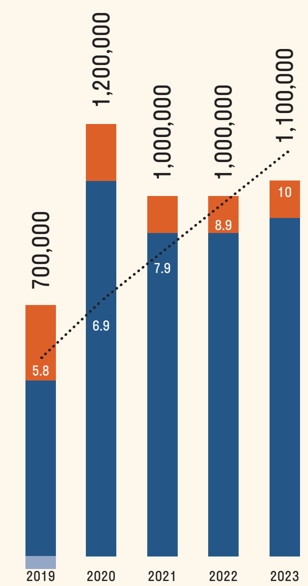
Portfolio expansion, 2019
(In thousand m²)
In 2019, CTP is on plan to grow by over 700,000 m² of space across all countries where we operate.

As at 31. 12. 2018
Plan 2019



Lettable area development
(In million m²)
CTP's overall growth plan is to add approximately 1 million m² yearly to our portfolio. Our projections are based on a sound understanding of the region and market trends that we believe will continue for the forseeable future.

Portfolio under ownership
Properties under management
Plan & Pipeline (Projections)



Growth forecast
(In m²)
The company's long-term plan is to achieve a portfolio of 10 million m² in 2023 primarily through own development, which will be allied to an opportunistic acquisition strategy while divesting of non-core assets in the near term.

Construction
Acquisitions
Divestments
Planned Portfolio size (in million m²)

CFO Statement

Richard Wilkinson
Chief Financial Officer

CTP recorded excellent results in 2018. We achieved a pre-tax profit of over EUR 420 million and increased gross rental income almost 16% year-on-year to EUR 274 million. Revenue growth was driven primarily by clients' warehousing operations, which are increasingly more sophisticated and automated. While still a small portion of overall revenue, we achieved 14% growth in income from services, which is becoming more important for our long-term clients.

Due to our strong client base, a portfolio of buildings with an average age of 9.1 years, and a stable WAULT of 5.4 years, our total asset value grew by over 10% to more than EUR 4.8 billion, despite the sale to Deka in Q4 2018.

Economic growth in CEE in 2018 continued to outstrip growth rates in western Europe. The increase in portfolio value is driven by the fundamentals of the region—a cost effective, skilled labour force and easy access to western markets—which continued to attract companies from both the logistics and manufacturing sectors, despite pressures from wage increases and lowering unemployment.

During the year, we refinanced portions of our portfolio in order to restructure some of our debt. We refinanced nearly EUR 500 million, with total financing at year-end standing at EUR 2.1 billion, giving us an LTV of 48%. At the same time, we were able to increase total equity by over 18% to nearly EUR 2.1 billion.

We had planned a major restructuring of our debt by the end of the year, but owing to the complexity, negotiations continued through June 2019, when we agreed the largest financing package in central Europe with a consortium of three of our largest partner banks. The seven-year syndicated loan provides financing of EUR 1.6 billion for existing properties and extends EUR 269 million in new development financing for projects to be completed in the next 18 months in the Czech Republic. The transaction consolidates 40 existing loan agreements into one, and the loan structure significantly simplifies our previous financing arrangements, making us fitter for the future by streamlining our loan administration and processing.

Looking ahead
We expect growth to continue in all markets in 2019, and we continue to seek appropriate opportunities throughout the region, particularly in Romania, Poland and Serbia. In addition to organic growth, CTP expects to increase the portfolio by approximately 165,000 m^2 through acquisitions in 2019. In the coming two years, CTP plans to invest over EUR 70 million on land acquisitions to be used for the group's further development. CTP's cash flow is generating sufficient resources to keep the land bank at a stable level in order to offset the part which will be used for development. At end 2019, with current growth plans, we expect revenues to increase to over EUR 280 million. In addition, we plan to supplement our cash flow through specific divestments of non-core assets, the proceeds of which will be reinvested to further expand our core portfolio. This is part of our plan to divest the majority of our non-core properties in the coming two years.

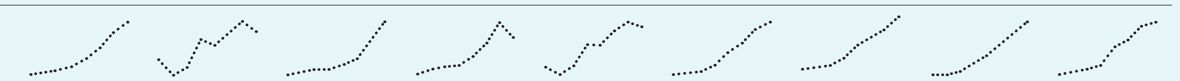
Our teams will be working overtime to ensure secure financing for all on-going development projects and the improvement of our financial KPIs. We look forward to even stronger results in 2019.

Valuation Yields
(In %)

	2014	2015	2016	2017	**2018**
Industrial premises					
Czech Republic	7.00–7.50	6.75–7.25	6.25–7.75	6.00%–8.50%	**5.75%–7.00%**
Romania	9.75–9.85	9.00–9.25	8.75–9.00	7.80%–9.00%	**7.00%–9.00%**
Slovakia	8.50–8.75	7.75–8.00	7.5–7.75	7.50%–7.90%	**6.65%–7.85%**
Hungary	N/A	9.50	8.5–9.00	7.75%–9.00%	**7.50%–9.50%**
Poland	N/A	7.00	6.75	6.75%–7.00%	**6.50%**
Serbia					**9.00%**
Office properties					
Czech Republic	7.20–8.00	7.15–8.00	6.50–7.75	6.25%–8.50%	**6.00%–8.50%**
Slovakia				7.00%	**6.75%**

Selected Financial Results
(In EUR thousand)

Year	Gross revenues	Net valuation result on investment property	Personnel expenses	Alternate profit before income tax	Profit/loss before income tax	Total asset value	Total investment property	Total equity	Total financing
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	204,802[1]	260,835	7,399[2]	112,062	384,166	3,628,258	3,382,106[3]	1,434,233	1,731,547
2017	237,287[1]	328,528	11,030[2]	125,483	459,229	4,385,960	4,096,799[3]	1,736,121	2,024,745
2018	**274,217**[1]	**245,858**	**14,848**[2]	**138,308**	**421,663**	**4,839,186**	**4,403,913**[3]	**2,052,722**	**2,131,342**



[1] Figure includes income from hotel operations
[2] Figure does not contain personnel expenses incurred by hotel operations
[3] Figure includes Investment Property under Development

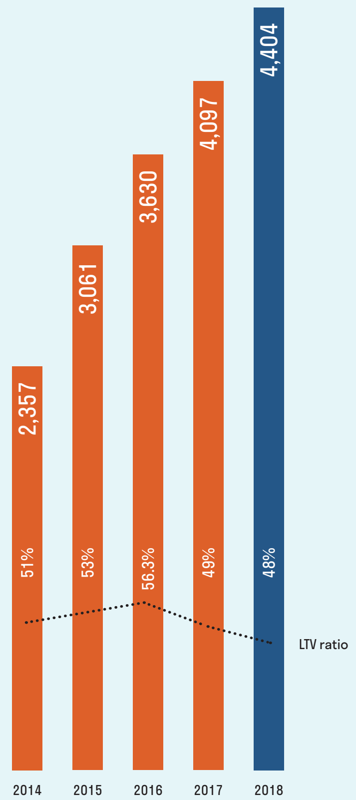
“An incredible year for CTP, with our KPIs pointing in the right direction. Big stuff to come.”
Richard Wilkinson
Chief Financial Officer
4
3
2
1

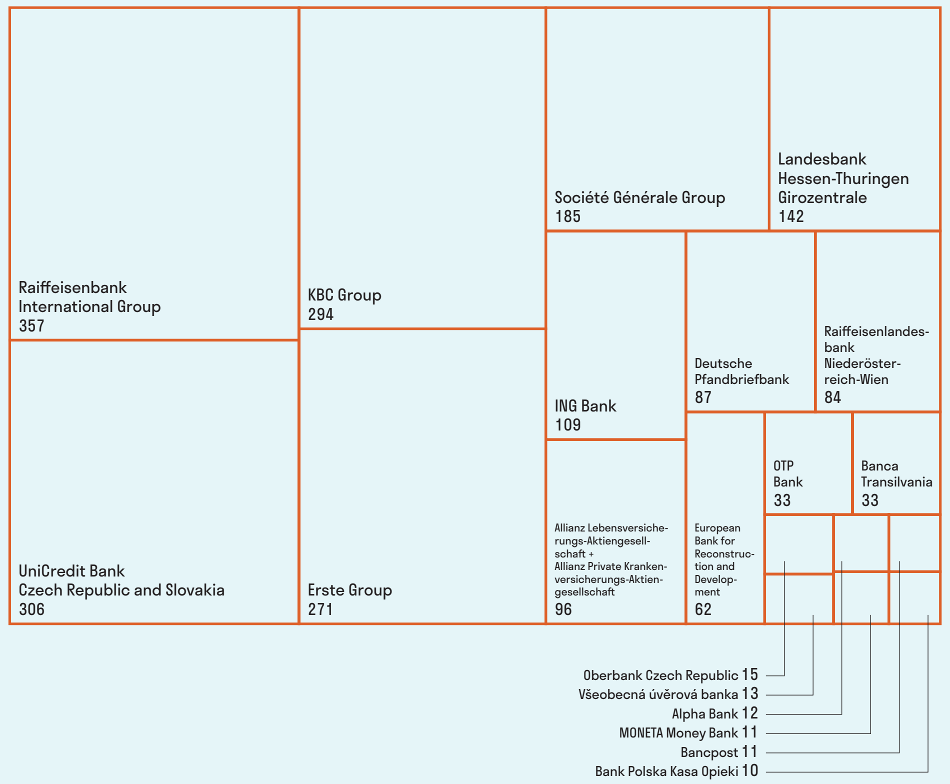
4,404

Total investment property, 2018
(In EUR million)

4,097

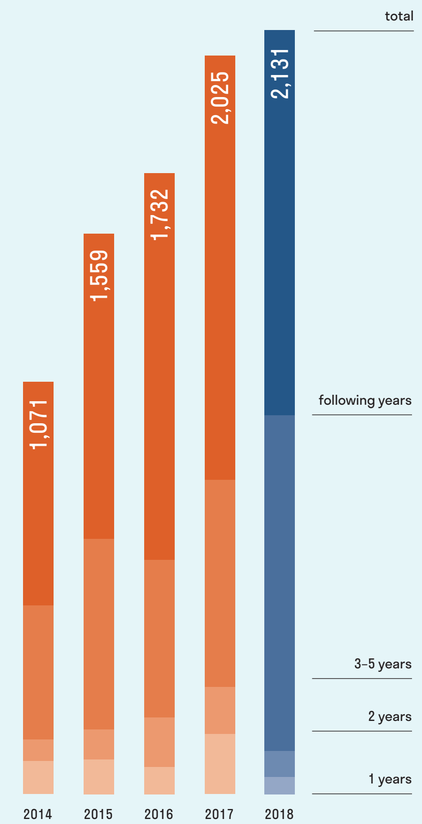
Total investment property, 2017
(In EUR million)

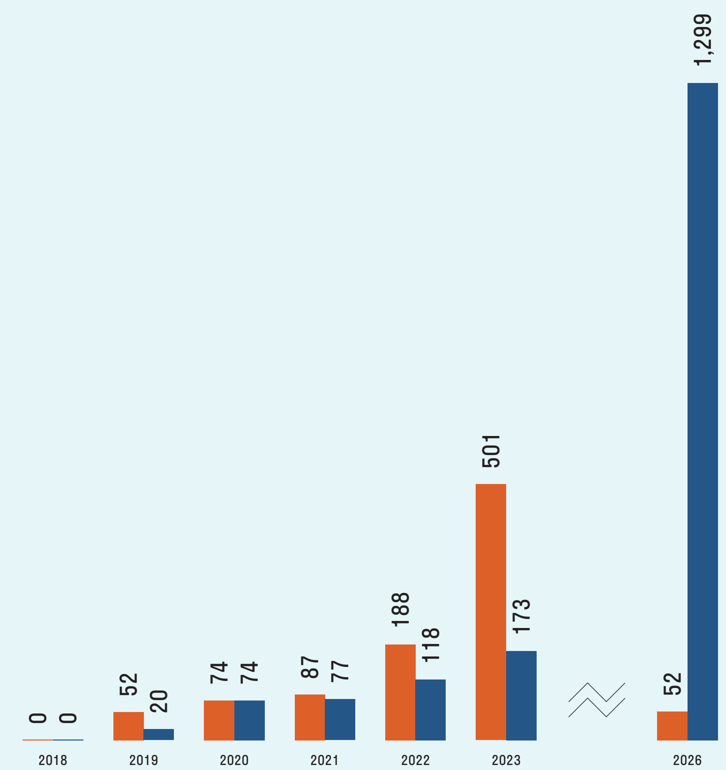




Total investment property
(In EUR million)
Loan-to-value ratio
(In %)
Due to the valuation gains on investment property of over EUR 258 million, total asset value increased over 10%, which, combined with prudent financial management, caused our portfolio LTV to drop to 48%.

Overview of outstanding bank loans
(In EUR million)
In 2018 we continued to seek new financing partners for our projects locally and maintained relationships with19 lenders. We refinanced nearly EUR 500 million during the year, primarily with our core banking partners.





Loan growth & maturity
(In EUR milllion)
In 2018, in order to finance expansion across the portfolio, CTP increased our financial liabilities modestly, just over 5%.

Residual maturity of bank loan financing
(In EUR million)
In 2018, CTP maintained an optimal repayment schedule on its long-term liabilities. In an historic EUR 1.9 billion syndicated loan transaction carried out in Q2 2019 with our largest banking partners, CTP consolidated 40 outstanding loans, streamlining loan administration, improving loan terms and placing the company on a more stable financial footing.

Total outstanding
After refinancing

Risk Management

Operational Risks

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 developments, long periods of vacancy. Failure to achieve the projected (higher) returns on developments.	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. 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, which means projects are launched only if they are pre-let and fully financed and the required permits have been obtained.
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. Preference for realistic rent levels and long-term contracts with tenants.
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 property, resulting in a lower NAV.	Proactive internal property management and marketing. High quality and versatility of the buildings, which increases reletting potential. 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 tenants representing a wide range of industries
Maintenance and repair cost volatility	Decline in financial results and cash flows Unexpected fluctuations in financial results	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 company
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 of maintaining the highest quality levels Ad-hoc redevelopment and renovation of obsolete properties in addition to regular investment in quality and sustainability
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 original state, including architects' fees and value-added tax Loss of rental income due to temporary full or partial vacancy is also insured
Concentration risk	Sharp decline in income and cash flows in the case of the departure of a tenant Decline in the MV of the propert	Highly diversified tenant base, of which the largest tenant accounts for less than 5% of rental income (over multiple sites) Furthermore, the largest tenants (8 of the top 10) are spread over several buildings, various countries and different activities High geographic diversificaion across approximately 60 sites, with the largest property representing less than 10% of the fair value of the portfolio
Tenant solvency	Decline in rental income due to a lower collection rate or a decline in occupancy Higher commercial costs due to reletting	Extensive tenant solvency check by external rating agencyies prior to inclusion in portfolio 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

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 0.05% 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 48% 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 volatilty
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 (80% 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 developments 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 Non-availability of financing to repay interest and/or operating costs Higher cost of debt negativley impacts the financial results and cash flows	Conservative and prudent financing strategy with a balanced spread of maturity dates for debts maturing between 2018 and 2032 Diversification of financing from a large group of stable banking partners, in multiple countries, with whom longstanding banking relationships exist Maintenance of sufficient lines of credit to finance operating costs and planned investments Continuous dialogue with banking partners in order to maintain solid long-term relationships
FX risk	Loss from open FX position and unpredictable 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 identifiy and describe the strategies we apply to mitigate those risks which we deem material to our operations and financial results. This list should not be taken as complete or exhaustive. CTP's risk management policies integrate both ad-hoc and regular assessment schedules.

"One of the pillars of CTP's continued growth is the success we have had over the years building long-term relationships with our financial partners."

Zdeněk Raus
CFO Czech Republic and Slovakia

The CTP Platform

The CTP business model puts the client's needs at the centre. CTP cooperates with clients as 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's value-add for clients is our vertically integrated business model. Our platform of real estate professionals delivers personalised service from plan 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.

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 make sure 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 70% of growth comes from existing clients, CTP's growth plan in CEE allows us to serve our clients' location needs, either an extension to an existing property or an entirely new facility in a differernt market. CTP is where our clients need us to be.

Location search
CTP provides an overview of potential locations which match the size and use requirements of the client. The selection includes both existing buildings at various parks within the CTPark Network, as well as pre-zoned land plots within the Network and alternative locations that could be acquired on behalf of the client for a fully built-to-suit solution.

Permits
As speed-to-market is a key requirement, the client chooses to build a new facility on an existing land plot within the Network, with adjacent land for later expansion. With the plot pre-zoned and fully permitted, construction can begin as soon details are agreed.

Financing
CTP meets with its financial partners to ensure sufficient financing for both construction and fit-out.

Design
CTP's design and engineering teams work closely with the client to agree detailed building specifications, from floor loading, ceiling height and temperature requirements to sufficient office and sanitary space. A floor plan is agreed and construction schedules are put in place.

Construction
CTP acts as general contractor to construct the building, outsourcing to reliable, high-quality suppliers after open tenders are awarded that meet budget, quality and safety standards.

Fit-out
After construction of the building shell is finished, CTP works with the client to install specialised manufacturing machinery, technology and other details such as employee break-out rooms and furnishings.

Employee search
Before move-in, CTP assists the client in finding appropriately skilled workers through its job portal. As many as 200 new positions are made available ranging from line workers to middle management. Posts are pre-filled and workers trained before the facility is handed over.

Facility in operation
After move-in, CTP park and facility managers keep in close contact with the client to ensure that all systems operate efficiently and that they are comfortable in their new premises.

Client services
CTP agrees with the client on a yearly service contract, freeing the client to concentrate on his core business. CTP works with local fire and security councils to ensure safety norms and creates monthly schedules for outdoor cleaning, snow blowing, groundskeeping and general building maintenance.

Building upgrades
After some years of operation, CTP invests into the building, often installing new atmosphere control systems to reduce the overall energy consumption during normal operation, reducing costs and aligning with the client's parent company's global energy policies.

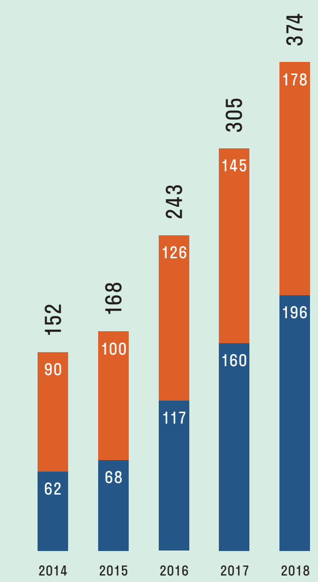
Expansion
As a client's business continues to grow, CTP works with the client to facilitate their expansion plans. Based on the requirements, CTP will agree to either build an extension onto their current facility, propose a different location, or offer a different building solution if the client wants to locate a different business process.

374

Employees, 2018

35.5

Average age



CTP employees by gender
During 2018, CTP invested significantly into people to better serve our growing long-term client relationships, increasing headcount by over 22%, strengthening communication channels, and maintaining a healthy male-to-female ratio.

CTP employees as at 31 December, 2018
Increased staffing has been focused on those areas that direclty touch our clients' needs most closely, primarly in property management and the initial development processes.

Male
Female

“Most important is to listen: to understand what the client really wants in order to come to an agreement that both parties feel is fair, transparent, and works.”

Eugen Sonnleithner
Group Head of Legal

The Market

CTP's core markets in CEE have been experiencing strong growth in recent years. The increase in purchasing power of local consumers and the growing appetite for online shopping are driving demand across our markets for A-class logistics facilities to service all stages of the supply chain, from regional cross-border hubs to city-centre, last-mile solutions. Despite pressures from wage growth and lowering unemployment, the automotive and high-tech manufacturing industries in CEE are resilient and growing, as evidenced by the many expansion projects we do for our long-term manufacturing tenants. Looking ahead to 2019 and beyond, we anticipate the bulk of portfolio growth to come from the logistics sector, with e-commerce expected to be the fastest-growing segment of our operations.

CZ

Although GDP growth rates have been declining since 2017, the economy remains strong with growing rates of domestic consumption and solid export demand. GDP grew 2.9% in 2018, and growth is projected to slow slightly in 2019 to around 2.5%. Despite wage increases and low unemployment, the high-tech manufacturing sector remains resilient. A recent Cushman & Wakefield report ranked the Czech Republic as the number-one destination for high-tech manufacturing in Europe, and the fifth most attractive globally.

SK

The Slovak economy continues to be a strong performer. GDP grew 4.1% in 2018 on the back of domestic demand, and growth is expected to rise in 2019 to 4.9%—the highest predicted growth rate among OECD members. The domestic automotive industry again broke records in 2018 with over 1 million cars produced. With the launch of the new EUR 1.4 billion Jaguar-Land Rover plant in Nitra, automotive output in Slovakia is expected to break records again in 2019.

HU

Hungary remains an attractive market for investments, particularly in the logistics and automotive industries. In 2018 Hungarian GDP grew 4.9% year-on-year, the fastest rate of growth in a decade, driven in part by strong private consumption reflecting wage growth and rising consumer confidence. While a slight slowdown is projected for 2019, year-on-year growth is still expected to reach 3.9%.

RO

Romania in recent years has emerged as a major CEE market for both industrial and logistics investors. GDP grew 4.1% in 2018, driven by rising domestic consumption. Although growth is down from 2017 levels, investments during the year in production equipment and machinery increased by 15.6% year-on-year, reflecting the on-going modernisation and expansion of industrial output. The economy is expected to slowdown slightly in 2019, with annual growth of 3.3% projected. FDI remains strong and is expected to reach EUR 5 billion in 2019.

PL

The Polish economy grew 5.1% in 2018, the fastest growth in a decade and driven by growing domestic consumption and exports, both of which are forecasted to remain strong. GDP is projected to increase year-on-year by 4.2% in 2019. The real estate market in 2018 recorded its highest number of investments, with over 100 transactions and a combined deal value of EUR 7.2 billion. Investments in the industrial sector reached EUR 1.84 billion, an 83% year-on-year increase.

RS

The Serbian economy continues to expand, driven by rising domestic consumption and exports. GDP in 2018 grew 4.3% year-on-year, the highest level in a decade and outperforming expectations. Growth is projected to slow slightly in 2019, to 3.4%, in part due to the high base line but will continue to be driven by strong local demand and growing industrial output. FDI in Serbia in 2018 reached EUR 3.2 billion, the highest amount since 2011, representing 7.5% of GDP. Most inflows are directed to the automotive, mining, food & beverage and chemical industries.

CEE industrial market dynamics

The further growth and purchasing power of local consumer markets is the driving force behind the growth of the logistics sector across CEE. This broad trend tells the story of the evolving economies of the CEE region as, in general, rising salaries are fuelling an increase in consumer spending. This is sparking new demand for the full-spectrum of logistics and distribution facility solutions, both for e-commerce and brick-and-mortar retailers.

Manufacturing remains resilient across the region, particularly in the high-tech and automotive sectors where production and supply chains are entrenched and economic fundamentals remain strong. Despite the threats of external shocks and the combined pressures of wage growth and lowering unemployment, CEE remains attractive for manufacturing operations. The current labour shortage is coinciding with—and to an extent being offset by—the general shift toward automation, and we are seeing more tenants deploy automated systems for high-tech operations.

E-commerce in the driver seat

E-commerce is making waves in the logistics sector not only in CEE but globally, as consumer preference worldwide for online purchasing continues to strengthen. In 2018, global online sales reached USD 2.86 trillion, up from USD 2.43 trillion for the previous year, an increase of over 17.5% and in line with recent annual growth rates in the sector. In comparison, total global retail sales increased by only 3.3% year-on-year in 2018. Even more significant, online sales continue each year to make up a bigger portion of total global retail turnover—accounting for over 15% in 2018, up from 10% in 2016—and all indications are that this trend will continue and deepen. This is particularly the case in emerging markets like CEE, as retailers and other businesses adapt to evolving consumer preferences and roll out new distribution models.

In a sign of the times and harbinger of the changing industrial real estate landscape, New York fund manager Blackstone LP signed a deal with Singapore investment manager GLP in early June 2019 to purchase 179 million square feet (over 16.6 million m²) of urban logistics warehouses across the US, making it the world's largest private equity real estate transaction. The portfolio includes around 1,300 properties, with Amazon as the largest tenant. The record deal—the latest in a series of acquisitions by Blackstone focusing on e-commerce and the logistics sector in both the US and Canada—sends a strong signal that investors have identified the rapid growth potential of e-commerce assets.

E-commerce in Europe

Viewed as a whole, Europe is the world's number-two e-commerce marketplace, with consolidated online sales totaling nearly EUR 550 billion in 2018. This is nearly an 80% increase over European e-commerce turnover in 2013, when total sales reached EUR 307 billion. The cross-border sale of online goods in Europe makes up a significant and growing portion of e-commerce sales figures, accounting for EUR 95 billion in 2018 (excluding travel)—nearly 23% of total European e-commerce sales. Experts predict that within a few years cross-border sales will account for more than one-third of all online purchases. European online retailers now dominate the European market, with a 55% market share. The Top 500 cross-border retailers account for around one-third of sales, or EUR 36 billion in 2018.

CEE has room to grow

CEE e-commerce markets have room to grow, as consumer appetite for e-goods—although increasing—still lags behind demand in most western European markets. The fact that CEE countries are quickly becoming attractive e-commerce markets unto themselves is changing the logistics landscape, as more businesses roll out e-commerce platforms to stay competitive and capture efficiencies. We are experiencing growing demand not only for "near-shore" cross-border hubs, but also for warehousing and distribution centres geared toward local supply chains, including "last-mile" facilities in major cities.

Colliers International projects that between 2018–2022, the CEE-6 (Poland, Czech Republic, Slovakia, Hungary, Romania and Bulgaria) will require up to EUR 1.3 billion of new investments in e-commerce logistics facilities and distribution centres. Colliers' conservative baseline estimate for e-commerce expansion in the CEE-6 for the period 2018–2022 is 9% per annum, which according to their calculations will require a minimum of 200,000 m² of new facilities each year across the region to meet demand. Their more bullish estimate is more than double this amount, to over 460,000 m² of new e-commerce warehouses per year. Sticking with conservative estimates, Colliers expects total retail warehousing needs for the CEE-6 to reach over 1 million m² per year for the above period, which is roughly 5% of current logistics stock for the group of countries.

CTP is reacting by anticipating the need for new investments in custom-built logistics warehousing to meet the specific requirements at each stage of the e-commerce supply chain for a range of industries.

High-tech here to stay

CEE continues to be a strong global market for value-added high-tech manufacturing, R&D and innovation. The automotive industry across the region continues to break annual production volumes, with several million cars produced each year. While there remains some uncertainty as to the future direction of the European automotive industry as it begins to shift from combustion engines to e-vehicles, all the business-smart fundamentals of CEE—strategic location, smart people, cost-effectiveness—remain in place. Underscoring this, a recent Cushman & Wakefield report ranked the Czech Republic as the number-one destination for high-tech manufacturing in Europe and the fifth-best location globally.

We continue to see strong growth from both international and local IT companies and software developers for premium office space in strategic cities, and for a range of high-tech manufacturers to locate R&D activities in CEE. This includes research, development and production of next-generation technologies involving robotics, autonomous systems and AI platforms as well as medical and pharmaceutical research and production. As the manufacturing industry evolves we are seeing our clients continue to invest in modernising and expanding their custom-built operations in CEE. Thus while manufacturing and office remain smaller portions of the portfolio, we anticipate growth to continue in these sectors, as CEE economies remain entrenched in high-tech supply chains, with a high degree of know-how, efficiency and innovation.

CTP market focus

Reacting to market demand, we are increasing our focus on logistics and e-commerce solutions at prime locations servicing both urban population centres and strategic cross-border locations across the region. We expect portfolio expansion in 2019 to continue to be driven by logistics and warehousing in all markets, while manufacturing will remain a key component. Logistics operators will require various size and location solutions depending on the function. Central to local e-commerce expansion is last-mile delivery to customers. Thus there is renewed focus on the importance of cities for logistics strategies. In the manufacturing sector, the focus will be on custom-built properties with specialised fit-outs, with many of our clients expanding current operations with new facilities or launching new activities in other locations within the CTPark Network.

"We are long-term business partners with our clients. We don't just build buildings, we build relationships and we deliver business-smart solutions that serve the needs not only of our clients, but of their employees and the surrounding communities."

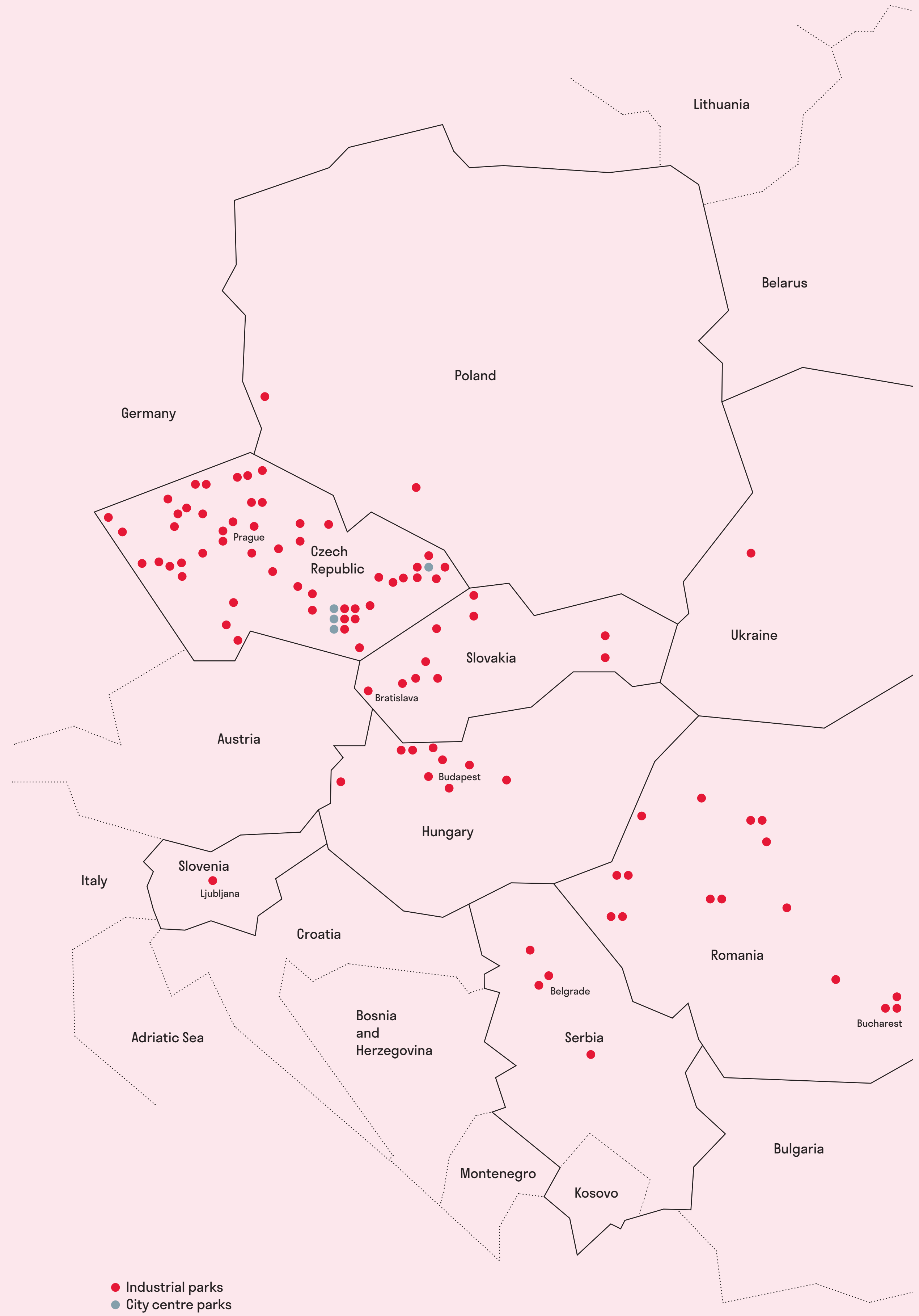
Bert Hesselink
Group Business Development Director

The Portfolio

At the end of 2018, CTP's portfolio of industrial and office properties comprised over 5 million m² of leasable space. As we began operations in the Czech Republic, the majority of the portfolio is located in that country. In recent years we have expanded our portfolio to CEE markets outside the Czech Republic, and 2018 continued that trend.

We chose to anchor operations in CEE for the same reasons as our clients—the mix of location, smart people, industrial tradition, developed infrastructure and cost-effectiveness make it the business-smart choice for a wide range of operations.

In 2018, we continued on our strategy focusing on regional centres with a large, educated workforce to support investments in high-tech activities. We acquired or built new properties around the capital cities in each of our markets. We opened new parks around Budapest, Bucharest, and Belgrade and continued to develop new space at existing parks around Prague and Bratislava. We expect the increasing demand for e-commerce solutions servicing the major population centres in our markets to be the main driver of portfolio growth in 2019 and beyond.



Industrial parks:

Czech Republic
Aš
Blatnice
Blučina
Bor
Brno
Brno South
Cerhovice
České Budějovice
Česká Lípa
České Velenice
Cheb
Divišov
Hlubočky
Holubice
Hradec Králové
Hranice
Hrušky
Humpolec
Humpolec II
Jihlava
Kadaň
Karviná
Kutná Hora
Kvasiny
Liberec
Lipník nad Bečvou
Louny
Lysá nad Labem
Mladá Boleslav
Mladá Boleslav II
Modřice
Most
Nošovice
Nový Jičín
Okříšky
Ostrava
Ostrava Poruba
Pardubice II
Planá nad Lužnicí
Plzeň
Podbořany
Pohořelice
Ponávka
Prague Airport
Prague East
Prague North
Prague West
Přeštice
Stříbro
Teplice
Teplice II
Ústí nad Labem
Zákupy
Žatec
Žatec II

Romania
Arad
Arad II
Bucharest
Bucharest Chitila
Bucharest West
Cluj
Cluj II
Deva
Deva II
Ineu
Pitești
Salonta
Sibiu
Timișoara
Timișoara II
Turda

Hungary
Arrabona
Budapest East
Budapest South
Budapest West
Győr
Komárom
Székesfehérvár
Szombathely
Tatabánya

Slovakia
Bratislava
Hlohovec
Košice
Krásno n. Kysucou
Nitra
Nové Mesto n. Váhom
Prešov
Trnava
Voderady
Žilina

Poland
Iłowa
Opole

Slovenia
Ljubljana Airport

Ukraine
Lviv

Serbia
Beograde West
Beograde North
Kragujevac
Novi Sad

City centre parks:
IQ Ostrava
Ponávka
Spielberk
Vlněna

The Czech Republic, Slovakia and Hungary continue to attract investment in higher-value-added operations in core sectors such as high-tech manufacturing and automotive assembly and supply. There is a growing trend among companies active in advanced areas such as IT, biotechnology, nanotechnology and robotics to locate cutting-edge operations particularly in Hungary and the Czech Republic.

During 2018 we acquired, opened or began construction for new parks in almost every market.

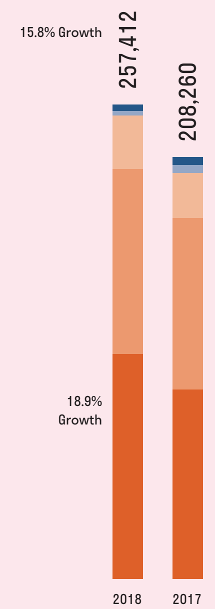
In the Czech Republic, our award-winning CTParks in Plzeň and Ostrava were fully completed, and we started building CTParks Cerhovice and Blatnice near Plzeň, as well as opened CTPark Ostrava Poruba (Q1 2019) to fulfill on-going demand in those regions.

In Hungary, we acquired CTPark Szombathely in western Hungary. In Serbia, we began work at four new locations, Beograd North and West, as well as outside Novi Sad and Kragujevac. In Slovakia we added CTParks Hlohovec, Košice and Nové Město nad Váhom.

Top 30 clients	Number of Locations
DHL	19
Honeywell	8
DSV	6
DB Schenker	8
Quehenberger	8
Faurecia	5
Bridgestone Europe	1
Wistron	2
Primark	1
Tech Data	2
Thermo Fisher Scientific	2
GEODIS	4
Raben	7
IAC	4
Lidl	4
Hotel Operations	4
Grupo Antolin	3
Brembo Czech	2
Kühne + Nagel	5
GEFCO	8
Henniges	5
Adient	3
ABB	7
Yanfeng	1
Kompan	1
Lear	7
Valeo	3
Tieto	1
Profi	4
DANA Hungary	1

	Top 30
% of portfolio, m²	40.56%
m²	1,573,000
Buildings	136

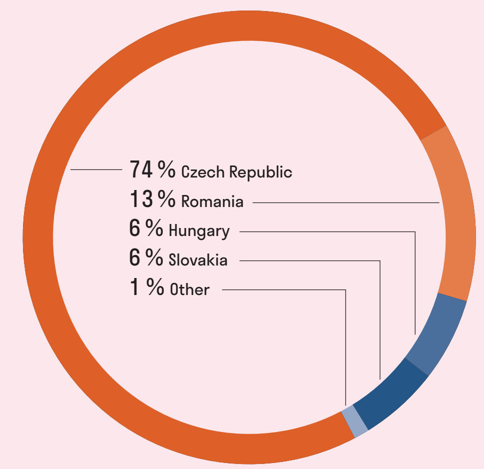
Tenant profile
Our top 30 clients are mainly large-scale international companies representing a diverse array of sectors and together occupy over 40% of our portfolio across CEE. We are committed to supporting our clients' activities, building long-term relationships as they grow their businesses at their current location or expand to multiple new facilities within the CTPark Network.



Gross rental income & service charge*
(in EUR thousands)
Overall gross rental income grew 14% y-o-y driven by significant income growth from occupiers utilising warehousing facilities.

* Figures cited do not include income from hotel operations nor development activities

Warehouse
Production
Office
Retail
Other



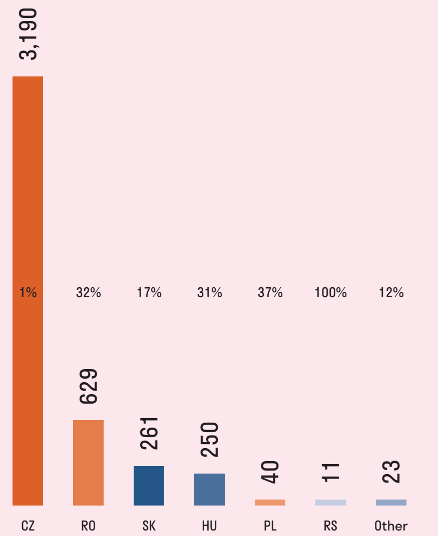
Revenue by country
Overall revenues by country map closely to portfolio size in the respective countries where we operate, with the majority of revenue generated in our largest market, the Czech Republic.

315,357

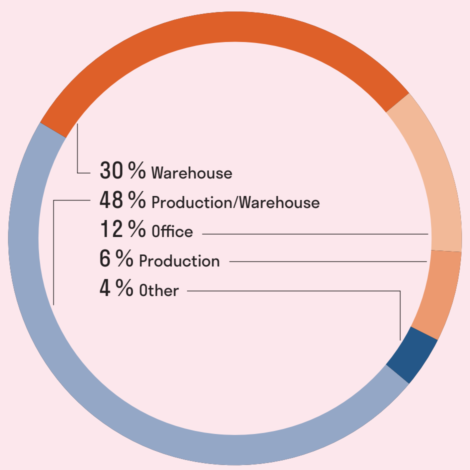
Investment property under development, 2018
(In EUR thousands)

310,089

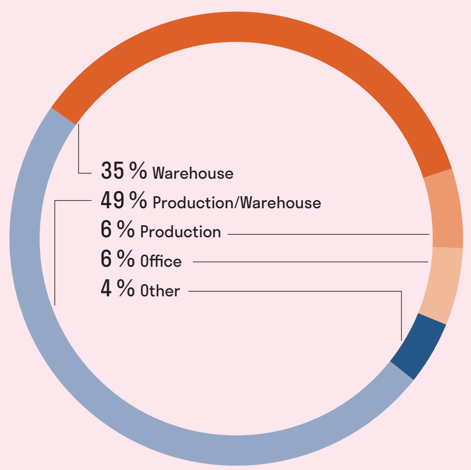
Investment property under development, 2017
(In EUR thousands)



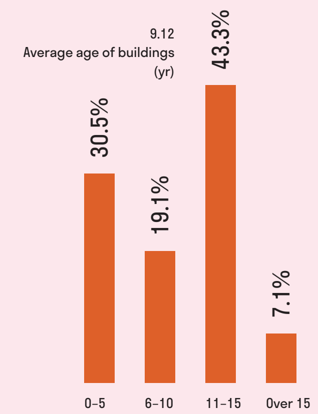
Value of investment property per country
(In EUR million)
The value of the portfolio grew at different rates in our various markets, reflecting portfolio size and local conditions. In the Czech Republic, portfolio value grew despite the sale of 430,000 m² to Deka Immobilien.



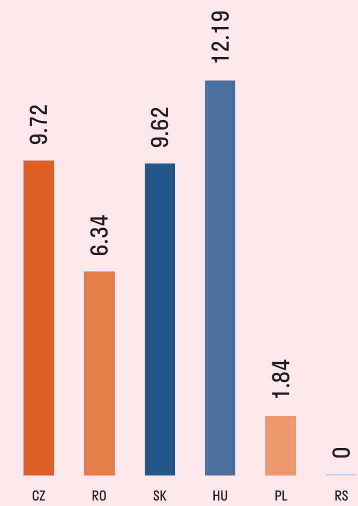
Revenue by building use
(% gross rental & service charge income)
Reflecting macro economic trends—and our continued focus on our core business—occupiers engaged fully or partially in warehousing activities represent 84% of our overall income.



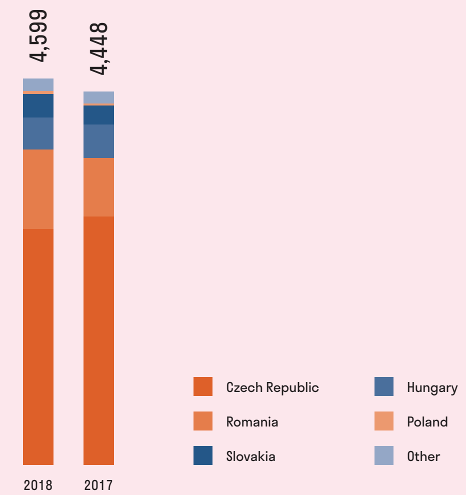
Portfolio valuation by building use
(% of investment property valuation)
The wide variety of business sectors represented and the long-term nature of these operations provides stability to occupancy and therefore to projected rental income, which underlies portfolio value.



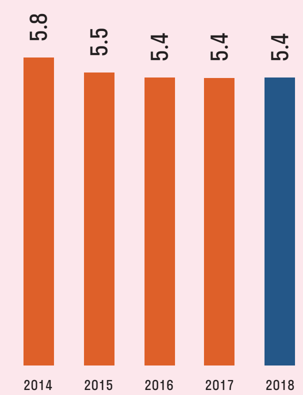
Buildings per age category
The portfolio underwent natural aging with the average age of the buildings remaining under 10 years due to construction of new space and divestments of older assets.



Average age of buildings by country
The age of our buildings varies considerably in each market and reflects the extent of organic growth versus growth by acquisions as well as the length of time we have operated in a given country.



Valuation of lettable area per country
(In EUR million)
The overall value of our portfolio grew 8%, with the portfolio in the Czech Republic and Romania comprising 87% of the total portfolio value.



WAULT (weighted average unexpired lease term)
(In years)
Overall WAULT remained stable, despite the growth of warehousing and logistics operators who require shorter lease terms. We were able to counteract downward pressure on WAULT through successfully renegotiating lease expirations in combination with the growth of the number of clients in newly built premises.

“One of the most important services we can do for our clients is to ensure consistent high quality on any project we develop, while keeping to agreed construction budgets.”

Hana Lhotská
Head of Procurement Department

Five Building Types

CTP's industrial portfolio is centered on our core business—the CTPark Network—the largest integrated network of premium business parks in CEE. With over 90 locations and a strategic land bank, the CTPark Network enables our clients to cover the whole region with room to grow. To meet the requirements of major industries, CTP has developed five bespoke building types ranging in size and functionality to support a broad spectrum of 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, complemented by complex building management systems engineered for efficient operations and transparent OPEX costs.

CTBox	CTFlex	CTSpace	CTOffice	CTFit
450—800 m²	1,150—3,000 m²	From 3,000 m²	From 195 m²	From 5,000 m²

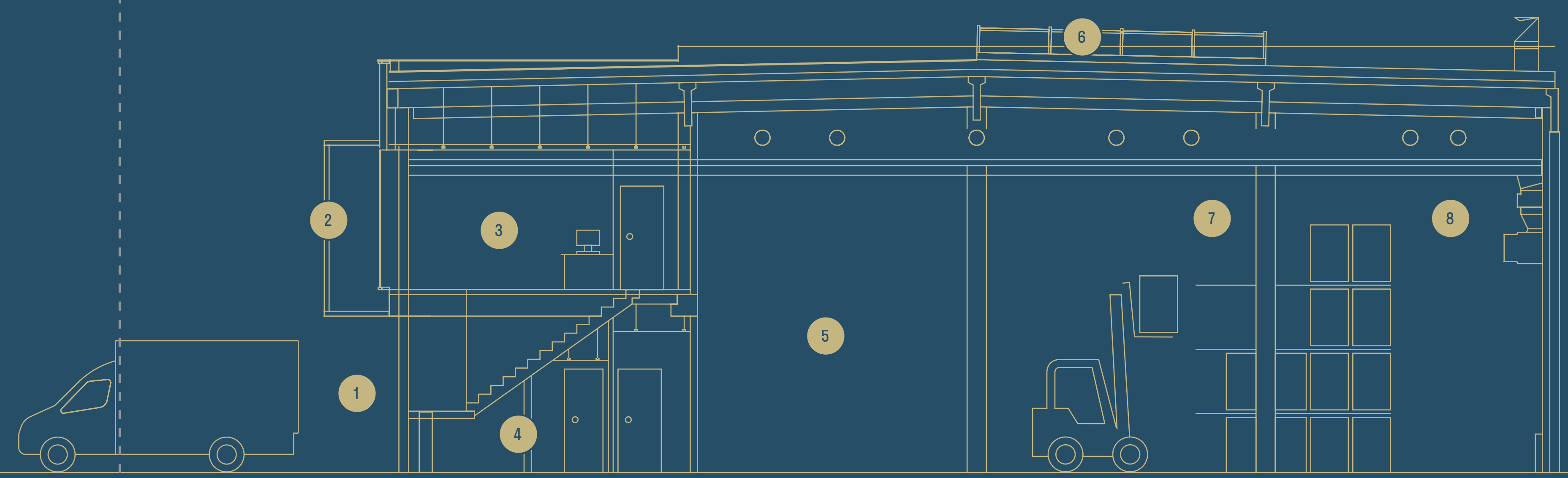
CTBox

450—800 m²

CTBox facilities are specifically designed to support smaller-scale and location-specific operations and feature the three-in-one functionality of retail, industrial, and office facilities under one roof. This flexibility supports a range of activities, including light manufacturing, 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 near city centres. Additionally, CTBox units are also available as part of the unique office and mixed-used development at Ponāvka in Brno.

CTBox Standards

1	Drive-in access
2	High visibility tenant branding opportunities
3	Flexible office space
4	Customisable retail space
5	High standard warehouse/production space
6	Natural daylight
7	7 m clear height
8	High efficiency LED lighting + energy saving controls



Amtech

Location	Ponávka, Brno
Property Type	CTBox
Sector	Robotics
Activity	R&D, sales, service and training
Facility Size	655 m²
Move-In	7/2015
Website	amtech.cz

Amtech has been a tenant at CTP's mixed-use Ponávka business park in downtown Brno since mid-2015. The high-tech Czech company is active in the growing field of surface-mount technology (SMT) and collaborative robotics. Amtech designs, produces and distributes a range of technological equipment, robotic solutions and materials for the high-tech manufacturing, electronics, automotive, engineering and logistics industries. Amtech's Owner and Managing Director, Radek Nekarda, tells us more about his company and their rationale for leasing a multi-purpose CTBox unit at Ponávka in Brno.

At Ponávka our work focuses on the research and development of collaborative robots, AGVs [automated guided vehicles] and AMRs [autonomous mobile robots] for use in a wide range of industries. We run a demo centre on site and plan to open a training centre in May.

One of my personal visions for our premises at Ponávka is to establish a robot incubator, where anyone—whether a student, engineer or entrepreneur—can try to develop their own robotics application.

We moved in four years ago from a smaller office north of Brno. We were looking for new, efficient space in Brno, and when I saw the CTBox unit at Ponávka, I knew immediately that this was the space we needed. The CTBox concept [with office, showroom and warehouse space] is ideal for us, as it allowed us to enhance our growth without having to make an initial investment in our own premises. Since move in, our turnover has increased five-fold and our headcount has quadrupled.

Based on our growth, we decided a few years ago to open our own, larger premises in Buchlovice [in the Central Moravian region], where we have more robust machinery, a production centre, and a shop floor for large-scale automation solutions. At Ponávka we focus on emerging technologies, AGVs and "cobots" [collaborative robots designed to work alongside human beings].

Location in Brno gives us access to the city's talent pool and high added-value services. Being in Brno makes it easier for us to find business partners and enhances the image of our company.

We would consider leasing additional space in the future, as the location is attractive and the offer makes business sense. Since moving to Ponávka our company has achieved some remarkable sales results, including best-performing distributor in CEE for Universal Robots—the world's leading "cobot" producer—and European distributor of the year for Mushasi, Japan's leading producer of dispensing systems for the robotics industry. We also recently won top prize at the Amper trade fair here in Brno for a 3D PCB printer that we developed last year and which dramatically reduces the time from R&D to product introduction for any company that develops printed circuit boards, antennae and similar products.

Robotics and automation is certainly an industry of the future. This is especially true here in Europe, in order to maintain competitiveness on the global stage. Automation will help with labour shortages and also enables robots to do work that is unpleasant or unhealthy for human beings. Personally, I think it is a good thing, for example, that in hospitals robots can do routine tasks like preparing medicine and lab samples and transporting patients. This allows humans to do the work that no robot could do—like give comfort to patients and to care for their specific needs. This is just one example of robots helping humanity. On the other side, there are good ideas like drones, which can be misused for malicious purposes.

Personally, I feel that legislation and security is lagging behind development in the field of robotics and autonomous technologies. I think that governments and the authorities should be focusing more on emerging technologies and how to regulate them. We sometimes encounter difficulties in our work to find the appropriate legal provision regulating the technology we are working on, simply because the specific provision hasn't yet been written.

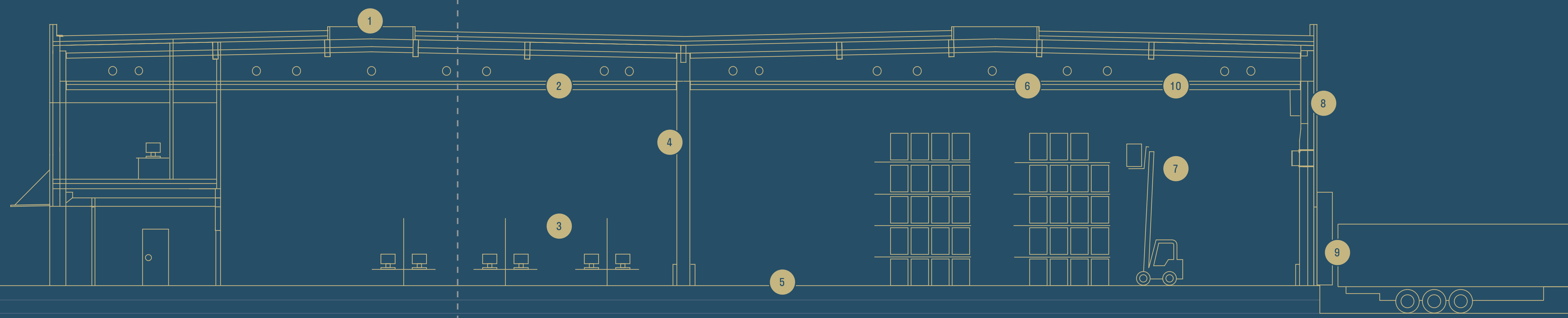
CTFlex

1,150—3,000 m²

CTFlex buildings are medium-scale, 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.

CTFlex Standards

1	Daylighting via roof lights
2	High-efficiency LED lighting + energy saving controls
3	Customisable office & employee space
4	Modular design for easy growth
5	Floor loading 5,000 kg/m²
6	Building fabric designed for enhanced thermal performance and fire resistance
7	10.5 m clear height
8	Fire-resistant thermal facades & roofing
9	Dock levelers and loading ramps
10	Overhead sprinkler system in warehouse/production area
	Energy efficient and sustainable technologies
	12×24 grid for flexibility
	BREEAM certification



Edgewell

Location	CTPark Teplice
Property Type	CTFlex
Sector	FMCG
Activity	Production & distribution of personal care products
Facility Size	16,800 m²
Move-In	9/2007
Website	edgewell.cz

Edgewell Personal Care is a US-based consumer products company with a portfolio of 25 well-known brands including Schick and Wilkinson Sword. In 2007 the company opened a 3,000 m² manufacturing facility for wet shaving products at CTPark Teplice and has since expanded their space to 15,000 m², making CTPark Teplice their largest production plant in Europe. Jan Beneš, Operations Director for Edgewell in Teplice, explains more about the company's operations.

CTP has been our partner already for 12 years, always supporting us with our needs for growth. The simple and modular facility has provided enough flexibility for all layout changes during the years. At the same time, CTP has been able to satisfy our very complex requirements. For example, we went through two environmental assessments—we had very complex requirements for things like fire safety and hygienic standards. This is also something we discussed with CTP, and we got their full support.

Teplice is the main Edgewell production plant in Europe, where we produce wet shaving products for the whole of Europe. We have a moulding area, where we mould components, and we also have an assembly area, so in fact we are assembling the whole razor, mainly disposable, two- or three-blade razors. We are also packing the final products and shipping them to customers.

In terms of packaging operations, we are also the biggest Edgewell plant in Europe. We also manage production for private brands in Teplice, which means that we are producing products for the main retailers in Europe. In Teplice we also participate in development, mainly in the development of packaging, because in fact, packaging is what is selling the products.

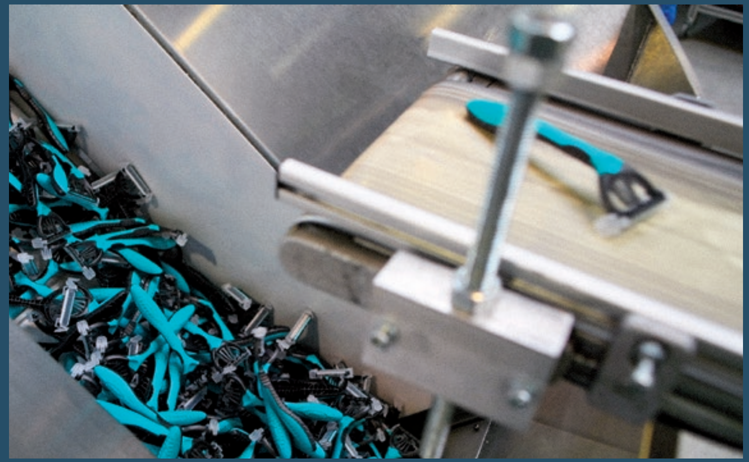
Our advantages here include location near the German border. This is a good entrance to western Europe, where the majority of our customers are. Another strength of this area that brought us here initially was our ability to hire people with certain qualifications. We have a university in Ustí and we have good proximity to cities like Teplice and Krupka. We have 900 employees at Teplice and additional temp workers during the busy season. In fact, parking was one of the first things discussed and solved successfully with CTP. Also we have public transport here, as we are part of the Teplice city transport network.

To be honest, we are still growing. We are still expanding. We started with 3,000 m² and now we have 15,000 m². We are still surprised how well we grew and where we are now. Currently we produce in Teplice 50 million razors and cartridges every month. And in fact we are packing even more, because we also have razors from other affiliates. To accommodate our growth we have built outside material silos, expanded our parking areas and built an external training centre. CTP always supported us with its qualified team and were able to solve all issues quickly and smoothly.

From the beginning of our operations we have always tried to offer high standards to our employees. For example we have air conditioning in all areas, and we have upgraded the air conditioning system several times, always to provide good service to our employees. We see value in the energy efficiency of our building, and in cooperation with CTP we successfully implemented LED lights throughout our facility last year.

I think the situation in the last two years is probably very similar everywhere in the Czech Republic, and maybe Europe—the unemployment rate is going significantly down and we do have issues to attract the best employees. And of course we try to be competitive always and to offer our employees the best working conditions, a very good salary, and also we are really focused on communication. We have standards that are typical I think for US companies, so we have a very high level of communication, how we behave toward our employees, and I think this creates good basics for keeping and attracting good employees at our plant.

We see trends in the current globalised market that we need to react to, for example e-commerce. We have to react to the need for higher customisation of products for customers, and also we have to react in terms of flexibility. Our facility won't just be a place for mass production anymore. We must develop our facility to accommodate customised production, specialised workshops and to support the overall innovative spirit of our colleagues.

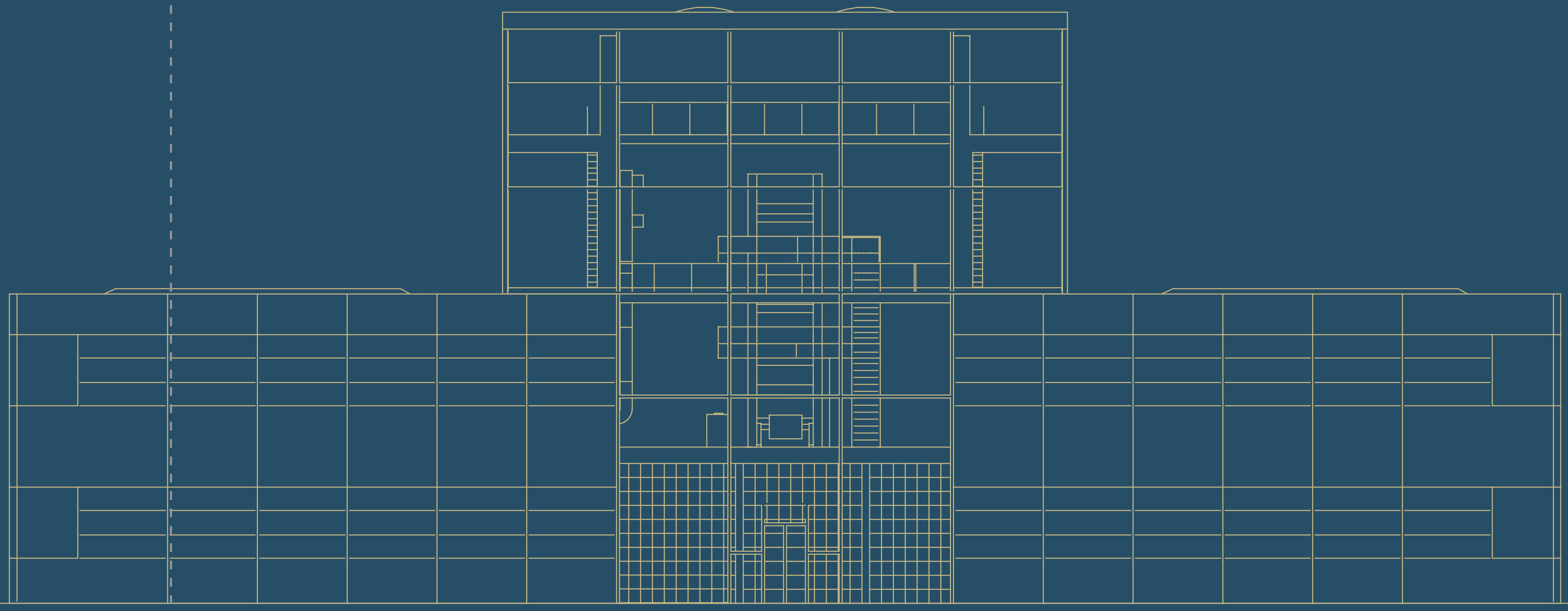


CTFit

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.

CTFit Standards
On-demand locations
Turnkey solution
Energy efficient and sustainable technologies
Fully customisable: increased height, floor loading, clean rooms, safe storage and more
Full after-care service
BREEAM certification



Faurecia

Location	CTPark Trnava
Property Type	CTFit
Sector	Automotive
Activity	Manufacture of exhaust and interior systems
Facility Size	10,600 m²
Move-In	1/2018
Website	faurecia.com

French-based global automotive supplier Faurecia launched operations with CTP at CTPark Mladá Boleslav in 2013. In addition to their Czech plant, the company has expanded within the CTPark Network and currently occupies facilities at Hlohovec, Žilina and Trnava in Slovakia, as well as in Pitești in Romania. Jozef Mikuška, CEE Real Estate and Construction Commodity Manager, explains more about Faurecia's activities and their long-term partnership with CTP.

Among the main benefits of working with CTP is the long-term partnership. The first development for Faurecia was Mladá Boleslav-Bezdečín in 2013, and we now have six lease contracts with CTP in three countries representing nearly 100,000 m² of production space. In all these locations I can easily manage the same conditions regarding the lease term and service charges.

And these are not just "simple" logistic buildings. We always insist that our facilities are built according to Faurecia's standards, which is more than local legislation requires. For example, we require a special floor for production, an FM approved sprinkler system, and we have demanding specs for heating, ventilation and in some cases air conditioning for our production plants.

Our requirements differ from site to site due to the type of production. In Mladá Boleslav, Žilina and Trnava we produce exhaust systems for vehicles, so we need a fume extraction system to excavate smoke from the welding process.

In Hlohovec we produce plastic parts and we have injection moulding machines installed at the plant. For this reason we require special flooring (15 tonnes/m²) and 40-tonne cranes.

We also operate a seating division producing seats in Trnava for Group PSA, and for this activity we require especially good lighting conditions.

CTP and Faurecia first met in 2012, at the same time as I joined Faurecia. I can say that during our long-term cooperation CTP is fully aware of our needs and the building is always delivered to our high standards.

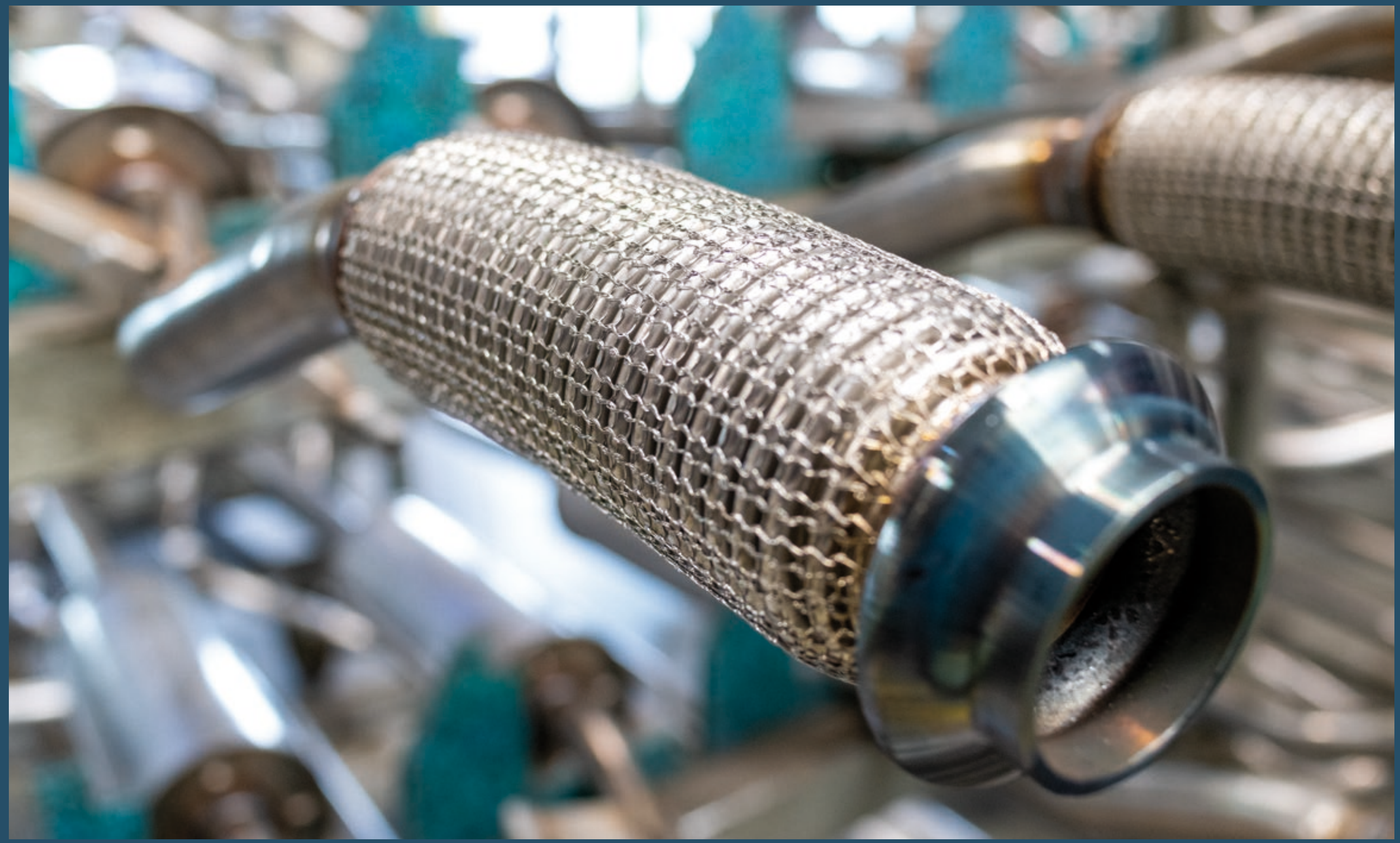
Mladá Boleslav was in my opinion the best construction project that we did together. We started in September 2012 on the 22,000 m² facility and handover was in April 2013 without any significant issues.

After Mladá Boleslav, we met in Žilina, where CTP had bought land next to the Kia assembly plan. This was a good fit for our just-in-time delivery.

Pitești was more of a challenge for both CTP and Faurecia. For CTP it was their first built-to-suit production facility in Romania. I remember early one morning in September 2016 having a meeting with CTP CEO Remon Vos and the construction team at the site, and we went through issues causing the delays. We resolved these issues and finished the building to our satisfaction. In 2019 we started expansion of the Pitești plant and are thus far pleased with the results.

The last two transactions were CTP acquisitions where we have facilities. These were our first sale and leaseback projects with CTP.

In 2019 we are working on two plant expansions with CTP totalling 17,000 m². In our production facilities in the CTPark Network we employ around 2,800 people in total. These plants are close to our customers so we can optimise just-in-time deliveries. Faurecia is currently undergoing growth and it is possible that we will make another expansion at an existing plant or lease new facilities, which CTP is able to deliver.



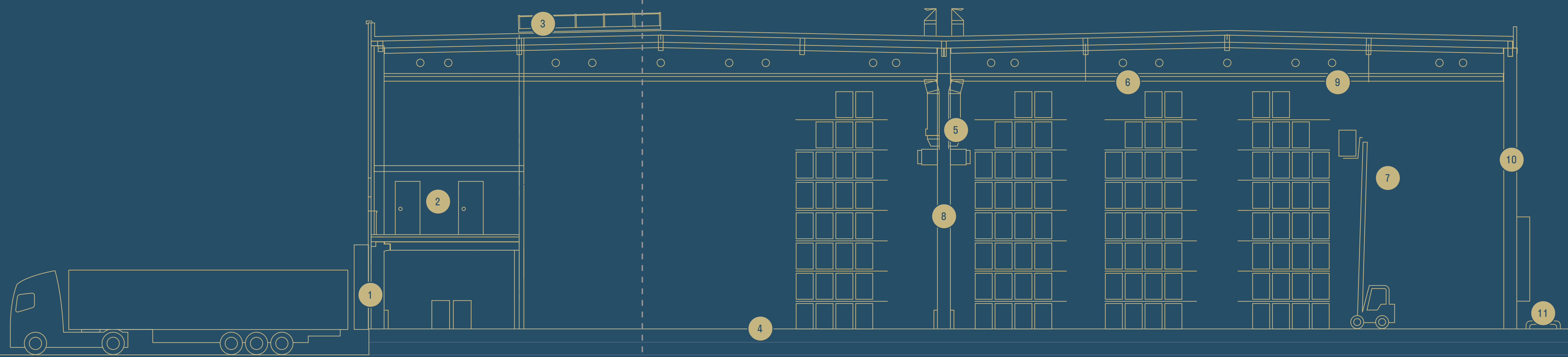
CTSpace

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 around major urban hubs or geographic areas that best support cross-border business.

CTSpace Standards

1	Dock levelers and loading ramps
2	Customisable office & employee space
3	Daylighting via rooflights
4	Floor loading: 5,000 kg/m²
5	Energy efficient and sustainable technologies
6	High-efficiency LED lighting + energy saving controls
7	12 m clear height
8	Fire-resistant, high load-bearing frame
9	Sprinkler system in warehouse/production area
10	Building fabric designed for enhanced thermal performance and fire resistance
11	Protection bumpers



DSV

Location	CTPark Bucharest
Property Type	CTSpace
Sector	Logistics
Activity	Warehousing and logistics
Facility Size	40,000 m²
Move-In	3/2018
Website	dsv.com

In 2018, Danish-based DSV, the world's fourth largest logistics operator, signed a lease for a new 40,000 m² custom-built logistics hub at CTP's flagship development in Romania, CTPark Bucharest West. Their expansion came after their successful experience as a tenant at CTPark Bucharest, where they continue to operate a 55,000 m² distribution warehouse. Sergiu Iordache, DSV's Logistics Director for Romania, explains more about DSV's business in Romania and why they chose to expand with CTP.

We decided to expand here because we wanted to expand, and we consider CTP as the right partner for us. CTP has the capability and resources—and the communication between us is very important. Why? Because we want to have a business partner, not just a provider of services, and of course we do not want to be just another customer. We want to have strong communication, to know each other, and to grow together. This is part of our strategy, and with CTP we have found a good partner for our Romanian operations. We appreciate their ability to understand our needs and to cooperate, and of course we value their high-standard building specifications.

DSV is a logistic service provider and freight forwarding company. We have three main divisions: Air & Sea, Road, and Solutions. "Solutions" means warehousing and also domestic distribution services for customers. At the global level, we are now among the top-four logistics providers worldwide. We are currently in 85 countries, and we are actively looking for growth, both organically and through acquisitions, where we are recently quite active.

Our roots in Romania go back to 1994. After a series of acquisitions, DSV acquired the Romanian business in 2006. Our continued growth in Romania meant that we needed more space. CTP was able to accommodate all our special requirements at CTPark Bucharest West, including climate-control throughout the entire 40,000 m² building and a double-sized mezzanine.

We are now in the process of establishing our Romanian HQ here at CTPark Bucharest West, because of the offer of available space and CTP's ability to custom-build facilities in line with our strategy. Within two years we expect to consolidate and expand our Romanian operations here.

Most of our clients are multinational companies, as it is usual for them to outsource logistics services. Our client list includes many big names from various industries. For many of our customers we provide regional hub logistics solutions serving Romania, Bulgaria and Moldova. We also operate warehouses in Bulgaria.

E-commerce is becoming a more important part of our business. Last year DSV acquired a Dutch company specialised in e-commerce, and we are beginning to roll-out new solutions for e-commerce throughout our portfolio.

DSV doesn't focus on a certain industry—we want to provide a broad range of logistics solutions. The industry doesn't matter. Our business is to provide customised solutions for our customers, and we are proud of that. We don't say: 'This is the DSV solution, if it fits you, OK, if not, then no.' We like to listen to our customers and provide them with what they need, and to be flexible.

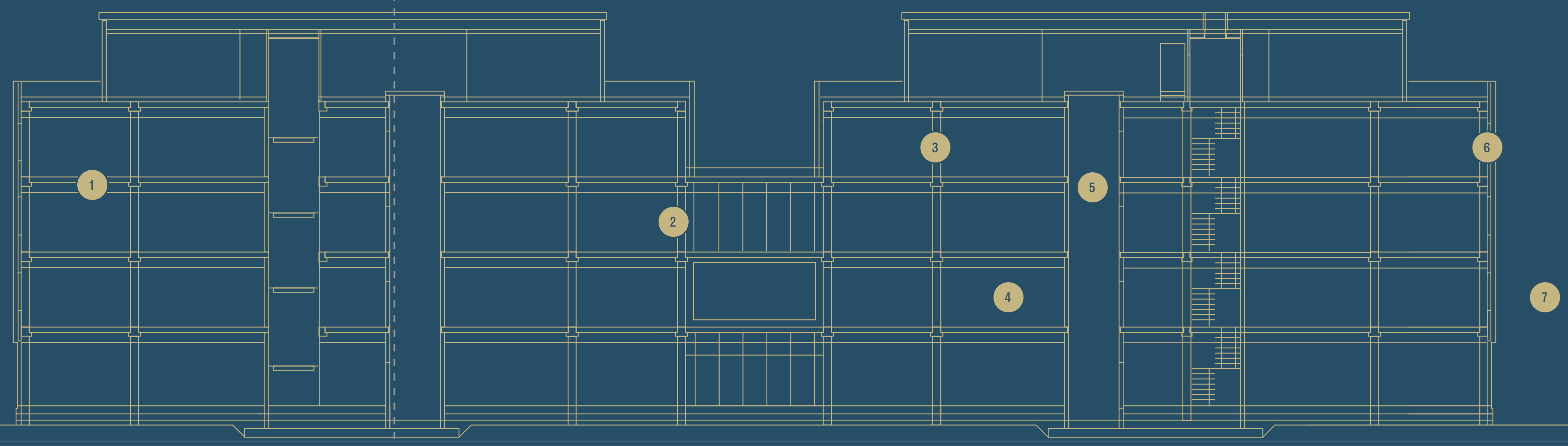
CTOffice

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 stand-alone 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.

CTOffice Standards

1	Raised access flooring
2	High-efficiency MEP & HVAC systems
3	Flexible fit-out options
4	Designed for 2.8m accessible ceiling
5	Energy efficient and sustainable technologies
6	Enhanced building fabric properties
7	Gardens and green outdoor areas
	Designed for best use of daylight
	BREEAM certification



Continental

Location	CTPark Ostrava
Property Type	CTOffice
Sector	Automotive
Activity	Testing, R&D, actuators and sensors
Facility Size	1,473 m²
Move-In	4/2014
Website	continental-automotive.com

In 2014 German automotive components major Continental chose a CTOffice building at CTPark Ostrava as the location for their Global R&D Competence Centre. The facility—one of Continental's largest global R&D hubs—includes a custom-built high-tech laboratory and testing centre. The company's work at CTPark Ostrava focuses mainly on the development of sensors and actuators for clients such as Daimler, GM, VW, FCA and many other global car manufacturers. Mojmír Šustala, Segment Managing Director, tells us more about the company's operations and experiences since move-in.

Continental's Ostrava Global R&D Competence Centre was established at CTPark Ostrava to support the company's growth strategy in the field of sensors and actuators for automotive applications. In Ostrava we research, develop and test a wide range of devices in the area of temperature, fluid, pressure and mass air-flow sensing applications or contactlesss position sensors for various mechatronic modules.

As a global hub, our responsibilities also include developing the market strategy for our product line, portfolio management, project development and the launching of new products, and providing day-to-day support for our manufacturing plants.

Since launching in Ostrava, we have proven to and gained the trust of company management—that people in the Czech Republic are very creative, capable, and competent—not only to run manufacturing operations, but also to develop new products and for their ability to take responsibility and a "bottom-line" approach for specific product segments.

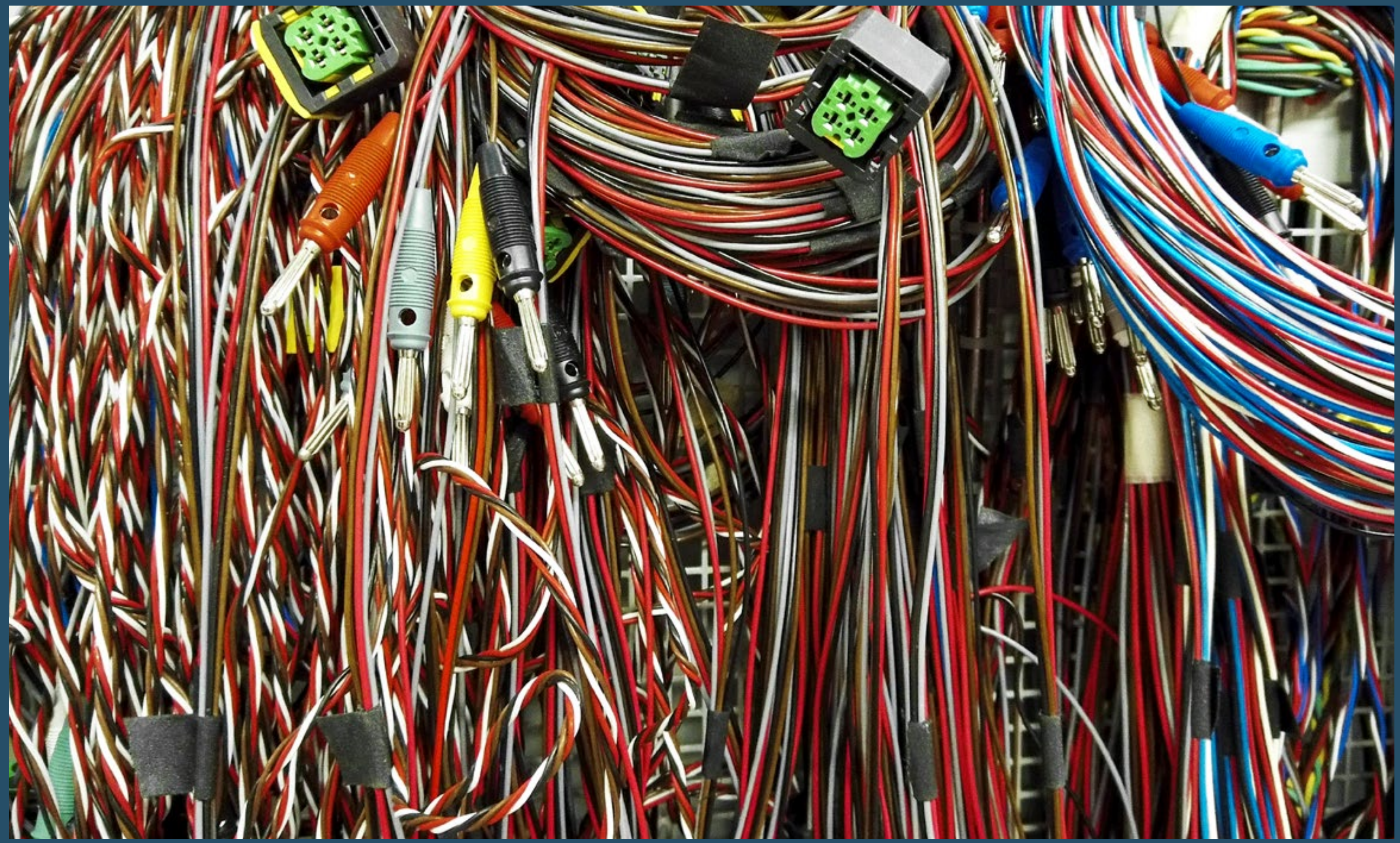
Things have changed a lot since we launched here in Ostrava five years ago. We've grown our headcount from approximately 160 to 270 employees, with a plan to grow beyond 300 people by 2020.

With our growth, we have also built new competencies and know-how relating to other product segments. We've established a team of material engineering experts at Ostrava who focus on supporting product development globally for our Powertrain Components Business Unit. Through this, Ostrava has also become a main hub for electronic and software engineering solutions. Last but not least, in the last two years we've achieved high-level accreditation for our laboratories at CTPark Ostrava, which is a very important strategic step for new product development.

All of this required and still requires new investment, mainly in our labs and new test equipment, but also in floor-space expansion. We recently opened a new office area at CTPark Ostrava with an additional 650 m² of workspace, which gives us approximately 75 new working spaces. Together with CTP, we have also started a project study to potentially expand our lab space significantly with an additional 2,000 m² greenfield investment. However, the final decision has not yet been taken.

CTPark Ostrava offers a nice working environment. The way we were able to design our office areas and labs together, the overall surroundings—our people really like and appreciate these aspects. Simply said, our space at CTPark Ostrava is a good fit for our operations. It's in line with our corporate culture and gives us a stable base from which to grow.

As everyone knows, one of the world's biggest topics is climate change. This means that lowering emissions and supporting a clean environment are also a main focus of the powertrain industry. Our company is of course aware of this and we are fully engaged. Our technology / drive solutions for combustion and electric vehicles cover all current and future automotive needs. Portfolio management and innovation—key functions at our global R&D Centre in Ostrava—are among our strengths and central to our focus of serving customers while making the planet a better place.



City Centre Developments

CTP's portfolio of premium, city-centre office developments includes some of the most advanced office buildings in Europe. CTP has strategically focused its investments in the office sector in the regional capitals of Brno and Ostrava in the Czech Republic, where our high-quality developments fill a market gap, catering to the demand for A-class offices by international clients.

As a rule, our office developments are located in city centres with excellent transportation links and direct access to city life. All premium office projects are built to the highest international standards for energy efficiency and sustainability and are certified to BREEAM standards for overall excellence. To add value, our master plans incorporate high-quality landscaping, water features and large open spaces filled with greenery, which enhances the quality of work-life for employees as well as for the surrounding local population.

In 2018, our primary focus was in Brno, including the on-going construction of Vlněna, the latest and most modern of our city centre developments, and on-going expansion at Ponávka. At Spielberk we continued to reinvest and upgrade the office park's infrastructure, landscaping, the services of retail providers, hotel operations and community engagement programs.

Vlněna

Brno, Czech Republic

2018 saw the first three buildings completed in phase one of our ambitious Vlněna project—a city-centre brownfield redevelopment of a former textile factory in downtown Brno. Prior to completion of the first buildings, CTP signed lease agreements with two of the world's most prominent software companies, Oracle and Avast, who together took over 15,000 m² in Q3 2018. They were joined by STRV and Moravia IT, both Czech software developers with operations in Brno, Prague and the US, who together leased 8,500 m². During the year we agreed with local providers to begin operations of on-site cafés and other amenities to serve the new tenants. After completion of the project, Vlněna will offer a total area of 90,000 m².

Construction is now underway on the first three of our successful IQ Buildings which will offer over 24,000 m² of flexible office space, with large floorplates and opportunities to vertically connect distinct business operations. The IQ buildings as well as the renovation of the historical Bochner Palace is on plan to be completed by the end of 2019.

Overwhelmingly, the majority of clients attracted to Vlněna are companies operating in the IT and high-tech sectors. The office park suits their needs, particularly in terms of site design, office layout options and location.

Vlněna is the most modern office project on the Brno market, and in mid 2019 the first two completed buildings were awarded BREEAM "Excellent" certification—a guarantee that employees will work in a healthy and creative environment. The third building is expected to achieve BREEAM Excellent certification in Q3 2019. The entire project is designed for sustainability and suitably complements the surrounding city environment.

STRV

Development	Vlněna
Location	Brno
Sector	Software development
Activity	Mobile & back-end solutions
Facility Size	400 m²
Move-In	7/2018
Website	strv.com

STRV is a Czech technology company focused on the development of mobile applications and web and back-end solutions, primarily for US companies and start-ups. In 2018 the Prague-based company opened a new office at Vlněna in Brno. Lubo Smid, Co-Founder & CEO, tells us more about their activities.

STRV is a software design and engineering company. We initially started in 2004. So it is quite some time since the early days. A lot of important companies that you see today—for example Google, Apple and Amazon—they started working out of a garage. We didn't start in a garage, but we didn't have the proper office space at the beginning.

Even from the early days we had some colleagues from Brno who were working remotely, and we saw that there was a lot of potential in Brno. The team there was getting bigger, and as we wanted to grow and expand, we saw Brno as a good opportunity for us. We started hiring people there, we got a temporary office, and then we moved a couple of times within Brno until we finally found our home in Vlněna.

We had been looking for offices in Brno for about two years. We are very picky when it comes to finding the ideal space for us. The office for us is really important. We wanted to have something that would fit well with the team in Prague and the culture that we have.

We actually got in touch with CTP in the early days when we were looking for office space in Brno, but it was not the right time. There was not a lot that CTP could offer to us at the time. Vlněna was still really far away. That's why we were looking for other alternatives, but we were only finding temporary space. We knew that we wanted to build an office on our own that would meet all our expectations. And in the end, it ended up working well and it was the right timing for us.

Why Brno? Definitely Brno has a good source of technical talent due to multiple universities here that are focused on technology. That is clearly a reason why Brno is a good market, and it was one of the things that contributed to our decision to have a proper office in Brno. We were getting a lot of interest from the Brno community that they would like to join us, so today we have something like 35 people in the Brno office, and overall we have a total of around 200 people in the company.

We have around 400 m² in the Brno office, with room to grow. Currently the space fits our needs, and going forward we

have a bit of a buffer as well. What happens after that, we will see. Our primary goal right now is on global recruitment, basically looking for the best talent in all parts of the world. For the most part we bring these people to Prague, but we are very happy to find someone who is a foreigner and located in Brno, because it helps the environment, it helps the culture. In the end, that is the spirit that we want to have in the company, as we work primarily for the US market or for English-speaking customers.

At STRV we focus on building software products. We have clients in San Francisco, we expanded to Los Angeles and now we also have clients in New York. So we are covering the top markets in the US. Also toward the end of last year we started operations in London and we are getting more clients within Europe.

The software products we build are primarily mobile apps and different kinds of back-end solutions and things relating to that. One of the most successful start-ups we worked with was Tinder, the world's most popular dating app. We've also been asked to work on innovative solutions for companies like Microsoft. When they turn to you, you know you are doing something good.

Ours is not a typical offshore set up, although we do benefit from being in the Czech Republic where, in the end, the cost of living is not as high as in the US or UK.

What is important for us is that we have a good source of talent, and the thing is, you can't really get that kind of talent in the US unless you pay extreme amounts, which are skyrocketing due to the fact that there are a lot of huge companies that are competing for all the talent. If you are running a start-up, you don't want to be competing against these guys who are able to pay really high salaries, because you want to start lean. It's not easy to get that talent, but we have managed to put the talent together in Prague and Brno.

For us the interaction with CTP while working on the office space was pretty seamless. Of course it requires a lot of effort from both sides. We are very passionate about design. We do a different kind of design—software design—but it is still design, so for us, having a beautifully designed office is important, and I think that together with CTP we have achieved a great result.

Ponávka

Brno, Czech Republic

Ponávka is a unique development that combines a mix of properties including showrooms, A-class offices, light industrial buildings and refurbished industrial buildings from the 19th century. Ponávka is one of the fastest growing parks in our portfolio offering opportunities for a diverse range of businesses. With 8,000 m^2 of modern space, the architecture of the new offices reflects the surrounding historical buildings, but with a modern twist. In 2018 we completed the third office building at the site, which provides superior office space along with various amenities such as restaurants, cafes and an extended recreation area.

We continue to grow the project and are planning a new high-rise office building with flexible, large floor plates, modern eateries, co-working areas, ample underground parking and a large, green rooftop terrace that will organically extend the site's amenities. We also plan the construction of two more "Domeq" accommodation facilities at Ponávka.

Domeq
The Domeq accommodation schemes are an integral part of Ponávka, which prides itself on its excellent location and plentiful facilities. Operating at full occupancy since it opened in 2017, Domeq represents the latest in modern student housing and community living. Domeq facilities serve the surrounding universities in Brno and are ideal for multinational companies located in Brno who often need appropriate accommodation for visiting employees.

Inspired by the success of the first project, Domeq II will be designed to an even higher level. The smart-living concept we established in the first Domeq building has evolved to fit the needs of businesspeople who often travel and are accustomed to a full-service hotel. This luxurious and updated version of the original Domeq will offer the comfort of business-class accommodation, while the variety of apartment styles and sizes differentiate it from the uniformity of the typical hotel experience, making it feel more like home.

Spielberk

Brno, Czech Republic

Spielberk Office Centre in Brno is CTP's flagship office development. Almost 15 years following ground-break, Spielberk remains Brno's landmark business address. The development offers 90,000 m² of premium office space in three building types: low-rise Villas, IQ Buildings, and The Towers.

Spielberk's naturally landscaped gardens, wide range of on-site amenities and direct proximity to the historic city centre have made the development an integral part of modern Brno. Over 50 international and leading domestic companies operate at Spielberk, employing in total over 4,500 people.

During 2018, we completed the reconstruction of the main IQ building lobbies and the site's main cafeteria, successfully inaugurating a new food-community concept that we branded as Eatology.

To continue to engage the large community of people who work at Spielberk, we opened a new library offering over 1,000 titles in both the English and Czech languages. The library, which is available to all employees working at Spielberk, works on the sharing principle of "Leave a book, take a book."

During the year, we also worked closely with the management of The Courtyard by Marriott at Spielberk. The hotel has won accolades as more than just a premium hotel, as it has also become a destination to drop in for regular family brunch days, weekly live music at the piano bar, as well as for events taking place in the surrounding Spielberk office park and the greater Brno community. In early 2019, we created an in-house community engagement team to organise events, manage the social media and operate promotions at Spielberk and for our other office parks in Brno.

IQ Ostrava

Ostrava, Czech Republic

IQ Ostrava brings the successful IQ building concept and A-class office park environment to Ostrava's city centre. The building, comprising 24,000 m², remains fully leased, with the majority of space occupied by the anchor tenant, Tieto.

IQ Ostrava is one of the most advanced office buildings in the Czech Republic, featuring a highly ecological building management system and rated BREEAM Excellent for overall energy efficiency. The landscaped park is part of CTP's urban renewal efforts, which also included the opening in 2013 of an interactive pedestrian tunnel connecting the property to the nearby tram and bus station.

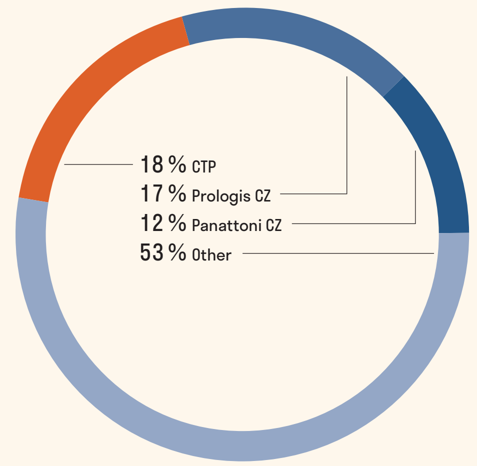
"CTP is committed to sustainable development over the long term. In 2018 we successfully achieved BREEAM certification for our entire Romanian portfolio. We also launched our Zero Waste initiative to further underscore our commitment to creating sustainable and responsible work environments."

Stefan de Goeij, MRICS
Head of Property Management

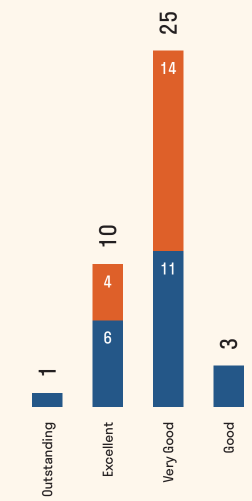
Sustainability & Innovation

In 2018 CTP continued improving and investing in our sustainability efforts. Clients continue to demand more efficient buildings as energy prices continue to rise. Our programs to reduce energy usage include upgrading the technology in our older buildings, improving building standards with the latest energy efficiency technologies for new buildings, investing in the greenery in and around our parks, as well as investment in technologies that will make us more efficient as a company.

As a guarantee to our clients of our commitment to sustainable development practices, CTP appraises our portfolio for ISO certification. Our Czech operations were certified for ISO 5001 and ISO 14001 in 2015. In 2018, we successfully achieved both certifications for our entire Romanian portfolio of 36 buildings comprising nearly 1 million m². During the year we also recertified our Czech operations. CTP will continue certifying our portfolio in each country, and we expect to achieve certifications in Poland, Slovakia and Hungary during 2019.



Green leadership
Of the 109 buildings issued final BREEAM certification in the Czech Republic, CTP leads the market, holding 18% of all certified buildings in the country.

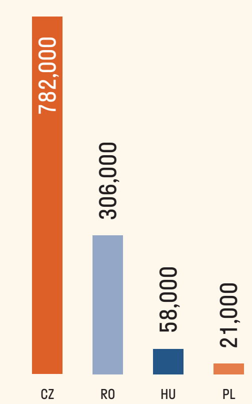


BREEAM certified buildings
In 2018, we decided to construct all new buildings to ensure BREEAM certification and currently have 18 new buildings expecting to be certified Very Good or better.

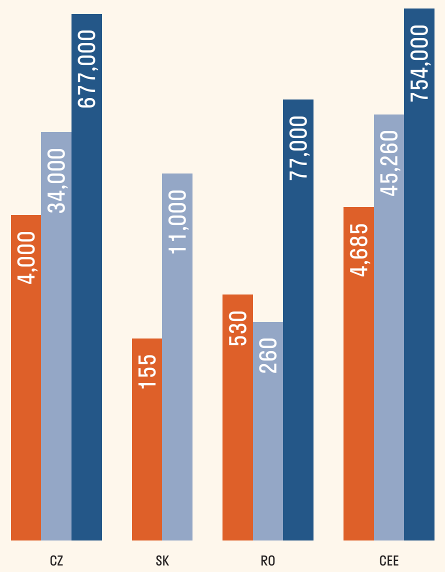
Certified
Registered

In addition to ISO certifications, CTP incorporates energy saving technologies into our new building standards. This means that even for the most basic requirements, clients are assured of the low energy usage of their building, such as LED lights, industry-leading insulation, and highly efficient air cooling/heating systems. For example, we installed LED lights covering over 1.2 million m² of space, both in newly built buildings as well as upgrades to older buildings.

Because our buildings include very high standards in terms of construction methods and processes, technologies used, and materials, we certify them using the latest BREEAM certification process. We usually do this in cooperation with the client, but also we do the certification ourselves. We are planning to certify our entire Hungarian portfolio in addition to selected buildings currently under construction in the Czech Republic to ensure that construction processes and materials are consistent across the entire portolio. During 2018 we certified five new buildings and began the certification process on buildings in Romania and Hungary, in addition to our Vlněna office park in Brno. For buildings F & G at Vlněna, we achieved BREEAM Excellent in June 2019, with the third building expected to be certified BREEAM Excellent in early Q3 2019.

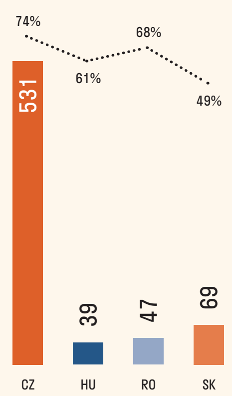


LED installations
(In m²)
During 2018 we upgraded older facilities and installed energy-saving LED lighting in over 1 million m² of space across all our markets.



Greenery investments by type
During the year, CTP budgeted nearly EUR 2 million to create vibrant working communities through landscaping by planting trees, shrubbery and grasslands at our parks throughout CEE.

Trees (count)
Shrubs (m²)
Grass (m²)



ServiceDesk responsiveness
The majority of ServiceDesk(SD) requests take place in the Czech market as this is where our major office developments are. The rates of responsiveness varied across markets due to familiarity with the SD process.

Average tickets per month
Average % completed within 5 days

While labour costs continue to figure in the attractiveness of CEE markets to large multinationals, historically low unemployment rates increased pressure on companies who want to attract and retain skilled employees.

As market conditions and company operations change, a tight labour market contributed to our clients need to provide increasingly attractive working conditions. We assist our clients by creating a relaxing, invigorating work environment in our parks. During the year, we invested in new landscaping across the portfolio, including planting trees, shrubbery, flowers and grass. During the year we budgeted nearly EUR 2 million in our park environments, including the planting of over 75 hectares of grass, 5 hectares of shrubs and over 4,500 trees.

Internal Efficiency
2018 was a major year for CTP in terms of the deployment of new software and hardware that both help our people perform more efficiently, but also allow greater communication with our clients. We invested EUR 4 million into new software and hardware that delivered the following pillars:

1. IT Infrastructure and security foundation: we completely rebuilt our IT infrastructure and cyber security efforts employing a new data centre network infrastructure, centralised hardware, and cyber security platform that is ready to support the planned growth of the company.

2. New digital cloud-based workplace platform, which provides our employees with seamless, secure access to their data from anywhere and from any device while at the same time providing improved collaboration between different teams and countries.

3. New group platforms that support single-process automation and data across the entire company:
   → ERP system to establish a group standard for financial processes;
   → Integrated Workplace Management System (IWMS), which supports property operations and relationships with tenants via a new ServcieDesk application;
   → Document Management System (DMS) providing digital storage, retrieval and archiving of our legal and operational documents.

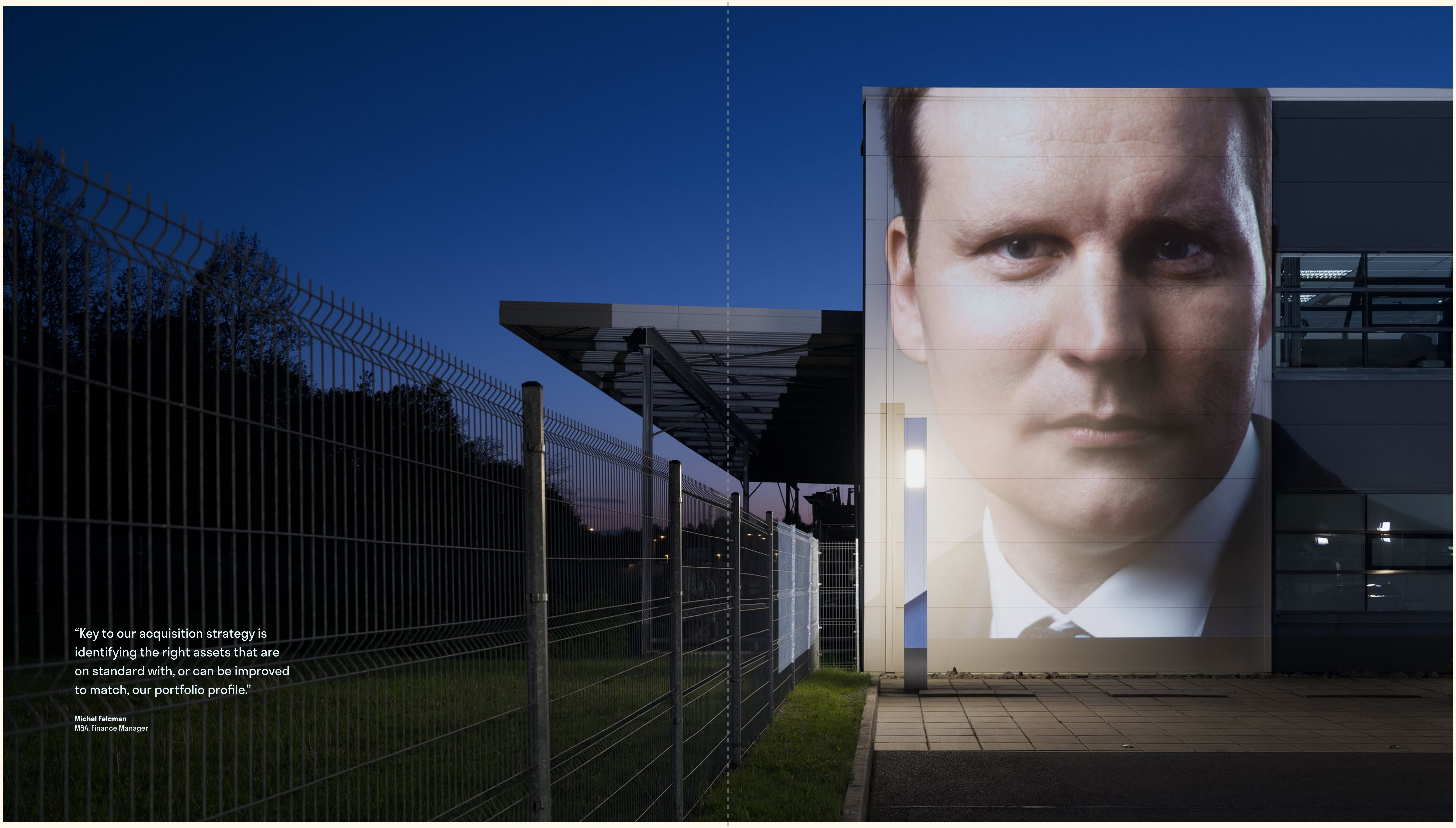
4. Integration and reporting platform:
   → Master data management and systems integration between ERP, IWMS and DMS to ensure authenticated version control of operational data.
   → Management reporting platform established to support and automate the Group's financial consolidation process.

Looking ahead
A major project we began in 2019 is the Zero Waste initiative. CTP took on this initiative because as a large construction company, we have a responsibility to contribute to reducing the problem of waste. Additionally, as concerns about the climate and scarce resources grow, we aim to be futureproof, i.e., prepared for new legislation, whenever it comes. As a business, we believe that our Zero Waste initiative will contribute to our bottom line, increasing savings and reducing waste costs. This will further contribute to our image as a preferred partner for our clients, by demonstrating our on-going commitment to creating sustainable, responsible work environments.

The initiative began with an audit at Spielberk for the Circular Office Project. Five areas were identified in the audit and were targeted for improvement later in 2019: energy, water, waste, awarness, and food facilities. Zero Waste is directed at minimising residual waste (landfill). It requires us to not only recycle more, but waste less. It includes looking at the re-use of materials and refuse materials in a cradle-to-cradle cycle in both the construction and standing phase.

The aim of this project is to become circular in our operations. We made the decision to start with certifying the complete Romanian and Hungarian portfolios according to the BREEAM certification protocol. Second, by using the latest innovations in technology, we plan to update our Building Management Systems (BMS) for both standing and new buildings to ensure the most efficient operating processes of our buildings.

Zero Waste is part of a bigger "Circular Economy" approach:
→ Closed loops in water management systems
→ Energy savings/ Energy efficiency
→ Use of digital data to evaluate the performance of buildings
→ Usage of recycled/reusable/sustainable materials
→ Usage of the buildings (sharing economy)

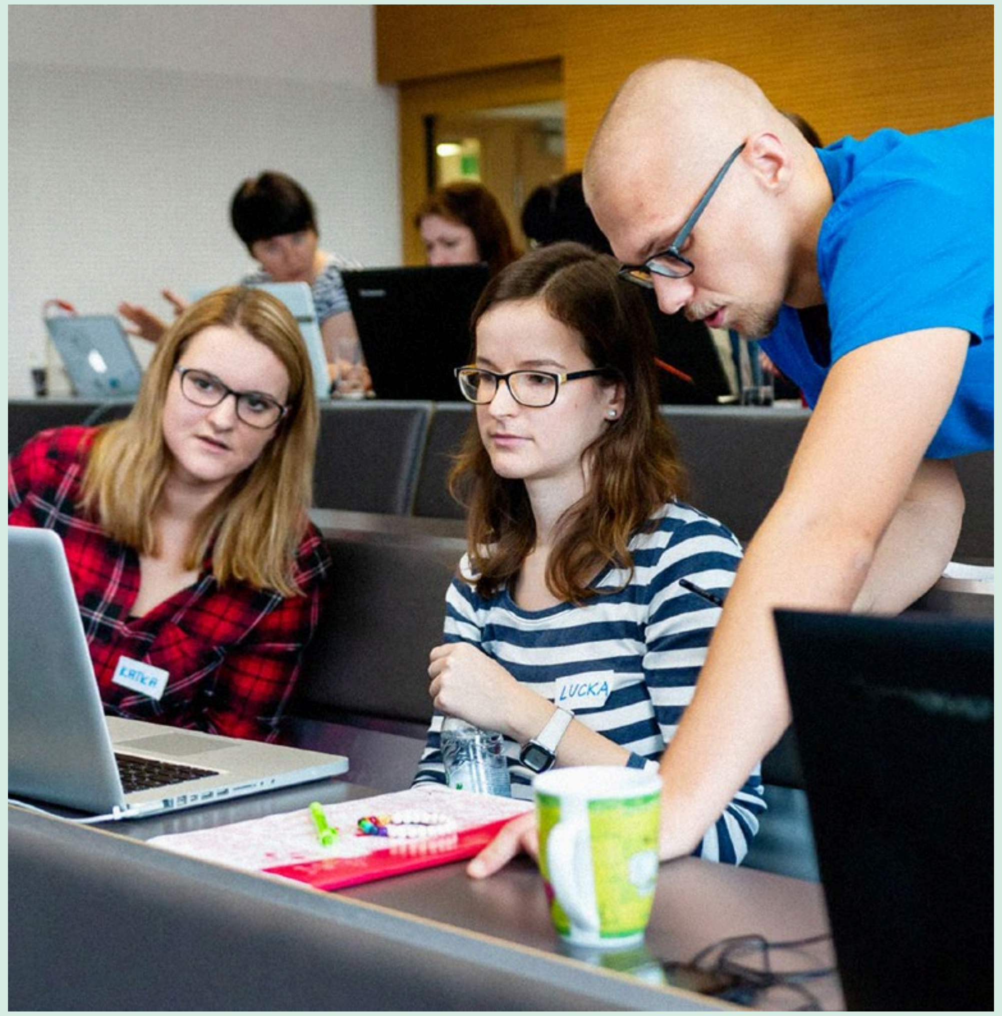


"Key to our acquisition strategy is identifying the right assets that are on standard with, or can be improved to match, our portfolio profile."

Michal Felcman
M&A, Finance Manager

Community Partnership

CTP takes pride in its efforts to act as a “Good Neighbour” to the communities where it is active. As part of this, CTP promotes socially responsible behavior wherever it operates and supports a wide range of community-based organisations, mainly focused on the well-being of children and adolescents.



“I truly believe that the future lies in technology and diversity. It unlocks individual potential and is a great talent source for companies. CzechITas’s mission is to inspire and empower women and youth to pursue STEM careers, complementing the Czech educational system. It will be a long-distance run, and we are excited about building and maintaining long-term partnerships with leading companies like CTP.”

Dita Přikrylová
CEO & Founder of CzechITas

CzechITas
CzechITas organises courses for girls and women on programing, web development, graphic design and data analytics. CTP recently decided to support CzechITas by providing them with the space they need to create an environment where girls do not have to feel intimidated to raise their hand and where they can improve their IT skills.

CzechITas focuses on correcting imbalances in education and encouraging the greater participation of women in STEM careers. Women are currently under-represented in the IT field. As the modern world requries a high degree of digital literacy, companies will need to hire more women in the future to ensure that they benefit from greater diversity in their teams. CTP is a big supporter of educational programs and works to promote gender equality in the company. CTP is proud to support CzechITas and their work to correct gender and other imbalances, whether they be financial or societal.

In December, CTP hosted the CzechITas Gala event at the Marriott Courtyard at Spielberk in Brno, launching cooperation that will continue at the organisation’s new premises at Ponávka. CzechITas will help support education and will bring additional life and young talent to the Ponávka community.

The CzechITas House at Ponávka
This will be the very first place providing comprehensive IT support to women and youth under one roof in the Czech Republic, offering education, motivation, tools, coaching, camps and career development and change.
The House will contain:

→ CzechITas offices
→ Classrooms for courses
→ Facilities for lecturers
→ Open study & multipurpose rooms
→ Presentation hall
→ Playroom & kids corner
→ Café with a presentation area for community events, lectures for the public and partner company events.

YourChance
At the end of 2018, CTP became the general partner of YourChance, which runs a program aimed at Czech young adults who will soon be old enough to move out of children's homes. The program uses 'mentors' to assist them with financial literacy, entrepreneurship, and life outside the home. CTP supports this activity on a financial level and promotes its employees to take on roles as active mentors.

While there are a wide array of regional aid foundations set up to help children from threatened families, in the future CTP is looking into projects aimed at children endangered by domestic violence.

Tereza Maxová Foundation
CTP is one of the largest long-term sponsors of the Tereza Maxová Foundation, whose aim is to provide effective assistance to abandoned and underprivileged young children at both the national and regional level. CTP's support focuses on their education from early childhood till maturity, giving them more of a chance on the labour market.

Domeq Academy
Together with the Tereza Maxová Foundation, CTP created an initiative helping young people from children's care homes start their productive lives and enter the labour market. The program brings together young people from children's care homes who will spend their summer break in Brno, acquiring work experience in full-time jobs, consolidating and expanding their knowledge in mathematics or English while accommodated at CTP's Domeq accommodation facility at Ponávka. They also take part in sightseeing trips in Brno and other activities designed to put fun into a memorable summer experience.

Casa Sperantei hospice
In Romania, CTP provides financial aid to hospices for palliative care. Casa Sperantei hospice in Bucharest, Brasov and Fagaras offer free care to more than 4,000 patients a year. The joy on their faces says it all.

Kids learn about real world skills
In late January, CTP hosted 23 young students from the nearby Montessori Primary School to take part in an excursion at CTPark Humpolec. As part of a project in which children learn their parent's jobs, CTP taught them what property development means and of the various roles in the company such as lawyer and project manager. The students then got to visit one of the tenants, BJS, to see the manufacturing process of IKEA furniture pieces. The children played roles of Purchaser and Seller and had a fun and educational day.

Úsmev ako dar (A Smile as a Gift)
CTP recently became a partner in Slovakia to the Usmev ako dar foundation. The NGO helps children from children's homes in their real-life struggles, including support and coaching to families who accept these children into their own homes and assisting socially weaker families with everyday concerns.

"Consistent growth with minimal risk is our goal. Our portfolio is diversified, and in 2018 we successfully refinanced a major portion of our debt under favourable terms."

Arno van Hummel
Head of Controlling

The People

Great people are the basic building blocks of CTP. Our team comprises a broad mix of nationalities and specialisations, with each person bringing their unique perspectives and ideas. In 2018, we continued to build our team at all levels. In particular, we were pleased to welcome Richard Wilkinson, who brings his international experience to the CFO position, and by the return of Ana Dumitrache as Country Head in Romania.

Our strategy to provide more autonomy to local leaders results in faster decision making by people who are closest to the clients and issues in their respective region or country. Many members of our team grow into new roles of responsibility, such as Zdeněk Raus, who became CFO for the Czech Republic and Slovakia, and regional manager David Chládek, whose responsibilities were extended to Regional Director of Moravia. In 2019, we will continue to develop the leaders we currently have and seek the talents of newcomers who are driven to push the company forward for years to come.

Top Management

①
Remon L. Vos, FRICS
Chief Executive Officer
Remon established CTP together with two other investors in 1998 to develop full-service business parks for investors 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 & platform, and to develop and strengthen relationships with long-term business partners.

②
Richard Wilkinson
Chief Financial Officer
Richard joined as Group CFO for CTP in Q3 2018 and is responsible for the financing of the entire group portfolio throughout CEE in addition to ensuring the overall financial stability of the company. Prior to joining CTP Richard ran the CRE business of Erste Group across CEE for 14 years, turning it into one of the leading CRE banking franchises. He holds a law degree from the London School of Economics.

③
Michal Felcman
M&A, Finance Manager
Michal joined CTP in 2015 to strengthen CTP's Finance team in the areas of acquisitions and financing. He earned a PhD at the University of Economics in Prague and an MBA in Manchester, UK. Before joining CTP, he worked in the corporate restructuring business. Michal is responsible for the finance and execution of acquisitions across the CEE region.

④
Stefan de Goeij, MRICS
Head of Property Management
Stefan joined CTP in 2010 after earning a degree in Real Estate Management at The Hague University. He is in charge of CTP's park & property management team, whose main focus is tenant satisfaction, sustainability and innovation. Stefan is an active Member of the Board for RICS in the Czech Republic.

⑤
Arno van Hummel
Head of Controlling
Arno joined CTP in 2006 as head of the Finance and Accounting department and evolved over the course of time into his new role as Head of Controlling where he is responsible for the reporting and consolidation of the CTP Group. Arno earned a degree in Economics at the HEAO in Arnhem, Netherlands.

⑥
Bert Hesselink
Group Business Development Director
Bert joined CTP in January 2019. He brings with him a desire to create better spaces through real estate development. Bert has been living in the Czech Republic since 2004 and has a Master's degree in Economic Geography from the University of Groningen in The Netherlands.

⑦
Eugen Sonnleithner
Group Head of Legal
Eugen joined CTP in 2018 after working more than a decade at Erste Group in Vienna, where he headed the legal department dealing with real estate matters across CEE. Prior to Erste, he worked more than five years with various law firms. He earned a PhD in law at the University of Vienna and holds a Master's degree from the University of Economics in Vienna. Eugen is responsible for all legal matters for the CTP Group.

⑧
Zdeněk Raus
CFO Czech Republic and Slovakia
Zdeněk joined CTP in June 2010. He is in charge of international financing activities as well as international reporting. Zdeněk holds a Masters degree from the Faculty of International Relations of the University of Economics in Prague. Prior to joining CTP he worked as Audit Manager at KPMG auditing financial statements according to both Czech and International Financial Reporting Standards.

Not pictured
Hana Lhotská
Head of Procurement Department
Hana joined CTP in 2007. As the long-term manager of CTP's procurement processes, she has been instrumental in supporting the company's financial performance while ensuring high standards and minimal environmental impact. She holds a degree from the Brno University of Technology and prior to joining CTP worked in procurement for a computer manufacturer.

Key People

Jakub Kodr
Senior Business Developer, Bohemia
Jakub is a young, rising star at CTP. He joined the company in September 2017 and has quickly moved up the ranks to become the lead business developer responsible for both the Czech and Slovak markets, which together comprise over 80% of our portfolio. Before coming to CTP, Jakub gained extensive market knowledge working at Cushman & Wakefield as a Senior Consultant. He holds a degree from the University of Economics in Prague.

Daniel Čermák
Business Developer, Prague
Daniel joined CTP in 2016 with responsibilities for business development in the Bohemian region, with a focus on the Prague area. In addition to the industrial portfolio, he is involved in retail projects and other non-core assets.

Jiří Kostečka
Senior Business Developer, Brno
Jiří joined CTP in 2007 as Business Development Manager based in Brno. He has been instrumental in introducing new businesses to our Brno-based office properties. He holds an MBA in Management Ethics.

Vojtěch Peřka
Business Developer, Moravia
Vojtěch joined CTP in 2019 as Junior Business Developer responsible for the Moravian Region. He worked previously at CzechInvest.

Oliver Oros
Senior Counsel for Leasing and Land Issues
Oliver joined CTP in November 2018 to strengthen the legal team. He is an expert on real estate legal issues, especially leasing, in both the Czech Republic and Slovakia. Before joining CTP Oliver worked as in-house legal counsel for IKEA and Tesco specialising in Czech and Slovak real estate law.

Květa Vojtová
Head of M&A and Corporate Transactions, Banking
Květa joined CTP in 2017 to establish and lead our M&A legal team to support all acquisitions, divestments and group restructuring. From 2019 she also leads our Banking team. Prior to joining CTP she worked as a lawyer in the Prague office of international law firm CMS Cameron McKenna. She earned her law degree at the Charles University Faculty of Law and holds Master of Law degrees from Brigham Young University (Utah) and Central European University (Budapest).

Hana Šimonová
Chief Accountant
Hana joined CTP in October 2012. Prior to joining CTP, she worked for 10 years at Valeo, starting as a Chief accountant at their plant at CTPark Humpolec and finishing as an SSC Czech Republic chief accountant managing accountancy at the national level.

David Chládek
Regional Development Director, 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 industrial development projects in 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.

Zdeněk Apeltauer
Regional Development Director, Bohemia
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.

Štěpán Morkes
Regional Development Director, Northern Bohemia
Štěpán joined CTP in 2012 and is currently responsible for development projects in the North Bohemia region. Prior to joining CTP he worked for an international residential developer.

Miroslav Pekník
Project Manager & Head of Property Management, Brno
Miroslav joined CTP in 2011. He is currently responsible for office buildings in Brno and unique projects such as the Marriott Hotel, Ponávka and Vlněna. During his years at CTP, he has built the Honeywell office buildings and helped fill Spielberk to 90% occupancy. Miroslav holds a degree in Civil Engineering from the Technical University in Brno.

Key People

Ana Dumitrache
Country Head,
Romania

Ana joined CTP in November 2016. After a one-year break while she worked for CBRE, she re-joined CTP in January 2019, bringing with her a deeper understanding of the real estate market from the agent's perscpective. With her knowledge of communication and the real estate business, she aims at making CTP Romania the largest industrial hub in CEE. Before joining CTP, she was a banker working for Erste Group Romania as head of the Real Estate Department.

Andrei Koszti
Business Developer,
Bucharest

Andrei joined CTP in 2016 as a construction manager and in 2018 became part of CTP's business development team in Romania. Prior to joining CTP he worked as a construction engineer at OMV.

Valentin Rosu
Regional Development Director,
Romania

Valentin joined CTP in 2017 as a Senior Project Manager and soon after became Regional Manager for CTPark Bucharest West. He currently manages the entire Bucharest region comprising five parks as well as CTPark Pitești. Before joining CTP he worked as a construction manager for Kaufland in both Romania and Moldova.

Emanoil Dascalu
Construction Director,
Romania

Emanoil joined CTP in 2017. His unique background combines over 20 years of experience managing the construction of high-value industrial projects with hands-on experience. Prior to joining CTP, he was project and site manager for Dascalu und Partner in Romania and head of construction for Kaufland Romania. He has also held positions as consultant to the Deputy Prime Minister and Minister of Development and Public Administration of Romania and was Secretary of State at the Ministry of European Funds.

Vlatko Djuriček
Country Head,
Serbia

Vlatko joined CTP in 2017 as Country Head for Serbia. He has over eight years of experience in acquisitions, investments and development working with leading real estate companies in Serbia. Prior to joining CTP he was Regional Real Estate Manager for Lidl, Head of Acquisitions & Development for MPC Properties, and worked as a development and investment manager for Delta Agrar. He holds a Master's degree in Civil Engineering and Construction Project Management from the University of Belgrade.

Jelena Krstic
Junior Business Developer,
Serbia

Jelena joined CTP in 2019 as a Senior Office Manager in Serbia and after three months was appointed to the local Business Development team. Before joining CTP she worked in the real estate industry as a community and account manager.

Dragana Djordjevic
Head of Finance and Accounting,
Serbia

Dragana joined CTP in 2018 as Head of the Finance and Accounting department in Serbia. Her responsibilities include financing, accounting, and cash management, in addition to providing support for the construction and business development teams. She holds a degree in Business from the University of Belgrade and a degree in Economics from the University of Kragujevac in Serbia.

Miloš Srdić
Senior Construction Manager,
Serbia

Miloš joined CTP in 2018 as a Senior Construction Manager supervising current projects across Serbia. He leads a small team of focused and hardworking project managers, making sure we meet CTP's ambitious goal to become market leader in industrial and warehouse development in Serbia. Before joining CTP, Miloš worked with some of the key local construction companies, gaining experience and know-how.

Rudolf Nemes, MRICS
Country Manager,
Hungary

Rudolf joined CTP in 2018 to lead our Hungarian operations. He has more than 16 years of experience in the management, acquisition, development, leasing, marketing and sale of diverse real estate assets across CEE. Prior to joining CTP he worked at CIB Bank in Hungary as Head of Repossessed Asset Management and has also held management positions at Budapest Property Utilization and Development, Botaq and IVG Immobilien. He holds a degree in business from Budapest Business School.

Adam Varnusz
Chief Financial Officer,
Hungary

Adam joined CTP in December 2018. He is responsible for handling all CTP financials in Hungary, including funding, cash management, accounting, reporting and taxation. Before joining CTP, Adam worked for over 10 years as a finance director for manufacturing and service companies in Hungary.

László Vágó
Construction Director,
Hungary

László joined CTP in 2018. He holds a degree in architecture from the Budapest University of Technology and Economics and has over 18 years of professional experience in the building construction industry in Hungary, including as general contractor and project manager for large-scale manufacturing, commercial and residential developments.

David Huszlicska
Senior Business Developer,
Hungary

David joined CTP in 2017 in order to facilitate the expansion and leasing of CTP's Hungarian portfolio. He has over 12 years of experience in real estate ranging from investment consultant at Colliers International to senior asset manager at CIB Bank. At CTP David has overseen new land acquisitions doubling the Hungarian land bank, the acquisition of new buildings, and has been involved in one-third of the leases in CTP's Hungarian portfolio.

Istvan Pozderka
Senior Business Developer,
Hungary

Istvan joined CTP in 2018 as Senior Business Developer with nearly 15 years of experience on the Hungarian market. He is responsible for new leases, renegotiations, land acquisitions and the development of new CTParks. His experience prior to joining CTP includes working at CBRE as an industrial property advisor and at Indotek Group as an industrial project coordinator. He holds a Master's degree in Business Development from Corvinus University of Budapest.

Stanislav Pagáč
Regional Director,
Slovakia

Stanislav joined CTP in 2008 and spent five years in Ostrava as a Project Manager. He rejoined CTP in 2015 after working in Austria. He earned his degree in Construction Engineering at STU Bratislava and has extensive experience in the development and construction of industrial properties. He holds an MBA, a PMP certification and is an authorised building engineer in Slovakia and Austria.

Ivan Pastier
Senior Business Developer,
Slovakia

Ivan joined CTP in 2019 as a Senior Business Development Manager. He is responsible for the growth and occupancy of the Slovak portfolio. Prior to CTP, he gained experience at Slovakia's largest industrial engineering company, where he worked on major projects as a Project Manager and later as a Business Development Manager.

CTP Life

Company culture at CTP is built from the ground up. Our business philosophy places a premium on developing and nurturing talented, entrepreneurial people and building a congenial and cooperative work environment for all.

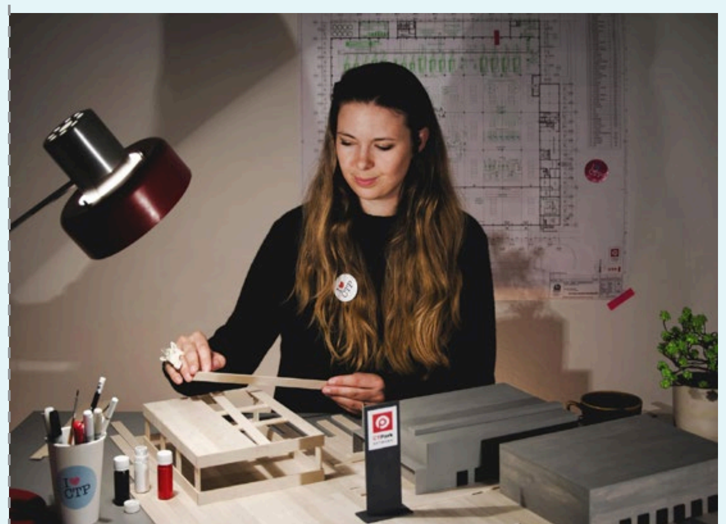
Our success as a company is in large part the result of the efforts of our team working together with the shared purpose of excellence. To encourage and support team spirit, we gather together several times during the year for team-building weekends both in the Czech Republic and abroad. These are occasions not only for organised events but also personal time for activities such as skiing, sailing, nature walking, dancing, and relaxing with friends and colleagues.

We also actively support CTP people in their personal pursuits, particularly in sports and community volunteering, and we host several community and charity events at select properties during the year. CTP's annual, end-of-year-gala is the high point on the company's calendar of events.

CTP is an equal-opportunity employer. Advancement is based on merit and the ability to work together as part of our winning team.

Čejkovice Summer Garden Party
The live music and great food and drink at the annual Garden Party at Villa Čejkovice made for an event that was buzzing and almost as sweet as the gifts of the Vos family's home-produced honey pots.

CTP Summer Photo Contest
Staff shared their own creative photos and connected across our CTP Facebook page, with the winning images generating thousands of views and turning our winners into online company celebrities.



CTSail Netherlands
After hoisting our CTP flags, we took a wild ride. Around 250 CTP employees from across our seven countries in the region sailed the North Sea in 10 boats from the early 1900s doing 8 knots pushed by gale force winds over 30 knots. The weekend was complete with cycling and hiking across a UNESCO-protected nature preserve and of course our boats ended up hosting one of the islands largest impromptu harbour parties late into the night.

CTGala
The annual gala year-end costume party attended with full capacity at our own Marriott Courtyard was a 70s disco extravaganza with teams from various departments competing in killer performances that ranged from the surprising to the bizarre, from Remon & Richards HipHop stylings to the Brno-team's simulcast rooftop mayhem. With the fashion, food, drink, gifts, three bands and a DJ from Ibiza, the company got funky both on and off the dance floor.

Financial Results 2018

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

Contents

CTP Group

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

CTP Invest, spol. s r.o.
Central Trade Park D1 1571
Humpolec
Czech Republic

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

CTP Property B.V.
Luna ArenA, Herikerbergweg 238
1101 CM Amsterdam Zuidoost
The Netherlands

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

CTP Group

CTP Invest, spol. s r.o.
(Czech Republic)

Property Development
- Design
- Construction
- Asset Management

CTP Property B.V.
(Netherlands)

Property Fund Management
- Asset Ownership

Remon Vos
CEO

Richard Wilkinson
CFO

- Finance
  - Accounting, Tax, Controlling
  - Portfolio Finance, Bank Relationships
  - Mergers & Acquisitions
- Business Development & Marketing
  - Business Development & International
- Project Management
  - Czech Republic
  - Slovakia
  - Poland
  - Romania
  - Hungary
  - Serbia
- Construction Planning, Purchase & Design
- Legal
- Property Management & Maintenance
- Management Support
- IT

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

Independent auditors' report

Deloitte

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

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

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

INDEPENDENT AUDITOR'S REPORT
To the partners of
CTP Invest, spol. s.r.o.

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Conclusion

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

In Prague on 27 June 2019

Audit firm:

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

Statutory auditor:

David Batal
registration no. 2147

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

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

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

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

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

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

Combined pro-forma statement of changes in equity

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

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

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

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

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

Notes to the combined pro-forma financial information

1. General Information

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

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

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

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

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

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

Sub-group CTP Property

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

Registered office:
Herikerbergweg 238
1101 CM Amsterdam
The Netherlands

The operating headquarters of the Czech Property holding companies of the Sub-group CTP Property are located at Central Trade Park D1 1571, 396 01, Humpolec, Czech Republic.
Registration number: 02098310

CTP Property B.V. was incorporated on 2 April 2007 as CTP Property N.V., for an unlimited period of time.
As at 21 November 2018 changed its legal form to limited liability company.

Shareholders as at 31 December 2018:

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

Management as at 31 December 2018:
Directors: Remon L. Vos
Jan G. Koop

Sub-group CTP Invest

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

CTP Invest, spol. s r.o. is a company domiciled in the Czech Republic.
The registered office is located at Humpolec, Central Trade Park D1 1571, 396 01.

Registration number: 261 66 453

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

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

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

Management as at 31 December 2018:
Director: Remon L. Vos
Director: Richard J. Wilkinson

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

2. Going Concern

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

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

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

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

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

3. Basis of combination

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

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

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

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

A) STATEMENT OF COMPLIANCE

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

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

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

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

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

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

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

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

- **IFRS 9 Financial Instruments**
  The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39. The significant change is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B) FUNCTIONAL AND PRESENTATION CURRENCY

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

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

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

- Group entities with primary objective to ensure investing and development activities in specific countries, so called Invest companies, have the functional currency its local currencies as it is local currency:
  - whose competitive forces and regulations mainly determine the sales prices of its goods and services rendered to other companies operated in the same country,
  - that primarily influences labour, material and other costs of providing goods and services,
  - in which receipts from operating activities are usually retained.

- other Group entities with objective of stable and sustainable operation of industrial parks or dormant entities with potential of future development of industrial parks have the functional currency EUR as
  - sales prices of services rendered to the tenants are in EUR,
  - funds from financing activities are generated in EUR and
  - activities of these companies are conducted as an extension of the reporting entity rather than with a significant degree of autonomy.

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

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

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

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

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

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

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

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

The following exchange rates were used during translations:

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

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

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

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

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

C) BASIS OF MEASUREMENT

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

D) USE OF ESTIMATES AND JUDGEMENTS

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

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

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

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

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

E) MEASUREMENT OF FAIR VALUES

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

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

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

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

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

F) COMBINED PRO-FORMA FINANCIAL INFORMATION

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

5. Significant accounting policies

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

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

A) BASIS OF CONSOLIDATION

I Subsidiaries

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

II Acquisition of business from companies under common control

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

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

III Goodwill

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

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

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

IV Transactions eliminated on combination

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

B) INVESTMENT PROPERTY

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

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

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

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

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

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

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

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

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

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

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

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

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

C) INVESTMENT PROPERTY UNDER DEVELOPMENT

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

The independent valuation report was obtained as at 31 December 2018 and was incorporated into the pro-forma combined financial information. Value of investment property was determined by external, independent property 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 under development has been categorised as a Level 3 fair value.

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

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

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

	2018	2017
Capitalisation rates	5.50% – 9.00%	5.75% – 8.25%
Ongoing Vacancy	0.00% – 5.00%	0.00% – 5.00%
ERV PER SQM		
Industrial premises	3.55 – 6.00 EUR	3.75 – 4.50 EUR
Office properties	13.25 EUR	13.50 EUR

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

D) PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

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

E) LEASED ASSETS

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

Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.
Leases other than finance leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

F) FINANCIAL INSTRUMENTS

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

The Group measures financial assets at amortised cost if both of the conditions are met:
- the financial asset is held within a business model with the objective to hold it in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial asset is classified and measured at fair value through other comprehensive income if it meets both of the following conditions:
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Subsequent measurement
For purpose of subsequent measurement, the Group's financial assets are classified in two categories:
- Financial assets at amortised cost (debt instruments)
  This category is most relevant to the Group and it includes trade receivables and loans provided that are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

- Financial assets at fair value through profit and loss
  This category includes derivatives. Financial assets are classified as held for trading if they are acquired for the purposes of selling or repurchasing in the near future.

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

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

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

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

Loans provided
Loans are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Loans provided are subsequently measured at amortised cost using the effective interest method, less any impairment losses.
The Sub-groups classify as a current portion any part of long-term loans that is due within one year from the reporting date.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank accounts and call deposits that are repayable on demand and form an integral part of the Sub-group's cash management are included as a component of cash and cash equivalents for the purpose of the cash-flow statement.
The Sub-groups treat cash deposited as a security in accordance with the bank loan covenants as cash and cash equivalents for cash flow purposes.
The cash flow statement of the Group is prepared based on indirect method from the statement of financial position and statement of comprehensive income.

II Non-derivative financial liabilities
The Sub-groups initially recognise debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Sub-group becomes party to the contractual provisions of the instrument. The Sub-groups derecognise a financial liability when its contractual obligations are discharged, cancelled or expire.
Non-derivative financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Sub-groups have a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.
The Sub-groups classify as a current portion any part of long-term loans that is due within one year from the reporting date.

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

a) its value changes in response to change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;

b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

c) it is settled at a future date.

Derivative financial instruments are initially recognised at fair value; attributable transaction costs are recognised in profit or loss as incurred. The derivative financial instruments are classified as held for trading and carried at fair value, with changes in fair value included in net profit or loss of the period in which they arise.
Fair values are obtained from quoted market prices or discounted cash flow models, as appropriate. The derivatives are carried as current (those that are expected to be settled in less than 12 months) or non-current assets when their fair value is positive, and as current (those that are expected to be settled in less than 12 months) or non-current liabilities when their fair value is negative.

G) IMPAIRMENT

The carrying amounts of the Sub-group's assets, other than investment property, investment property under development and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In respect of goodwill, the recoverable amount is estimated at each reporting date.
An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in profit or loss. An impairment loss in respect of a Property, plant and equipment measured at fair value is not reversed through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The Sub-groups consider evidence of impairment for receivables at both specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.
In assessing collective impairment the Sub-groups use historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater than suggested by historical trends. Impairment losses in respect of receivables are primarily determined based on an analysis of the credit status of customers and the period for which the receivable has been overdue.

H) REVERSALS OF IMPAIRMENT

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

I) EQUITY

Sub-group 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.

J) PROVISIONS

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

K) RENTAL INCOME

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

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

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

L) INCOME FROM DEVELOPMENT ACTIVITIES

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

M) EXPENSES

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

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

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

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

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

N) INCOME TAX

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

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

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

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

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

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

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

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

O) FOREIGN CURRENCY TRANSACTION

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

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

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

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

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

6. Alternative profit reconciliation

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

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

7. Gross rental income and service charge income

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

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

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

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

8. Property operating expenses

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

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

9. Net operating income from hotel operations

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

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

10. Net income from development activities

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

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

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

11. Other income

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

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

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

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

Other income consists mainly of insurance indemnification and contractual penalties.

12. Other expenses (including administrative expenses)

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

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

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

13. Net finance costs

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

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

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

14. Income tax expense

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

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

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

15. Investment property

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

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

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

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

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

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

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

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

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

In EUR thousand	2018	2017
Czech Republic	3,190,168	3,154,400
Romania	628,887	477,850
Slovakia	261,412	224,025
Hungary	249,824	191,116
Poland	39,770	29,081
Germany	16,192	14,542
Austria	2,780	2,697
Serbia	11,116	--
Ukraine	1,633	1,584
Slovenia	2,131	1,504
Total	**4,403,913**	**4,096,799**

Lettable area per countries in m² of investment property	2018	2017
Czech Republic	2,811,750	2,954,991
Romania	948,231	695,730
Hungary	394,889	400,859
Slovakia	278,577	248,891
Germany	113,944	117,537
Poland	40,109	28,931
Serbia	10,226	--
Austria	1,381	1,381
Total	**4,599,107**	**4,448,320**

16. Investment property under development

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

The investment property under development comprises pipeline projects in several stages of completion and of land with planning permits in place which is still to be constructed but where pre-agreements with future tenants are available. The management estimates that all of the pipeline projects to be built will be completed in the coming two years.
The transfers from Investment property under development to the Land bank comprises of land under projects which in the previous year were planned as pipeline projects but as such were not realised.
The carrying amount of investment property under development is the fair value of the property as determined by a registered independent valuator with an appropriately recognised professional qualification and with an up-to-date knowledge and understanding of the location and category of the valued property.

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

17. Net valuation result on investment property

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

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

18. Property, plant and equipment

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

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

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

19. Contract assets

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

20. Trade and other receivables

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

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

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

21. Cash and cash equivalents

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

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

22. Assets classified as held for sale

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

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

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

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

23. Equity

CTP Property B.V.

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

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

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

CTP Invest, spol. s r.o.

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

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

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

24. Interest-bearing loans and borrowings from financial institutions

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

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

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

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

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

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

25. Trade and other payables

Non-current

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

Current

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

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

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

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

26. Financial derivatives

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

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

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

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

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

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

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

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

27. Deferred tax liability

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

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

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

Reconciliation of effective income tax

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

28. Subsidiaries

CTP Invest, spol. s r.o.

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

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

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

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

CTP Property B.V.

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

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

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

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

29. Related parties

CTP has a related party relationship with its directors and executive officers and other companies which equity holders are 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 2018 and 2017 CTP had the following revenues and expenses with related parties:

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

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

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

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

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

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

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

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

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

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

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

30. Risk policies

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

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

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

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

Credit risk concentration:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Completed investment properties as at 31 December 2018 in EUR thousand

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

Completed investment properties as at 31 December 2017 in EUR thousand

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

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

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

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

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

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

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

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

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

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

31. Contingent liabilities

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

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

32. Pledges

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

Company	Shares pledged in favour of
2P, spol. s r.o.	Komerční banka, a.s.
Centura Property SA	Banca Transilvania SA
COPOK s.r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTFinance s.r.o.	Česká spořitelna, a.s.
CTP Alpha d.o.o.	Societe Generale Banka Srbija AD
CTP Alpha Poland Sp. z o.o.	Bank Polska Kasa Opieki S.A.
CTP Alpha SK, spol. s r.o.	Tatra banka, a.s.
CTP Beta SK, spol. s r.o.	Oberbank AG pobočka Slovenská republika
CTP Brno I, spol. s r.o.	Česká spořitelna, a.s.
CTP Brno II, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Brno III, spol. s r.o.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Brno IV, spol. s r.o.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Brno V, spol. s r.o.	Komerční banka, a.s.
CTP Divišov I, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Invest IX, spol. s r.o.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Invest V, spol. s r.o.	Raiffeisenbank, a.s.
CTP Invest VII, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Invest VIII, spol. s r.o.	Komerční banka, a.s.
CTP Invest X, spol. s r.o.	Oberbank AG pobočka Česká republika
CTP Invest XIV, spol. s r.o.	Komerční banka, a.s.
CTP Invest XVII, spol. s r.o.	Česká spořitelna, a.s.
CTP Karviná, spol. s r.o.	Raiffeisenbank, a.s.
CTP Louny, spol. s r.o.	Raiffeisenbank, a.s.
CTP Pohořelice I, spol. s r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTP Products I, spol. s r.o.	Všeobecná úvěrová banka, a.s.
CTP Property II, a.s.	Raiffeisenlandesbank Niederösterreich-Wien AG
CTP Property IV s.r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTP Property IX, a.s.	Československa obchodní banka, a.s.
CTP Property V, a.s.	Komerční banka, a.s.
CTP Property VIII, a.s.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Property X, spol. s r.o.	Československa obchodní banka, a.s.
CTP Property XI, spol. s r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTP Property XIV, spol. s r.o.	Česká spořitelna, a.s.
CTP Property XIX, spol. s r.o.	Raiffeisenbank, a.s.
CTP Property XVI, spol. s r.o.	Landesbank Hessen - Thuringen Girozentrale (50%) + Deutsche Pfandbriefbank AG (50%)
CTP Property XVII, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Property XVIII, spol. s r.o.	Raiffeisenbank, a.s.
CTP Property XX, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Property XXI, spol. s r.o.	Československa obchodní banka, a.s.
CTP Property XXII, spol. s r.o.	Komerční banka, a.s.
CTP Property XXX, spol. s r.o.	Oberbank AG pobočka Česká republika
CTP Property, a.s.	Landesbank Hessen - Thuringen Girozentrale
CTP Slovakia, s. r. o.	Tatra banka, a.s.
CTP, spol. s r.o.	Allianz Lebensversicherungs-Aktiengesellschaft (70%) + Allianz Private Krankenversicherungs-Aktiengesellschaft (30%) + ING Bank N.V.
CTPark Alpha Kft	OTP Bank Nyrt.
CTPark Alpha SRL	RAIFFEISEN BANK S.A.
CTPark Arrabona Kft	OTP Bank Nyrt.
CTPARK BETA Kft	RAIFFEISEN BANK ZRT.
CTPARK BETA SRL	Banca Comerciala Romana SA
CTPark Biatorbágy Kft	KERESKEDELMI ÉS HITELBANK ZÁRTKÖRÜEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG
CTPark Bor, spol. s r.o.	Landesbank Hessen - Thuringen Girozentrale (50%) + Deutsche Pfandbriefbank AG (50%)
CTPark Bratislava, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTPark Brno Campus, spol. s r.o.	Komerční banka, a.s.
CTPark Bucharest SRL	ING Bank N.V. + European Bank for Reconstruction and Development
CTPark Bucharest West I SRL	European Bank for Reconstruction and Development + Banca Comerciala Romana SA
CTPark Delta Kft	KERESKEDELMI ÉS HITELBANK ZÁRTKÖRÜEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG
CTPARK DELTA SRL	Banca Comerciala Romana SA
CTPark Eta SRL	Raiffeisen Bank International AG
CTPARK Gamma Kft	RAIFFEISEN BANK ZRT.
CTPark Gamma SRL	European Bank for Reconstruction and Development (together with ING)
CTPark Kappa SRL	Alpha Bank SA
CTPark Lambda SRL	Banca Transilvania SA
CTPark Mladá Boleslav II, spol. s r.o.	Raiffeisenbank, a.s.
CTPark Nitra, s.r.o.	Československa obchodná banka, a.s.
CTPark Nove Mesto, spol. s r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTPark Omega SRL	Banca Transilvania SA
CTPark Phi SRL	Raiffeisen Bank International AG
CTPark Prague East, spol. s r.o.	Československa obchodní banka, a.s.
CTPark Sigma SRL	Bancpost SA
CTPark Ten Kft	KERESKEDELMI ÉS HITELBANK ZÁRTKÖRÜEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG
DEVA LOGISTICS CENTER S.A.	Banca Comerciala Romana SA
DUNSTAR, a.s.	MONETA Money Bank, a.s.
EP Kadan s.r.o.	Raiffeisenbank, a.s. (financing from Raiffeisen Landesbank Oberösterreich AG)
EP Karvina s.r.o.	Raiffeisenbank, a.s. (financing from Raiffeisen Landesbank Oberösterreich AG)
Europort Airport Center a.s.	Komerční banka, a.s.
H.E.E. (MERCURY) Proprietati SRL	Banca Transilvania SA
Lornoka Real Estate, s.r.o.	Komerční banka, a.s.
Nitra Park II, s.r.o.	Tatra banka, a.s.
Spielberk Office Center, spol. s r.o.	Raiffeisenbank, a.s.

33. Subsequent events

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

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

Subsidiaries
In 2019 the Group incorporated the below subsidiaries:

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

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

27 June 2019

Remon L. Vos, FRICS

Jan G. Koop

Appendix 1
CTP Group structure

As at December 31, 2018

- Multivest B.V. — Stichting Administrati ekantoor Multivest B.V.
- Finspel B.V. — Stichting Administrati ekantoor Finspel B.V.
- Employees & Partners

CTP Partners B.V.: 49.445% | 49.445% | 1.11%

CTP Property B.V.: 47.985% | 47.985% | 4.03%

CTP Property Lux S.à r.l.: 100%

CTP Invest, spol. s r.o.: 50% | 50%

CTP Invest, spol. s r.o.

CZECH REPUBLIC

- CTP Invest 1, spol. s r.o. L — 100%
- CTP Invest III, spol. s r.o. L — 100%
- Brno Retail, spol. s r.o. L — 100%
- Bohemia Pilz s.r.o. L — 100%
- Bor Logistics, spol. s r.o. L — 100%
- Multidisplay s.r.o. E — 100%
- CTP Invest XI, spol. s r.o. L — 100%
- CTP Invest XII, spol. s r.o. L — 100%
- CTPark Prague North II, spol. s r.o. E — 100%
- CTP Invest XIV, spol. s r.o. — 100%
- CTP Invest XV, spol. s r.o. L — 100%
- CTP Invest XVI, spol. s r.o. L — 100%
- CTP Property XVII, spol. s r.o. — 100%
- CTP Invest XIX, spol. s r.o. E — 100%
- CTP Property XXIII, spol. s r.o. L — 100%
- CTP Invest XX, spol. s r.o. E — 100%
- DUNSTAR a.s. — 100%
- CTP Property XXVI, spol. s r.o. E — 100%
- Waystone CZ s.r.o. L — 100%
- Kaufpark a.s. L — 100%
- CTP Invest XVIII, spol. s r.o. E — 100%
- CTP Invest XXI, spol. s r.o. E — 100%
- CTP Invest XXII, spol. s r.o. E — 100%
- CTP Invest XXIII, spol. s r.o. E — 100%
- CTPersonnel Bor, spol. s r.o. E — 100%
- 2P, s.r.o. — 100%
  - Hotel Operations Plzeň s.r.o. — 90% (10% CTP Invest, spol. s r.o.)
- Europort Airport Center a.s. — 100%
  - Hotel Operations EUROPORT s.r.o. — 90% (10% CTP Invest spol. s.r.o.)
- CTP Property Czech, spol. s r.o. — 100%
  - CTP Portfolio Finance CZ, spol. s r.o. — 100%
    - CTP Industrial Property CZ, spol. s r.o. — 100%

CZECH REPUBLIC — INDUSTRIAL PORTFOLIO

- CTP Products I, spol. s r.o. — 100%
- COPOK s.r.o. — 100%
- CTP Property XVI, spol. s r.o. — 100%
- CTP Invest X, spol. s r.o. — 100%
- LORNOKA REAL ESTATE, s.r.o. — 100%
- CTP Property XIX, spol. s r.o. — 100%
- CTP Property XX, spol. s r.o. — 100%
- CTP Karviná, spol. s r.o. — 100%
- CTP Invest XVII, spol. s r.o. — 100%
- CTP Property, a.s. — 100%
- CTP Property II, a.s. — 100%
- CTP Property IV s.r.o. — 100%
- CTP Property V, a.s. — 100%
  - CTP Invest VIII, spol. s r.o. — 100%
- CTP Property IX, a.s. — 100%
- CTP Property X, spol. s r.o. — 100%
- CTP Property XI, spol. s r.o. — 100%
- CTP Property XIV, spol. s r.o. — 100%
- CTFinance s.r.o. — 100%
- CTP Property XVIII, spol. s r.o. — 100%
- CTP Invest IX, spol. s r.o. — 100%
- CTP, spol. s r.o. — 100%
- CTP Property XXI, spol. s r.o. — 100%
- CTP Property XXII, spol. s r.o. — 100%
- CTPark Bor, spol. s r.o. — 100%
- CTP Property XXX, spol. s r.o. — 100%
- CTP Louny, spol. s r.o. — 100%
- CTP Brno II, spol. s r.o. — 100%
- CTP Brno III, spol. s r.o. — 100%
- CTP Brno IV, spol. s r.o. — 100%
- CTP Brno V, spol. s r.o. — 100%
- CTP Divišov I, spol. s r.o. — 100%
- CTP Brno I, spol. s r.o. — 100%
- CTP Pohořelice I, spol. s r.o. — 100%
- CTPark Brno Campus s.r.o. — 100%
- CTPark Prague East, spol. s r.o. — 100%
  - KOMERČNÍ ZÓNA NUPAKY, s.r.o. L — 100%
- CTPark Mladá Boleslav II, spol. s r.o. — 100%
- EP Karvina s.r.o. — 100%
- EP Kadan s.r.o. — 100%
- CTP Property VIII, a.s. — 100%
  - CTP Invest XIII, spol. s r.o. — 100%

HUNGARY

- CTP Management Hungary Kft. L — 100%
- CTP Invest Hungary Kft. E — 100%
  - CTPark Alpha Kft. — 100%
  - CTPark Beta Kft. — 100%
  - CTPark Gamma Kft. — 100%
- CTPark Delta Kft. — 100%
- CTPark Biatorbágy Kft. — 100%
- CTPark Arrabona Kft. — 100%
- CTPark Seven Kft. L — 100%
- CTPark Eight Kft. E — 100%
- CTPark Ten Kft. — 100%
- CTPark Nine Kft. L — 100%

POLAND

- CTP Invest Poland Sp. z o.o. E — 100%
- GreenPark Resi I Sp. z o.o. L — 100%
- GreenPark Resi II Sp. z o.o. E — 100%
- CTPark Iłowa Sp. z o.o. L — 100%

UKRAINE

- CTPark Ukraine LLC E — 100%
  - CTPark Lviv LLC L — 99%, (1% IQ Lviv LLC)
  - IQ Lviv LLC E — 99%, (1% CTP Invest spol. s.r.o.)

SERBIA

- CTP Invest doo Beograd-Novi Beograd E — 100%

MOLDOVA

- CTP INVEST S.R.L. E — 100%

ROMANIA

- CTP CONTRACTORS SRL L — 99.9% (0.1% CTP Property Lux S.à r.l.)

E Empty Company
L Landbank

CTP Property Lux S.à r.l.

CZECH REPUBLIC

- CTP Property XXVIII, spol. s r.o. L — 100%
- CTP Property III, a.s. E — 100%
- CTP Invest VII, spol. s r.o. — 100%
- CTP Finance, a.s. E — 100%
- CTP Infrastructure, a.s. E — 100%
- CTP Invest IV, spol. s r.o. E — 100%
- CTP Property XXVII, spol. s r.o. L — 100%
- CTP Property XXIX, spol. s r.o. E — 100%
- Spielberk Office Center, spol. s r.o. — 100%
- CTZone Ostrava, a.s. — 100%
- CTP Property XXXI, spol. s r.o. E — 100%
- CTP Property XXXII, spol. s r.o. E — 100%
- CTP INVEST V, spol. s r.o. — 100%
  - Hotel Operations Brno, spol. s r.o. — 100%

SLOVAKIA

- CTP Invest SK, spol. s r.o. L — 90% (10% CTP Property N.V.)
- CTP Alpha SK, spol. s r.o. — 90% (10% CTP Property N.V)
- CTP Beta SK, spol. s r.o. — 90% (10% CTP Property N.V.)
- CTP Slovakia, s.r.o. — 90% (10% CTP Invest, spol. s r.o.)
  - Nitra park II, s.r.o. — 100%
- CTPark Bratislava, spol. s r. o. — 85% (15% CTP Invest, spol. s r.o.)
- CTPark Nitra, s.r.o. — 90% (10% CTP Invest, spol. s r.o.)
- CTPark Nove Mesto, spol. s.r.o. — 90% (10% CTP Invest, spol. s r.o.)
- CTPark Košice, spol. s r.o. E — 90% (10% CTP Invest, spol. s r.o.)
- CTPark Žilina, spol. s r.o. E — 90% (10% CTP Invest, spol. s r.o.)

ROMANIA

- CTP INVEST BUCHAREST SRL L — 98.94% (1.06% Spielberk Office Center, spol. s r.o.)
  - CTPARK ALPHA SRL — 100%
  - CTPARK GAMMA SRL — 99.9998% (0.0002% CTP Invest, spol. s r.o.)
  - CTPARK DELTA SRL — 95% (5% CTP Invest, spol. s r.o.)
  - Universal Management SRL E — 75.25%
- CTPARK BETA SRL — 99.99796% (0.00204% Spielberk Office Center, spol. s r.o.)
- CTPARK BUCHAREST SRL — 93.09779111% (6.90220889% CTP Invest, spol. s r. o.)
- CTPARK BUCHUREST WEST I SRL — 90.48% (9.52% CTP Invest, spol. s r.o.)
- DEVA LOGISTIC CENTER S.A. — 99% (1% CTP Invest, spol. s r.o.)
- H.E.E. (MERCURY) PROPRIETATI SRL — 99.99994% (0.00006% CTP Invest, spol. s r.o.)
- CTPARK KAPPA SRL — 99.9% (0.1% CTP Invest, spol. s r.o.)
- CENTURA PROPERTY HOLDINGS S.A. — 99.9845% (0.0155% CTP Invest, spol. s r. o.)
- CTPARK LAMBDA SRL — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK OMEGA SRL — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK THETA SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK PHI SRL — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK PSI SRL L — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK SIGMA SRL — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK TAU SRL L — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK ZETA SRL L — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK ETA SRL — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK EPSILON SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK IOTA SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK MIU SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK OMICRON SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK RHO SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK KM23 NORTH SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK KM23 SOUTH SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)
- CTPARK KM23 WEST SRL E — 99.9% (0.1% CTP Invest, spol. s r. o.)

SERBIA

- CTP Alpha doo Beograd-Novi Beograd — 100%
- CTP Beta doo Beograd-Novi Beograd L — 100%
- CTP Gamma doo Beograd-Novi Beograd L — 100%
- CTP Delta doo Beograd-Novi Beograd E — 100%

GERMANY

- CTP Germany GmbH E — 100%
  - DN Beteiligungs GmbH — 90% (10% CTP Invest, spol. s r.o.)
  - TGM GmbH E — 90% (10% CTP Invest, spol. s r.o.)

SLOVENIA

- CTP Ljubljana, d.o.o. L — 100%
- CTPark Alpha, d.o.o. E — 100%

AUSTRIA

- CTP Immobilienverwaltung GmbH — 99% (1% CTP Invest, spol. s r.o.)

BULGARIA

- CTPark Alpha EOOD E — 100%

POLAND

- CTP Alpha Poland Sp. z o.o. — 100%

MOLDOVA

- CTP Alpha S.R.L. E — 100%

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