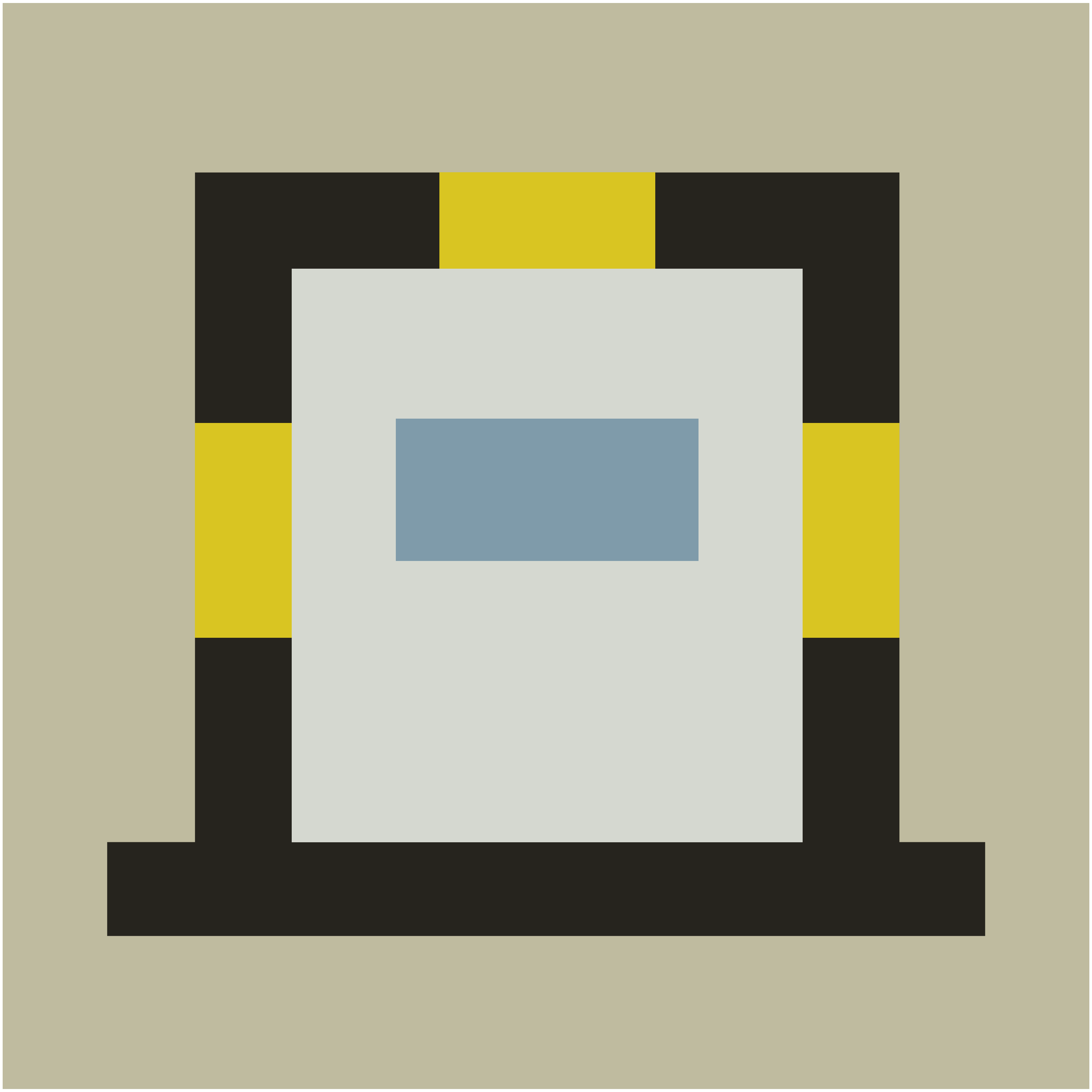
CTP

PARKMAKERS

2019 & 1H 2020



CTP
PARKMAKERS
2019 & 1H 2020
Financial Results & Yearbook

Mission

CTP's mission is to create the best and most sustainable network of business parks in Europe. We do this not only using the best design and construction processes, but by focusing on developing strong, entrepreneurial communities both in and around our parks, which together enable the stable, long-term growth of our clients' businesses as well as the surrounding communities.

By focusing on our clients, the development of local markets as well as on innovations in technology, CTP is able to respond with agility to changes in requirements and build the buildings that companies need, where they need them, at the highest quality and with a package of services that others cannot match. CTP is uniquely positioned to a provide value to tenants due to our flat organisational structure, long-term investment horizon, culture of innovation and entrepreneurship, and commitment to excellence. Our vertically integrated business model allows us to add value at each step of the development process.

Contents

84%

Portfolio growth
from own construction

15%

Average Growth
per year, planned

Key Financials

In EUR million

Value	Item
280	Gross rental income
5,235	Total investment property
506	Profit before tax
2,695	Total financing
5,578	Total asset value
2,035	Total equity
408	Net valuation result on investment property
51%	Loan-to-value ratio

Key Financials

In EUR million

153	Gross rental income
5,458	Total investment property
127	Profit before tax
2,811	Total financing
5,769	Total asset value
2,109	Total equity
30	Net valuation result on investment property
51%	Loan-to-value ratio

Calendar of events

2019

Q1

February

→ 36 warehouses in 15 Romanian ctParks ISO certified for both environmental and energy management.

→ CTP becomes the first real-estate developer in Romania to reach the historic milestone: of 1 million m² of built area.

March

→ CTP commits to a new goal: 10 million m² of industrial space by 2023.

→ Construction of 68,000 m² of leasable area completed in Q1 2019.

→ Rental revenues for Q1 2019 reach EUR 66 million, which represents a comparable annual increase of 8%.

→ In Q1 2019 CTP Group signed new leases totalling 140,000 m², with annual rental value of EUR 9.2 million.

→ CTP completes the sale of a non-core industrial building in Kralupy, Czech Republic, for net proceeds of EUR 4 million.

Q2

April

→ CTP encourages women in IT by supporting the NGO CzechITas.

June

→ CTP completes first own construction at ctPark Belgrade West, client moves in.

→ CTP agrees EUR 1.9 billion syndicated financing package in the largest real estate transaction to date in Central and Eastern Europe.

→ Ownership consolidated 100% under Mr. Remon Vos.

→ In Q2 2019 CTP Group signed new leases totallng 229,000 m², with annual rental value of EUR 13.5 million and acquired lease contracts with rental income of EUR 3.2 million.

→ CTP Romania obtains EUR 82 million loan from BRD and Komerční Banka, making it one of the largest real estate finance transactions on the local market in 1H 2019.

→ In 1H 2019 CTP completed the sale of non-core industrial buildings in Kralupy, Czech Republic and Westerstede, Germany and land plots in Brno Retail Park for a total of EUR 7.8 million.

Q3

August

→ Vlněna's Building H is awarded BREEAM Excellent.

→ CTP welcomes Bulgaria to the ctPark Network.

→ CTP Hungary finalises the refinancing of the Budapest West portfolio with Erste Bank, securing EUR 87 million of long-term funding.

September

→ In Q3 2019 CTP Group signed new leases totalling 230,000 m² with annual rental value of EUR 14.2 million.

→ CTP launches a new product for the local market - Premium Business Units.

→ CTP acquires a standing industrial portfolio in eastern Slovakia with leasable area of 58,000 m² and generating EUR 9.2 million in annual rental income. The new park is located at the Košice airport and provides the opportunity to develop an additional 20,000 m² of leasable area.

Q4

October

→ CTP becomes the general partner of the Faculty of Civil Engineering at Brno University of Technology.

November

→ Spielberk Office Center chosen as the pilot location for circular economy transformation.

→ CTP purchases 100 hectares of forest in Central Bohemia to reduce its carbon footprint.

→ CTP launches construction of a new industrial park in the former ZETOR brownfield site in Brno.

→ CTP becomes the market leader and largest developer and owner of industrial and logistic real estate in Slovakia.

December

→ CTP reaches 5.5 million m² portfolio.

→ In Q4 2019 CTP Group signed new leases totalling 343,000 m² with annual rental value of EUR 18.3 million.

→ Core vacancy rate decreases Q/Q to 5.0% (-0.3%).

2020

1H

January

→ CTP expands its Romanian portfolio through the acquisition of Equest Logistics Park near Bucharest.

March

→ Ana Dumitrache, CTP Country Head for Romania, speaks at the CIJ Europe 2020 real estate conference to explain how CTP's ctPark platform was beneficial to clients and their employees during the Covid-19 lockdown in Romania.

April

→ In Q2, CTP in Hungary delivered more than 35% of new supply to the market and signed 32% of all leases during the period, reinforcing CTP's position as market leader in the country.

May

→ CTP finalises the largest art mural in CEE at ctPark Prague East, the company's flagship park in the Czech Republic.

→ A building at ctPark Arrabona, located near the city of Győr, achieves the highest BREEAM In-Use rating in Hungary, outperforming office buildings on the market.

→ CTP launches ctPark Bucharest North, the company's fourth major park around the Romanian capital.

June

→ Ground-breaking ceremony at ctPark Trnava for an 8,650 m² custom-built logistics centre for HAVI, the US-based distributor for McDonald's Corporation.

→ CTP's portfolio reaches 5.8 million m² of leasable area.

→ CTP launches construction of its second ctPark in Ostrava, one of the largest cities in the Czech Republic, not far from the Polish border.

1998–2018

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
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.

2019-2020

CTP
LAND TRANSACTION PRIZE
HOF Awards
2019

CTP
BEST INDUSTRIAL PROJECT
CEE Real Estate Awards
2019

CTP
BEST COMMERCIAL INVESTMENT PROPERTY TRANSACTION
HOF Awards
2020

Award-winning year

Our outstanding record of achievements in 2019 were buttressed by our real estate peers and communities. During the year CTP garnered 10 awards for our core industrial developments across all our markets from various awards institutions in addition to getting on the podium for our office developments and other achievements of our team.

ctPark Belgrade West
BEST COMMERCIAL REAL ESTATE DEVELOPER OF THE YEAR
CIJ Awards SEE
2019

CTP
BEST ANNUAL REPORT & COMPANY MAGAZINE
2nd place
Czech Top 100
2019

CTP
BEST OVERALL DEVELOPER
HOF Awards
2020

CTP
BEST WAREHOUSE DEVELOPER OF THE YEAR
SEE Awards
2020

CTP
AWARD OF EXCELLENCE
Euro Constructii Awards
2019

CTP
LOGISTICS EXCELLENCE AWARDS
Automotive Forum & Awards
2019

ctPark Kragujevac
BEST INDUSTRIAL DEVELOPMENT OF THE YEAR
CIJ Awards SEE
2019

ctPark Budapest West
BEST WAREHOUSE LEASE
CIJ Awards Hungary
2020

ctPark Belgrade North
BEST LAND TRANSACTION OF THE YEAR
CIJ Awards SEE
2019

CTP
BEST DEVELOPER & TRANSACTION OF THE YEAR
CIJ Awards Czechia
2019

VLNĚNA
BEST NEW ADMINISTRATION CENTRE
3rd place Best of Realty
2019

CTP
BEST WAREHOUSE DEVELOPMENT
CIJ Awards Hungary
2020

CEO Statement

2019 was another year of superlatives for CTP, both financially and operationally. Last year marked the 21st consecutive year of company growth, during which we grew our portfolio of completed projects by nearly 500,000 m² to 5.5 million m² and increased gross rental income year-on-year by 7% to over EUR 280 million. Total asset value in 2019 increased year-on-year by 19% to EUR 5.3 billion, reflecting the continued strong market demand for premium logistics and warehouse properties.

In the first half of 2020, despite the economic disruption caused by the Covid-19 pandemic, CTP continued to achieve strong financial results. Our audited financial results for 1H 2020 show that profit reached EUR 99 million. Total asset value during the period reached EUR 5.5 billion, with debt of EUR 2.8 billion. Net asset value increased to EUR 2.7 billion.

Construction activities continued unabated, and during the first half of the year we increased the portfolio by 300,000 m² to 5.8 million m². Based on our current pipeline, we expect to finish the year with our portfolio totalling 6.5 million m²—a one million m² year-on-year increase.

Rental income levels in 1H 2020 remained strong, and we collected over 97% of rent charged. We expect net operating income to reach EUR 350 million in 2020.

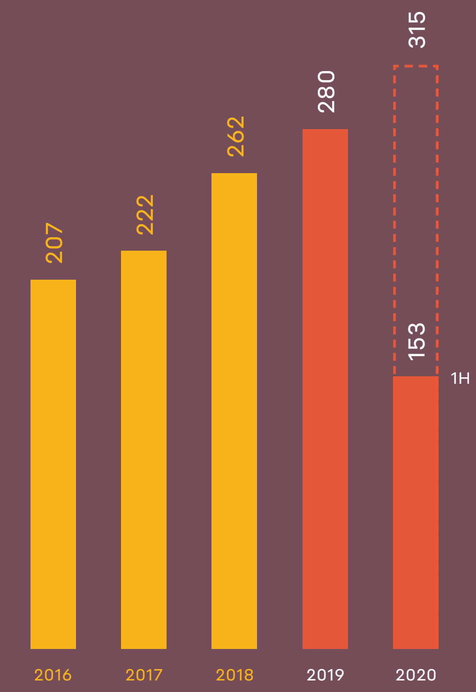
Occupancy levels remained high, at 95%, with a stable WAULT of over five years due to strong demand from existing clients, who, on average, have been responsible for 75% of new business each year. In 1H, they accounted for 85% of all new business. Clients with multiple CTP facilities in different locations are often active in the FMCG and e-commerce sectors, but they are also companies in various sectors that are rolling out re-shoring strategies and increasing local supply levels. E-commerce activities in particular—already on the rise in CEE in recent years—grew considerably in 1H 2020 because of the pandemic, and we expect this trend to continue.

In 2019, 66% of growth came in our newer markets outside the Czech Republic, in line with the 2018 trend. In 1H 2020 this trend accelerated, with nearly 50% of growth taking place in Romania, underscoring our successful strategy to enter that market in 2014.

> “For over 20 years CTP has stayed true to its core values.”

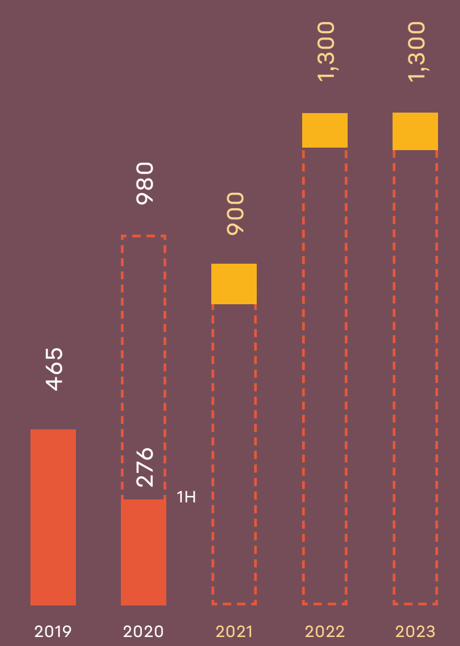
77,200

Total employed by CTP clients, 2019



GROSS RENTAL INCOME (EUR Million)

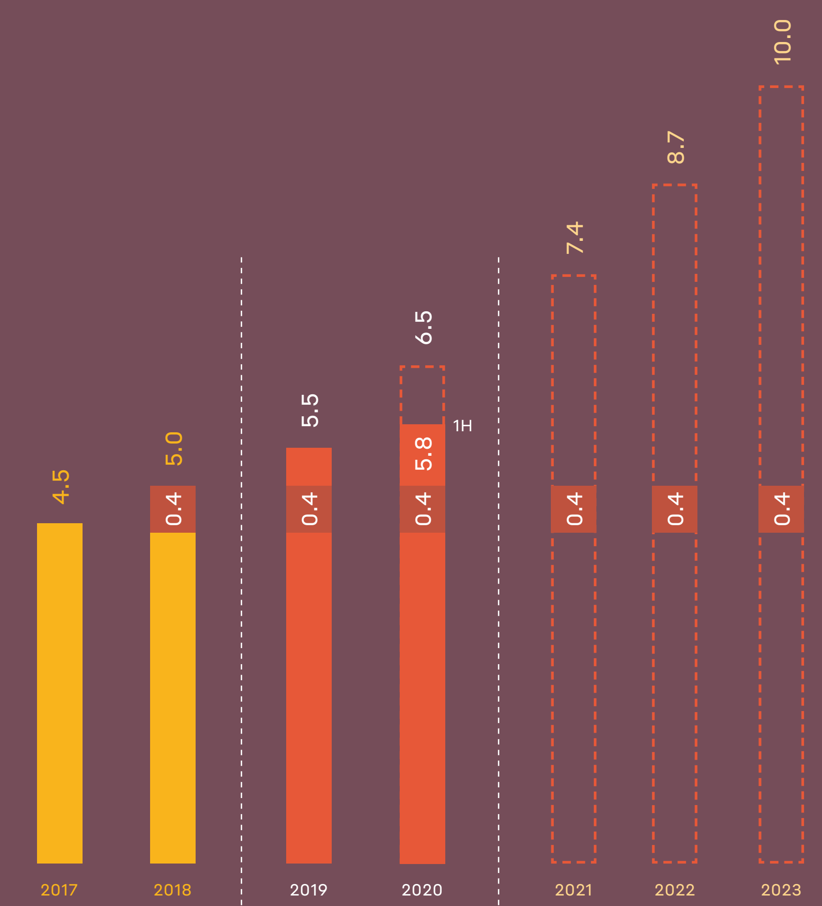
Gross rental income grew 7% to EUR 280 million, in line with expectations as the sale of three of our income-producing parks impacted overall rental income growth y-o-y. We expect this will return back to trend in 2020, in line with our portfolio expansion.



GROSS GROWTH FORECAST 2019-2023 (in m²)

As approximately 70%—84% in 1H 2020—of all new business originates with existing clients expanding with us, we conservatively forecast growing by nearly 1 million m² annually for the coming four years.

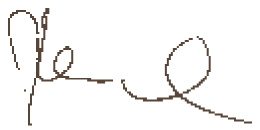
New Construction | Planned Construction | Acquisitions



LETTABLE AREA DEVELOPMENT (In million m²)

CTP's plan is to grow the portfolio by 15% annually, primarily through organic growth with our current clients and expansion to new markets.

Actual | Under management | Projected



Remon L. Vos, FRICS
Chief Executive Officer

We are currently the market leader in five CEE markets. In the Czech Republic, which makes up 60% of our portfolio, CTP controls 28% of total industrial stock and accounted for 40% of total take-up over the last 12 months. In our second-largest market, Romania, which accounts for 22% of our portfolio, we control approximately 25% of total industrial stock and over the last 12 months accounted for 33% of total take-up. We are market leaders in Hungary, Slovakia and Serbia as well.

CTP's continued success is based on our strategy, our unique business model, and our talented team of experts working together toward a common goal.

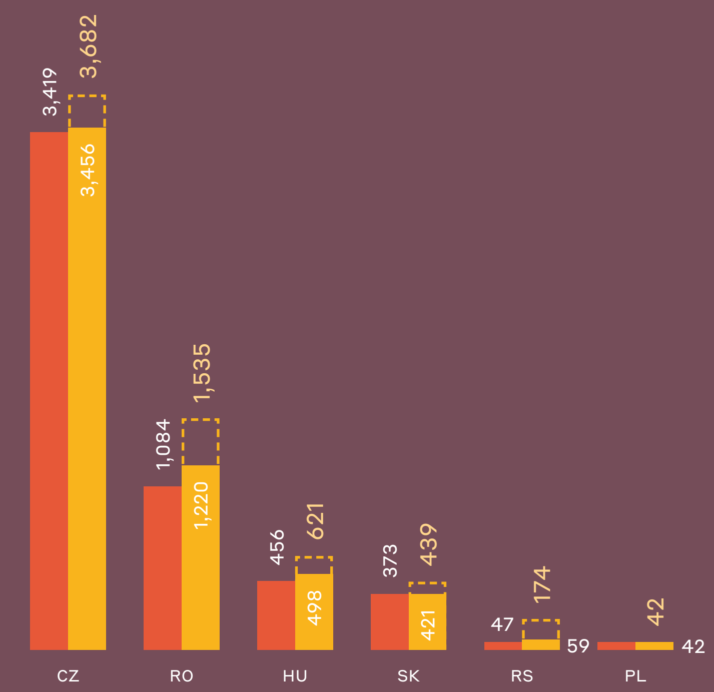
Our strategic focus on large multi-use industrial/logistics business parks allows us to address the largest potential client base, including logistics / 3PLs, high-tech companies, light manufacturing, and e-commerce. Over the past three years we have focused a significant portion of our activities around the capital cities and major urban areas of CEE in response to the rising demand from logistics and e-commerce players for facilities in these prime locations. As an example, we recently launched our fourth ctPark on the Bucharest ring road, ctPark Bucharest North, and ctPark Bucharest West will soon become our largest park in CEE by year's end. This rapid rate of growth clearly demonstrates market demand—and our foresight to focus on capital cities—as we began ctPark Bucharest West only a few years ago.

Looking ahead, we are prepared to grow. We have invested to develop an 8.5 million m² land-bank within our existing parks, with infrastructure and permits in place. Because we remain the long-term owner of our buildings, we build them to the highest quality standards so that they last for decades, retain their value over time, and are energy efficient. Our up-front investment and on-going service brings down operating costs for our clients, who benefit from a lower cost of occupancy over the long term.

CTP has always been committed to sustainability. As of June 2020, CTP had certified 88% of its existing portfolio to BREEAM In-Use, with a rating of Very Good or better. We have committed to operational carbon neutrality by 2023 and launched reforestation and ZERO Waste initiatives to deliver on that promise.

464,504

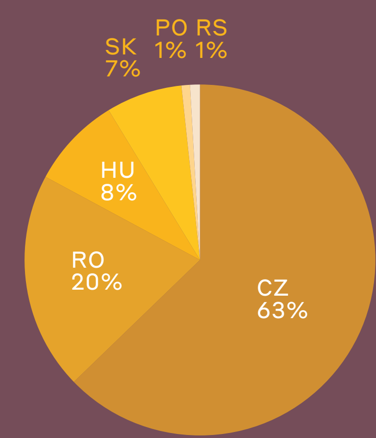
Gross portfolio growth (m²), 2019



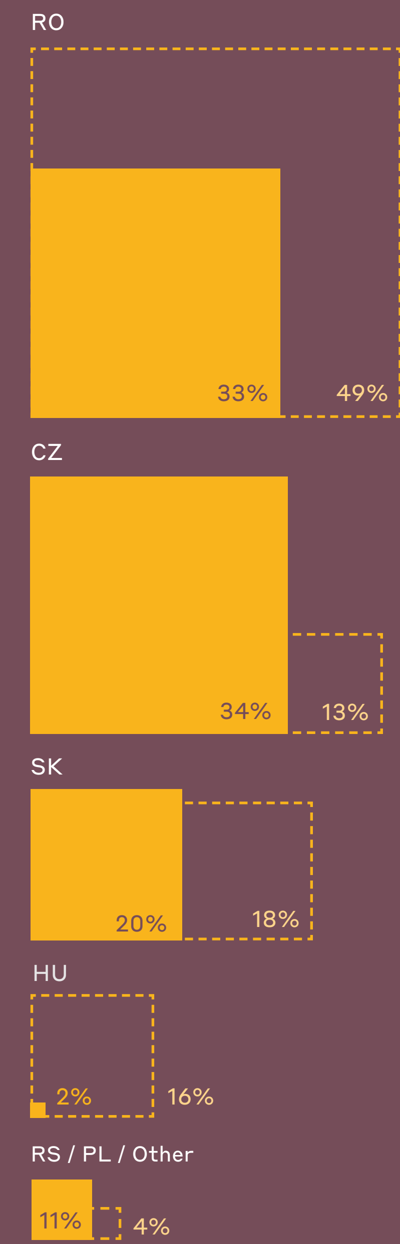
PORTFOLIO EXPANSION, 2020
(in thousand m²)
At the end of 2019, CTP had approximately 740,000 m² under construction across CEE, and we are confident in our plan to grow by over 1 million m² during 2020 in our core markets, not including divestments..

As at 31. 12. 2019
1H 2020
Plan 2020

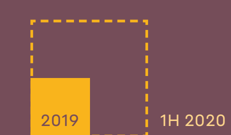
OCCUPANCY OF CORE PORTFOLIO ASSETS (in %)
Occupancy across the portfolio remained on trend and aligned with the overall market. CTP is adept at managing vacancy across the portfolio due to our ability to slow down or speed up a construction project depending on how we percieve market conditions, thereby limiting speculative space coming to market without being pre-leased.



PORTFOLIO BREAKDOWN BY COUNTRY, 2019 (m² in %)
The Czech Republic remains our largest market with nearly two-thirds of our total portfolio. Due to our growth throughout CEE, CTP is now market leader in all countries of operation, except Poland.

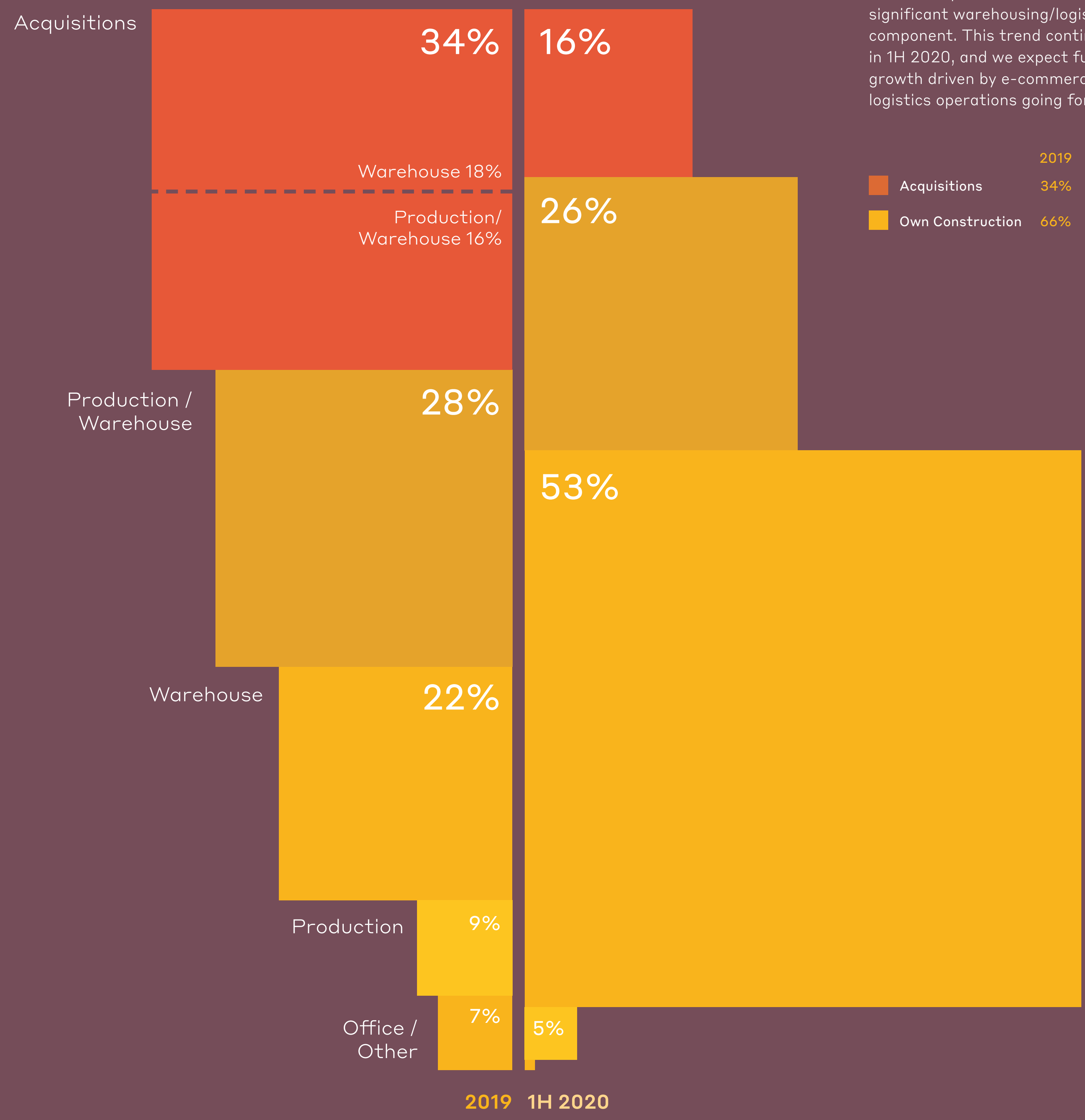


PORTFOLIO GROWTH BY COUNTRY, 2019 (m² in %)
Though we continue to grow strongly in the Czech Republic, in 2019 66% of our overall portfolio growth took place outside our core market. This trend accellereated in 1H 2020 with nearly 50% of growth taking place in Romania.



66% 84%

Portfolio growth from own construction



PORTFOLIO EXPANSION, 2019, 1H 2020

In line with market trends of e-commerce and logistics driving the industry, portfolio growth in 2019 was dominated by clients who are primarily logistics providers or whose operations include a significant warehousing/logistics component. This trend continued in 1H 2020, and we expect further growth driven by e-commerce and logistics operations going forward.

	2019	1H 2020
Acquisitions	34%	16%
Own Construction	66%	84%

CFO Statement

In 2019, the CTP Group posted its strongest-ever financial results, increasing gross revenues year-on-year by over 8% to EUR 298 million and increasing profit before tax by over 19% to EUR 506 million, despite having sold three of our income-producing parks to DEKA in Q4 2018. Equally important, in 2019 and 1H 2020 CTP finalised a number of key initiatives that make the company more fit for its future plans.

Richard Wilkinson
Chief Financial Officer

We took significant strides in 2019 & 1H 2020

In a major milestone, in June 2019 we successfully refinanced our entire Czech industrial portfolio. The EUR 1.9 billion transaction is not only the largest refinancing in CTP history but is the largest in the CEE real estate industry. The package, which consolidated 40 existing loan agreements into one syndicated loan, secured the mid-term financing of existing assets and developments through 2020. This not only benefits CTP by lowering the company's administrative costs, it also enables our banking partners to reduce their risk profile.

As at end-2019, we had increased our outstanding loans to EUR 2.7 billion, modestly increasing our LTV ratio to 51%. We also improved our liquidity position by extending maturities and securing new development financing. During 2019 we invested into developing our finance teams in all countries, hiring new CFOs in Romania, Hungary and Bulgaria and strengthening our team based in the Netherlands, led by Jan-Evert Post.

In the first half of 2020, during the lockdown, we used the time constructively to improve the company for long-term success and continue toward our 2023 goal of reaching a 10 million m² portfolio. We completed over 253,000 m² of new construction and acquired an additional 57,000 m² of income-producing properties. We finished 1H with a 5.8 million m² portfolio, an 8% y-o-y growth, due to continued demand from the e-commerce and warehousing sectors. Net rental income in Q2 alone reached EUR 72 million, a 16% increase compared to Q2 2019. We expect net rental income to reach EUR 292 million at end 2020.

During 1H 2020, we also implemented new reporting procedures and will go forward with regular quarterly results from now on. Covid-19 made us put on hold our search for a strategic partner, but we are now restarting that process and hope to close the deal in Q2 2021. Throughout the Covid-19 crisis we have continued to secure financing with our long-term banking partners. To diversify future financing we have decided to issue green bonds in late September 2020.

19%

Growth, year-on-year, Profit before tax

Streamlining operations
As part of our overall corporate strategy, in 2019 CTP restructured at the Group level by establishing an underlying holding company and separate business arms. This simplification and modernisation of our corporate structure makes CTP more capital-markets friendly and streamlines our ability to take on further investment, whether it comes through a JV partner, mid-term bonds, or a possible IPO in the future.

During 2019, we also completed the implementation of a single financial reporting and tracking system that not only allows us to get better real-time insight into our operations, but also provides the basis from which we can grow easily to new markets. The new system allows CTP to operate much more efficiently, and we can now manage a much larger portfolio with the same number of people.

We also launched a new property and leasing database, which allows us to work much more efficiently. Thus, when the lockdown began, our IT team was able to allow the whole company, across seven countries, to work from home, all within the span of a weekend. Many of our people realised that they can be even more productive at home and with flexible working arrangements, and we agreed that they could continue this practice going forward as required.

Investing in people
In 2019 we began a number of additional HR initiatives to foster personal improvement and growth aimed at attracting the best and retaining the talent we have. Each year, we support a number of our employees to further their education and professional qualification with MBAs and other educational opportunities. We invited our middle and top management and business development teams to improve their skills through leadership and sales training programs that will run through Q3 2020.

In Q4 2019 we announced a new, long-term incentive program designed to allow all people in CTP to benefit from the company's success.

CTP's continued growth is underpinned by the talent of our team, which grew during 2019 to 385 people. CTP is committed to creating an equitable workplace and continues to recruit women in key positions throughout the company. We ended 2019 with a male/female split of nearly 50/50, with an average age of 37 years.

Looking ahead, we remain focused on our existing clients, who expand with us as a long-term partner across the region as they increase their footprint to accommodate greater e-commerce requirements or need to rethink their global supply chains. Over 74% of our pipeline is already pre-let, and we are gaining market share in almost every country where we operate.

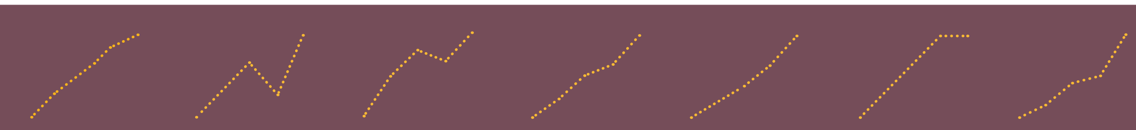
> "CTP's continuous growth is underpinned by the talent of our team, which grew during 2019 to 385 people."

VALUATION YIELDS
(in %)

	2016	2017	2018	2019	1H 2020
Industrial premises					
Czech Republic	6.25–7.75	6.00–8.50	5.75–7.00	5.50–9.00	5.50–9.00
Romania	8.75–9.00	7.80–9.00	7.00–9.00	7.50–9.50	7.50–9.50
Slovakia	7.5–7.75	7.50–7.90	6.65–7.85	6.35–7.55	6.35–7.55
Hungary	8.5–9.00	7.75–9.00	7.50–9.50	7.00–8.00	7.00–8.00
Poland	6.75	6.75–7.00	6.50	6.50	6.50
Serbia			9.00	9.00	9.00
Office properties					
Czech Republic	6.50–7.75	6.25–8.50	6.00–8.50	6.00–8.50	6.00–8.50

SELECTED FINANCIAL RESULTS
(In EUR thousand)

Year	Gross rental income	Net valuation result on investment property	Profit/loss before income tax	Total asset value	Total investment property†	Total equity	Total financing
2016	195,030	260,835	384,166	3,628,258	3,382,106	1,434,233	1,731,547
2017	222,309	328,528	459,229	4,385,960	4,096,799	1,736,121	2,024,745
2018	261,950	238,017	423,875	4,674,627	4,409,405	2,052,722	2,131,342
2019	280,365	408,356	505,703	5,577,516	5,235,459	2,035,163*	2,695,186
1H 2020	152,746	29,960	126,942	5,769,290	5,458,380	2,109,155	2,810,844


**

† Includes investment property under development

* Total equity measured at the CTP Holding BV level for historical comparison purposes in 2016, 2017 and 2018.

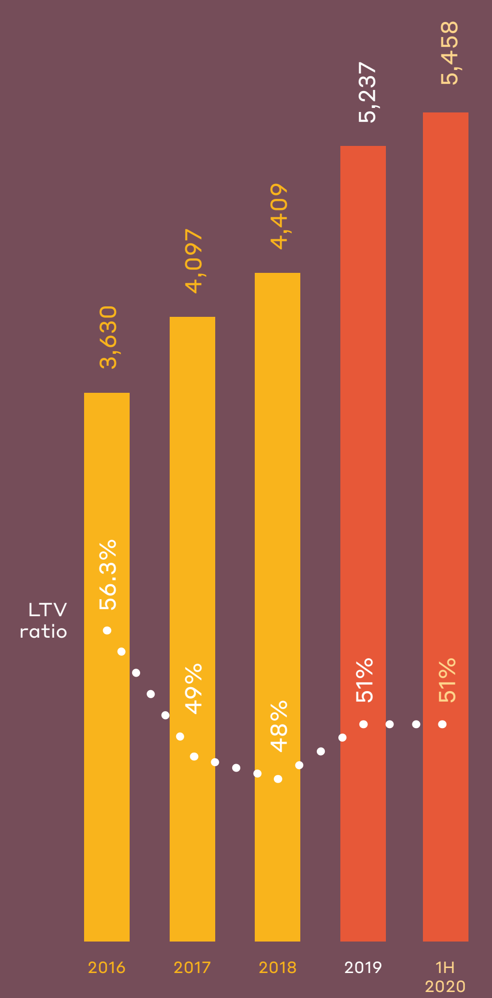
** Sparkline graphs cover the period through 31/12/2019 only, as 1H results do not provide appropriate y-o-y comparison.

Total investment property
(in EUR million)

4,409 2018

5,235 2019

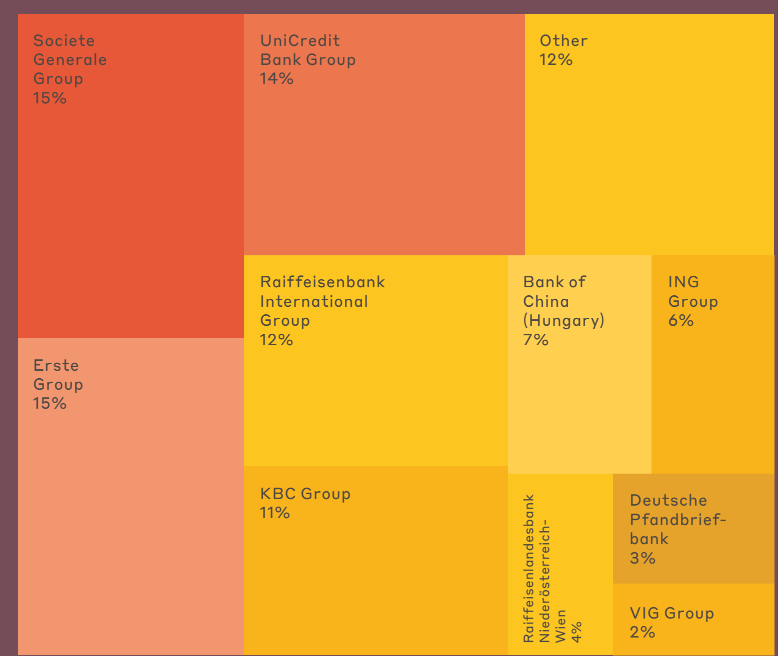
5,458 1H 2020



TOTAL INVESTMENT PROPERTY
(in EUR million)

LOAN-TO-VALUE RATIO
(in %)

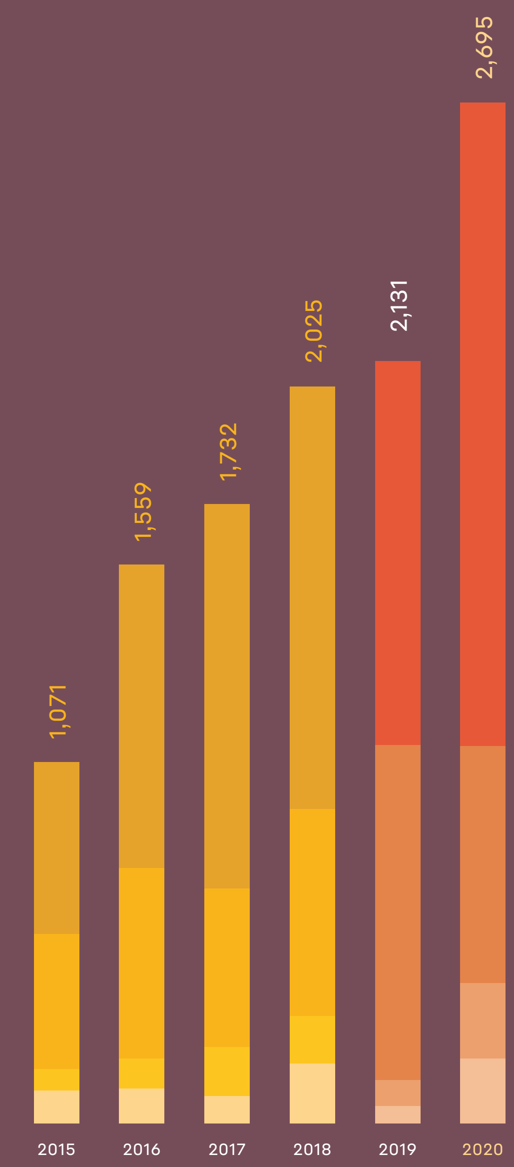
Due to valuation gains on investment property of over EUR 408 million, total asset value increased year-on-year by over 10%, which, combined with nearly EUR 1 billion in refinancing, caused LTV to grow slightly to 50.7%.



OVERVIEW OF OUTSTANDING BANK LOANS
(In EUR million) *

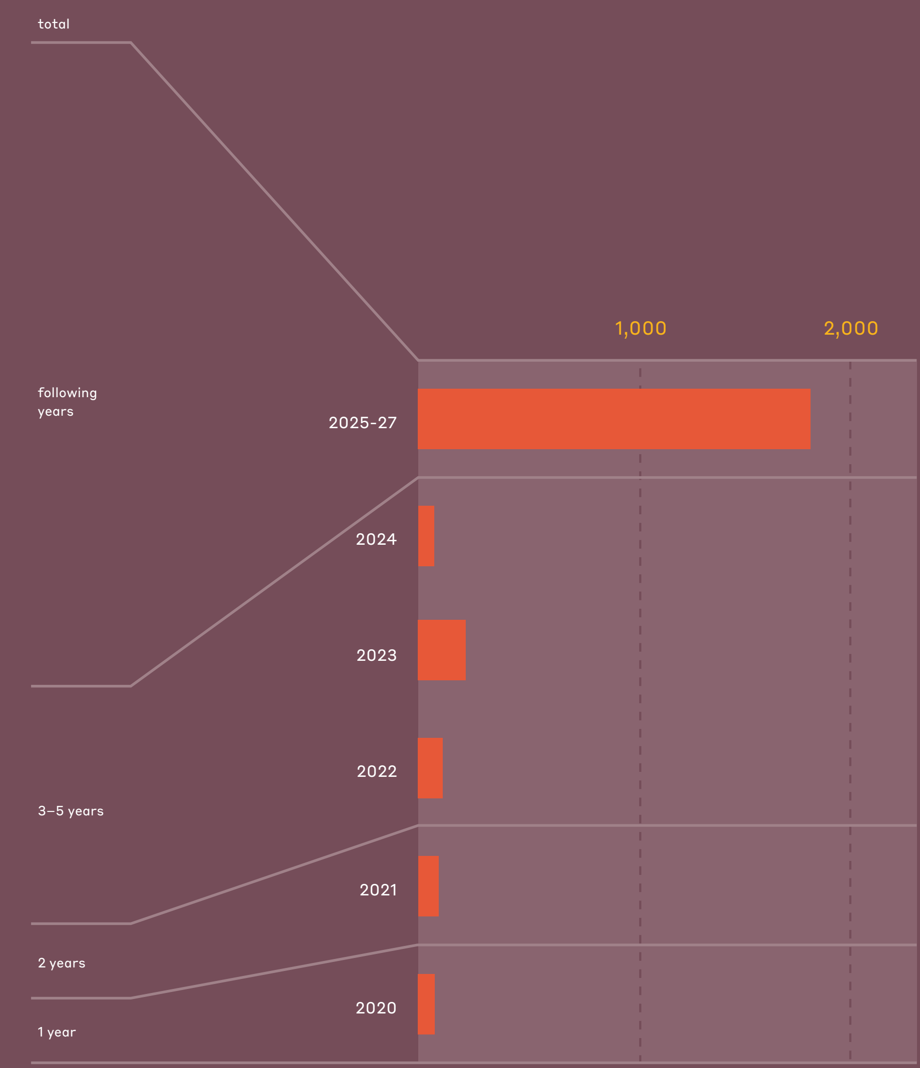
In 2019, we refinanced approximately 45% of our long-term debt in a single syndicated loan held among three of our largest banking partners (indicated in orange) significantly reducing administrative costs, improving overall loan terms, and positioning the company for future growth.

* Figures for 1H 2020 are not shown as the changes between 31/12/2019 and 30/06/2020 do not substantially impact the overall values, weightings or maturity terms.



LOAN GROWTH & MATURITY
(In EUR milllion)*

Despite increasing overall liabilities by 26% during 2019, asset values also increased, which resulted in only a modest 3% increase in LTV.



RESIDUAL MATURITY OF BANK LOAN FINANCING
(in EUR million)*

In 2019, the refinancing of our entire Czech portfolio with a consortium of our banking partners reduced the company's short-term liabilities and provided a stable foundation for growth in the coming years.

Risk Management

Description	Potential Impact	Mitigation Strategies
OPERATIONAL RISKS		
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 (real estate tax and management costs) and commercial costs related to re-letting and/or downward adjustment of 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 (real estate tax and management costs) and commercial costs related to re-letting. Decline in the fair value of the property, resulting in a lower NAV and higher LTV.	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.
IT RISKS		
Infrastructure failure	Error or malfunction of any infrastructure part.	Continuous backing up of data and disaster recovery site.
Network security breach	Network error, slow down or security attack.	Monitoring of security-relevant details of network to identify breaches early.
Hacking, phishing or people error	Data theft or takeover of applications control.	Active access monitoring.
Data corruption	Data loss or corruption of data.	Backing up all important data resources and databases frequently on a regular basis.
		Group-wide IT-governance and compliance, continuous updating of security standards, penetration tests, awareness trainings for employees.

Description	Potential Impact	Mitigation Strategies
OPERATIONAL RISKS		
Industry-specific risks	Loss of income if a specific industry is affected by an economic downturn.	High diverse variety of international tenants representing a wide range of industries. Constant monitoring of macro-economic trends anddevelopments in major industries.
Maintenance and repair cost volatility	Decline in financial results and cash flows. Unexpected fluctuations in financial results.	Continuous inspection of the buildings by 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 buildings, reducing their usability and rentability. Loss of income and extended period during which 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 reinstatement costs, i.e., the cost of restoring the building to its original state, including architect fees. Loss of rental income due to temporarily full or partial vacancy is also insured.
Concentration risk	Sharp decline in income and cash flows in the case of tenant departure. Decline in the MV of the property.	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 industry sectors. High geographic diversification across approximately 96 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 (scoring of external credit rating agencies) prior to inclusion in portfolio. Constant tenant monitoring of tenant database via external credit rating agencies. 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, bank guarantees or parent company guarantees.
REGULATORY AND OTHER RISKS		
Changes to IFRS reporting policies	Misstatement of financial accounts.	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 on business, financial results, profitability and reputation of the company.	Constant monitoring of existing and future legislation, regulations and requirements in coordination with external experts.

Description	Potential Impact	Mitigation Strategies
MARKET RISKS		
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 and therefore broken lease contracts.	Negotiate long lease terms. Clients represent a diverse range of industries. Contracts are concluded with parent company guarantees. 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 properties, near major cities and transport arteries and in areas of higher 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 land-bank.	Diversified client base mitigates exposure to a single tenant's fortunes; lease agreements with wide variety of tenants across major industries, with a weighted average unexpired lease term over 5 years. Activity across multiple markets mitigates exposure to local market downturns. Thorough market integration 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 inhouse 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. The current LTV rate of 51% is in line with historic trends. Geographic diversification of the portfolio across all major CEE markets, with close ties to western European markets. Large share of land in the valuation of the property portfolio, with lower residual price volatility.
Interest rate volatility	Negative impact on expenses and consequently on cash flow in the event of a rise in the interest rate. Sharp fluctuations in the value of the financial instruments that serve to hedge debt.	High degree of hedging against interest rate fluctuations (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. Weighted average unexpired lease term is over 5 years and thus should have no impact over the short term.
Financial market volatility	Difficulty accessing financial markets in order to fund new developments. Inability to refinance or rollover current financial obligations.	On-going, transparent dialogue with financial counterparties. Long-term relationships with banks. Regular monitoring of risks that could negatively affect our financial partners.

Description	Potential Impact	Mitigation Strategies
FINANCIAL RISKS		
Counterparty risks	Loss of deposits.	Diversification: maintaining deposits with 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 negatively impacts financial results and cash flows.	Conservative and prudent financing strategy with a balanced spread of maturity dates for debts maturing between 2020 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 at the Group level.
Risks of real estate evaluation	Big dependency on macro-economic environment, evaluation methods and the underlying assumptions: MV decreases as a result of unfavourable market developments or as a result of lower "income" of the real estate.	Market studies, analyses and forecasts, standardised valuation methods (RICS Red Book), engagement of international operating valuation experts. Optimisation of portfolio. Continuous maintenance and modernization.
ORGANISATIONAL RISKS		
HR-risks	Employee fluctuation leads to loss of key employees or understaffing. Skills not available in tight labour markets.	HR-development, fair compensation packages. Employer branding, long-term planning.
Compliance risks	Penalties.	Strict adherence to law.
	Loss of reputation.	Awareness trainings.
Supply chain risks	Supply bottlenecks.	Long-term relationships with key suppliers.
	Higher costs.	Dedicated procurement teams.
Fixed adjustments of rent and service charges at 2% in a large majority of lease agreements	Inflation beyond 2% cannot be recovered from tenants and would affect our cash flow.	Cash outflows in financial costs (loan instalments and interest) concur with expected rent increases.
		Operational costs constitute less than 20% of cash income and are thus considered manageable even in times of prolonged high inflation.

Top Management

The Who's Who of CTP
The CTP management team is comprised of seasoned industry professionals with deep experience within their specialisation, and with an average of 16.5 years working in industrial real estate in CEE.

Remon Vos
CEO

Richard Wilkinson
Group CFO

Zdeněk Raus
CFO, Czech Republic & Slovakia

Bert Hesselink
Research & Data Management Director

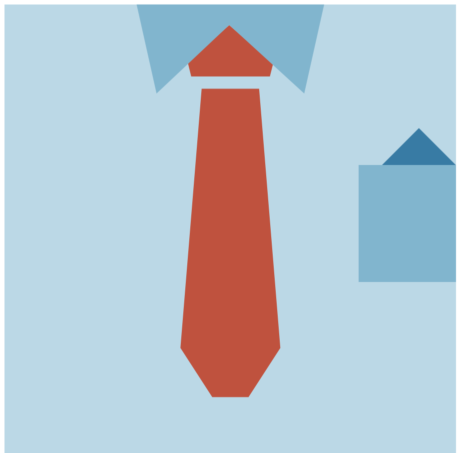
Jan-Evert Post
Head of Funding

Michal Felcman
M&A, Finance Manager

Arno van Hummel
Financial Director

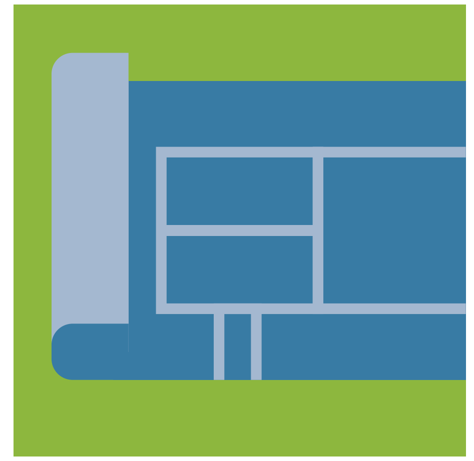
David Chládek
Construction Director, Czech Republic

CLIENT REQUIREMENTS

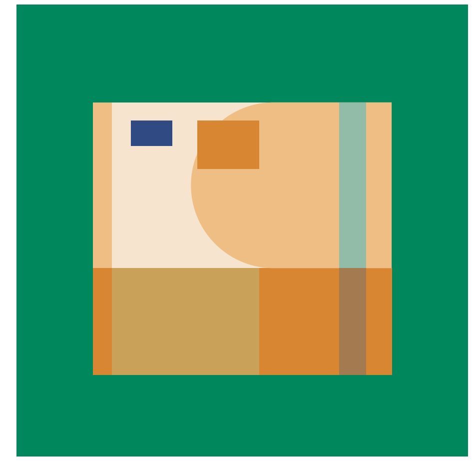


LOCATION SEARCH

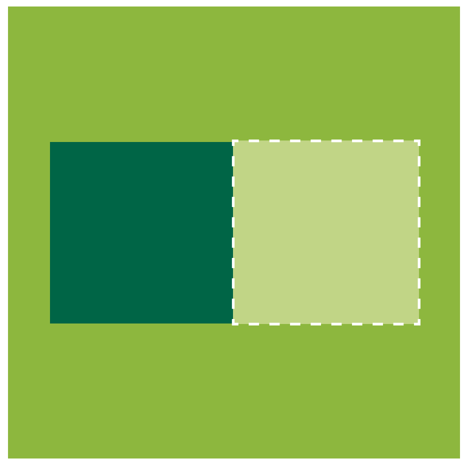
DESIGN



FINANCING



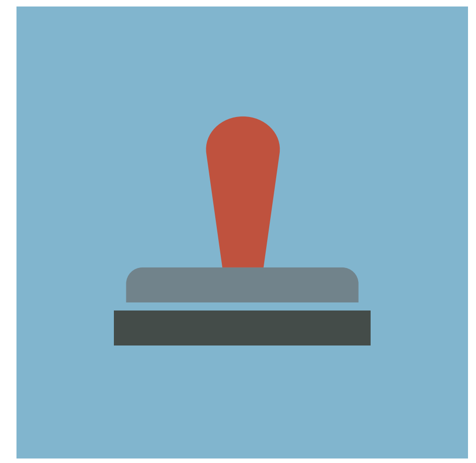
CLIENT EXPANSION

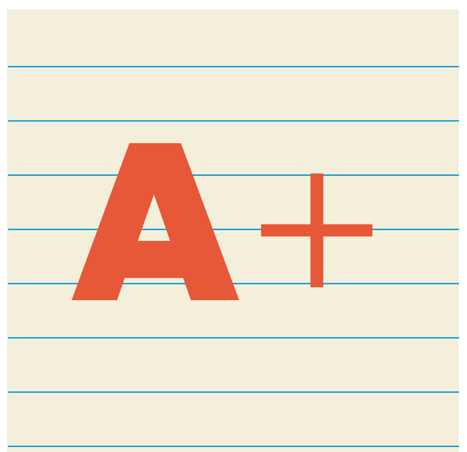


Business Model

CTP's success over the years comes from its distinct business model, which differentiates the company from its competitors. By focusing on our clients' needs, as well as on market developments and technology innovations, CTP is able to adapt to changes in requirements quickly and build the buildings that companies need, where they need them, at the highest quality and with a package of services that others cannot match.

PERMITS





BUILDING UPGRADES

PROPERTY MANAGEMENT

FIT-OUT

CONSTRUCTION

The CTP Platform

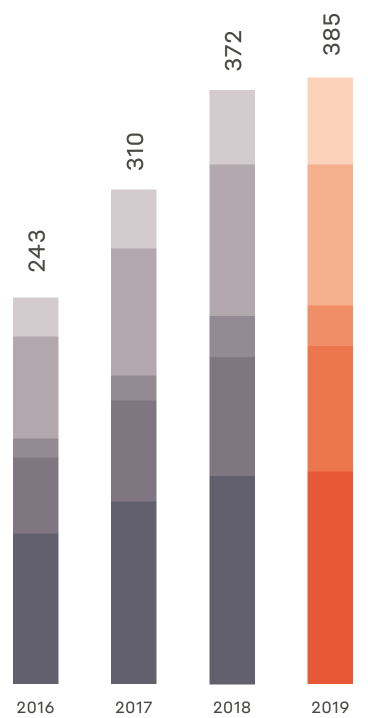
CTP's value-add for clients is our vertically integrated business model, the CTP Platform, which provides the full scope of client services, from land acquisition to operations. Our unique combination of in-house skills—including design, construction, legal and financing—differentiates us from our competitors and enables us to deliver high-quality, custom-built premises for our clients on time and on budget.

Client needs form the centre of CTP's business model. We cooperate with clients as a long-term partner—not only during the initial development process but throughout the course of their lease—to ensure that they are fully satisfied. Keeping everything in-house has allowed us to maintain direct relationships with our clients, which has resulted in high tenant retention and satisfaction, as evidenced by our consistently high occupancy numbers. With a proven track record, CTP has spread its business model to new countries and asset types. Today over 70,000 people work at CTP-owned and operated properties.

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

CTP is a long-term developer, unique on the market in that we not only build but also hold our development assets and therefore have a vested interest in their long-term value. As a property manager and developer, 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.

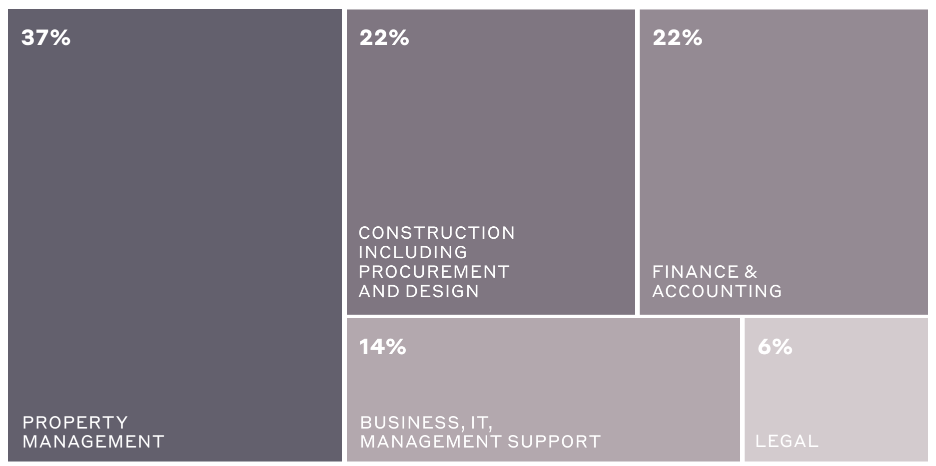
Growth is important for CTP not just as an end in itself, but because it allows us to better serve our clients as their business expands. Historically, over 70% of our growth has come from existing clients—and over 80% in 1h 2020—either as an extension to an existing property or an entirely new facility in a different market. CTP is where our clients need us to be.



CTP EMPLOYEE COUNT BY DEPARTMENT (31.12.2019)

During 2019, CTP increased overall headcount just over 3%, reflecting efficiency gains from on-going investment into processes and training.

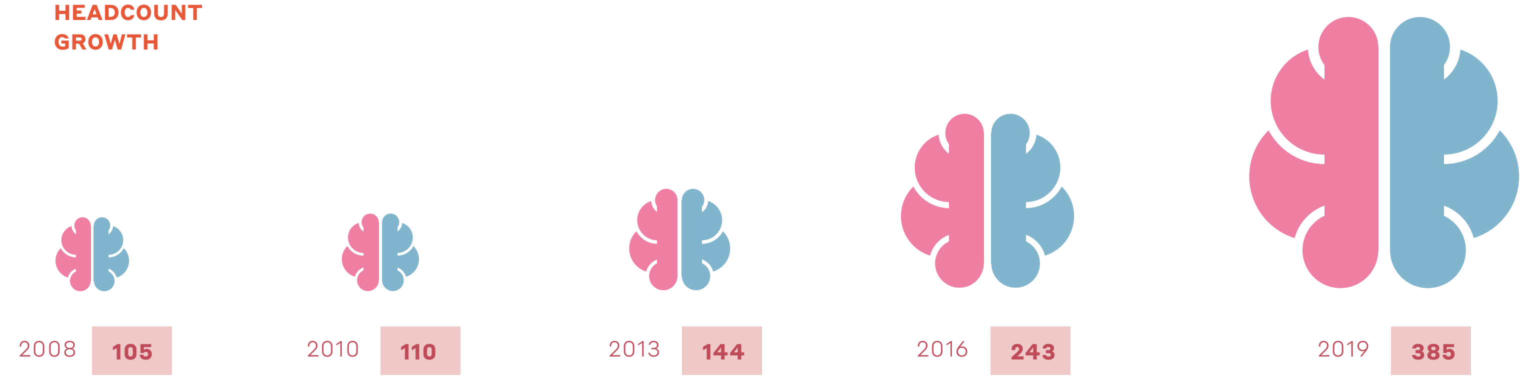
- Business / IT / Management Support
- Construction / Procurement / Design
- Legal
- Accounting
- Property Management



HUMAN RESOURCE ALLOCATION

Taking care of and communicating with our clients remains our highest priority. As owners and managers of the buildings we build, we invest more into our Property Management teams to ensure that they function properly and efficiently for our clients.

EMPLOYEE HEADCOUNT GROWTH



Location search
CTP provides an overview of potential locations matching 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.

Property management

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

Service Desk
During the course of the lease, clients can report incidents to park and facility managers 24/7 through our simple on-line ServiceDesk application. Windows get broken, snow piles up quickly or light bulbs need to be changed and such issues need to be addressed immediately so clients can continue their work. In our office developments, the app is enhanced to allow booking of restaurants and communications with other on-site service providers.

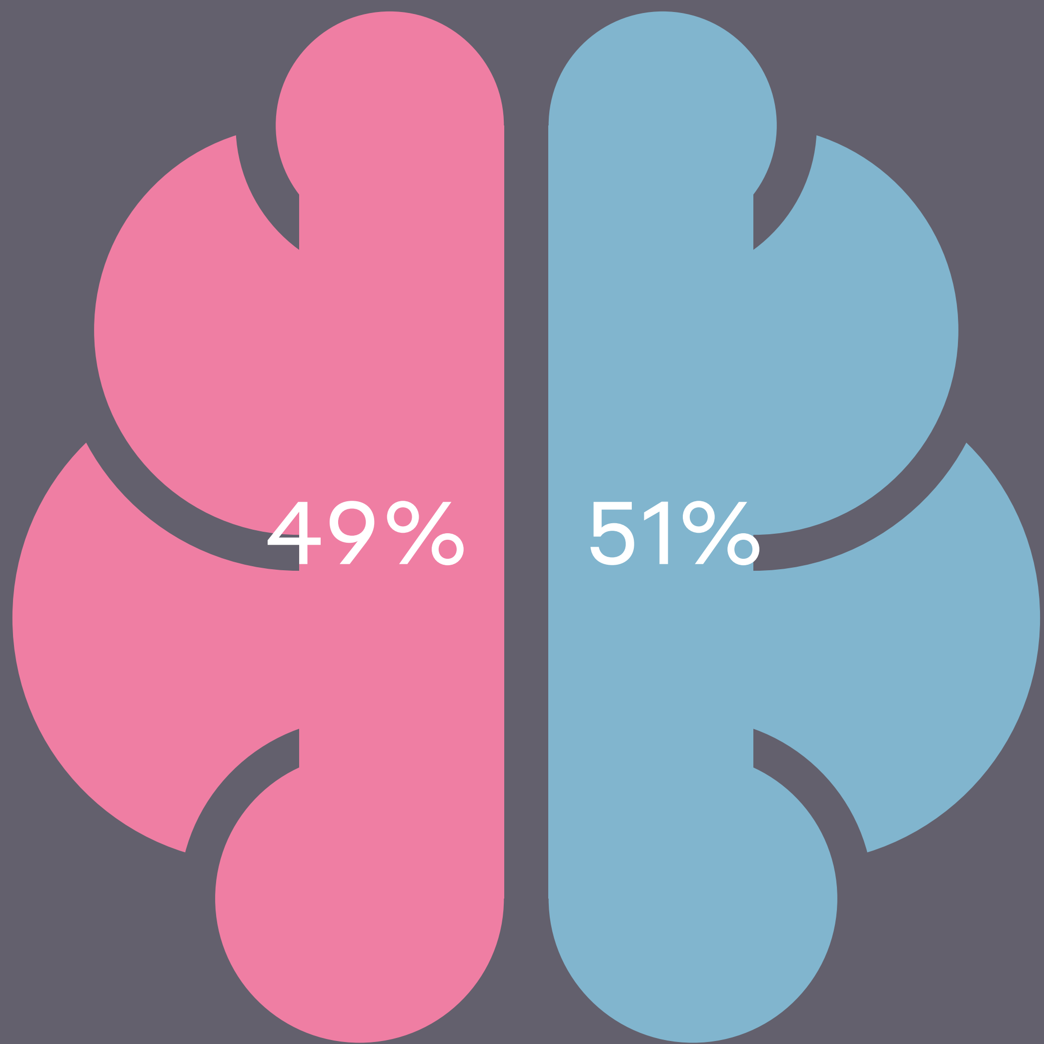
Client services
CTP agrees with the client on a yearly service contract, freeing the client to concentrate on his core business. CTP works with local fire and security councils to ensure safety norms and creates monthly schedules for outdoor cleaning, snow blowing, groundskeeping and general building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

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.

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

Client expansion

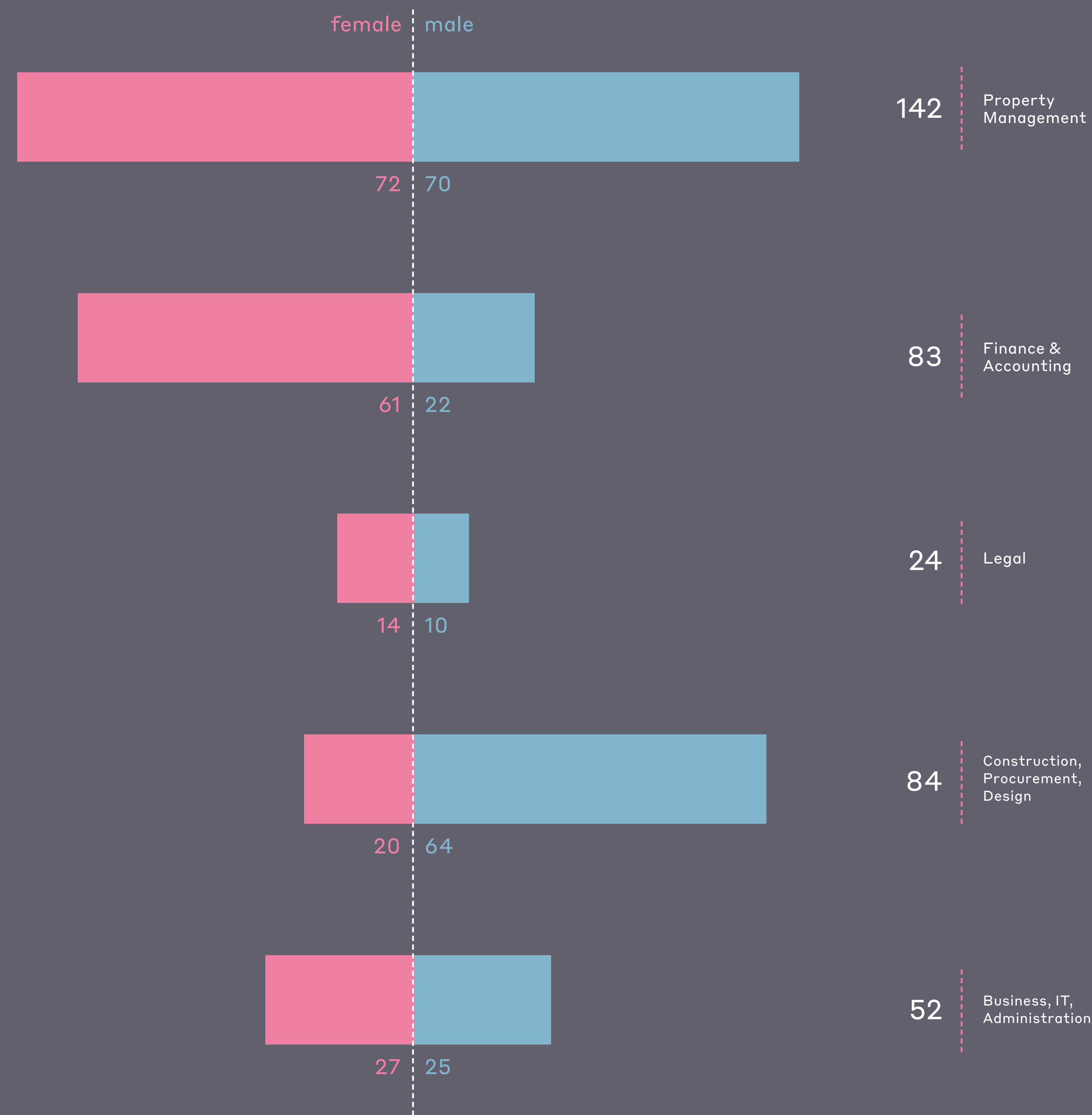
As a client's business continues to grow, CTP works with the client to facilitate their expansion plans. Based on the requirements, CTP will agree to build an extension at their current facility, propose a different location, or offer a different building solution if the client wants to launch a different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



Know-how

50 SPLIT 50

Employee power
CTP works hard to ensure an equitable workplace, with women outnumbering men in four out of five key departments.



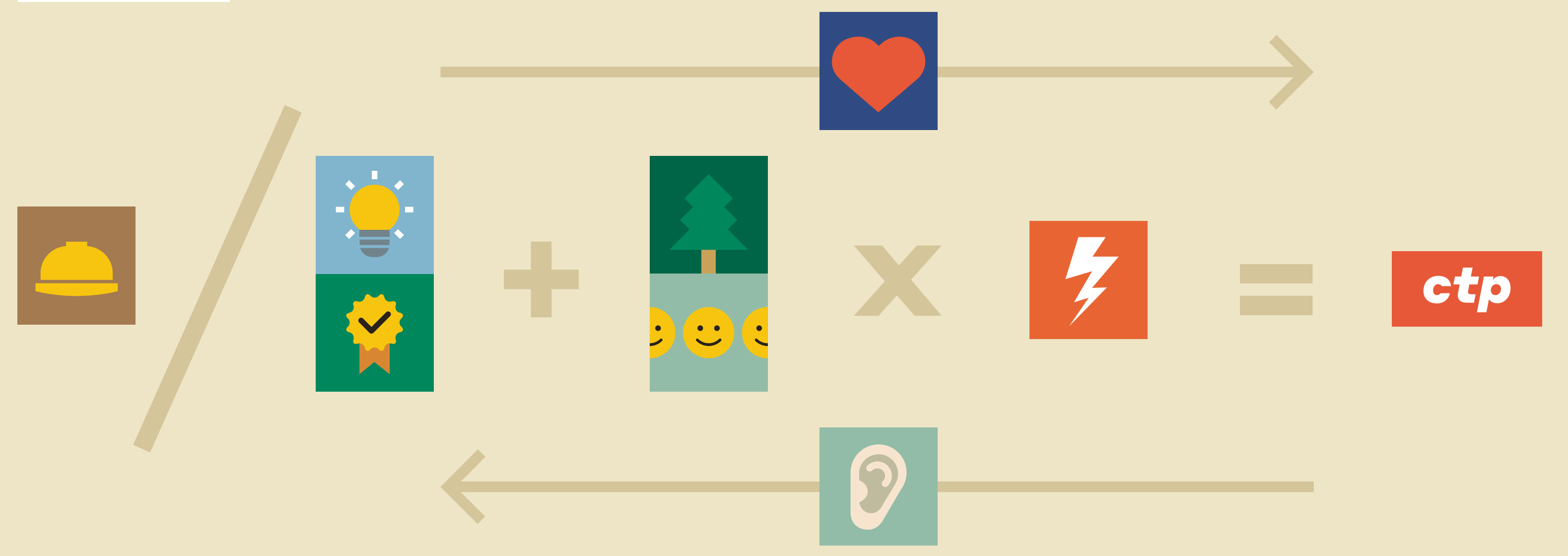
CTP Values

Values are the fuel that powers the success of CTP's business model. If the CTP Platform describes what we do, our company values explain why and how we do it. Our values drive our success. The successful implementation of CTP's business model demands excellence at every step of the development process, which is why our people—385 property professionals—are essential to delivering on our promises. From the start we have carefully recruited people who 'fit' our company culture and whose values align with CTP. If we don't have a shared set of values, we will not be working toward a common goal.

CTP is a developer of high-quality industrial and office buildings designed to be low-maintenance and highly energy efficient, to reduce operating costs for our clients and enable them to focus on their core business. Innovation is the key to constantly staying ahead of the market and developing new property solutions and services for our clients. Sustainability has long been a part of our company processes and long-term goals. As climate uncertainty increases in importance, CTP has been a first-mover in this area, incorporating renewable energy and sustainable materials and processes into our development program. CTP is a responsive developer, not only to market trends and new technologies, but also to our clients' needs, which often change during their tenancy. As a long-term developer and partner to our clients, CTP has a responsibility to the communities where we develop our parks, to the people who work in our parks and buildings, and to all stakeholders. We take that responsibility seriously, because we do care.

It's what we do...

VALUE CHAIN



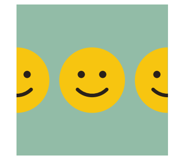
Biz dev is the name of our game
Our experienced, in-house sales teams in each country bring their insight and entrepreneurial spirit to the table to help businesses succeed in CEE.
We take the time to understand our client's bottom-line objectives and offer market-leading solutions that work—not just for today, but over the long-term.

More than just a smile!
It's not just what we sell, but how we sell it. Our sales teams are personable, informed, and always ready to help. We work with our clients as long-term business partners that you can trust. We know that it is the success of our clients that drives our success. Together we get the job done.

Our Core Values

Quality
Quality is at the heart of who we are, what we do, and how we do it. Everything we do we do to be the best. We build A-class buildings incorporating high-quality materials that last, reducing maintenance and operational costs and thereby lowering the overall cost of occupancy for our tenants. As long-term owners, we understand that investing in quality up-front avoids costly repairs in the future, which provides greater security and continuity for our clients and generates greater long-term value. Quality is expressed not only in the choice of materials, but also in the quality of service that we provide to our clients and their employees. A high-quality workplace translates into better, more effective employees and a healthier and higher quality of life.

Responsiveness
To be responsive, one must be alert and agile, but also well prepared and pro-active. The key is communication. We listen to what our clients need and do all we can to meet their requirements on time and on budget. We take a hands-on, ear-to-the-ground approach, which enables us to react quickly to both market changes and any change to our clients' strategies. Our property experts develop effective professional relationships with tenants. Understanding not only their short-term objectives but also how their investment aligns with their global strategy enables us to be pro-active partners ready to support their future growth and expansion.



Community
Our parks are full of people: our people, our clients, their employees and families. We encourage healthy networks between all stakeholders and surrounding towns and cities with the goal to improve the quality of life for all involved. We do this by investing in the surrounding communities, doing charity work, providing relax/exercise facilities, developing relationships with local schools and universities, and creating community centres in our parks and office buildings. In 2019, we established a "community management team" in Brno, whose specific goal is to listen to the local community and respond with events, activities and opportunities, to ensure that we grow in a healthy and respectful way.

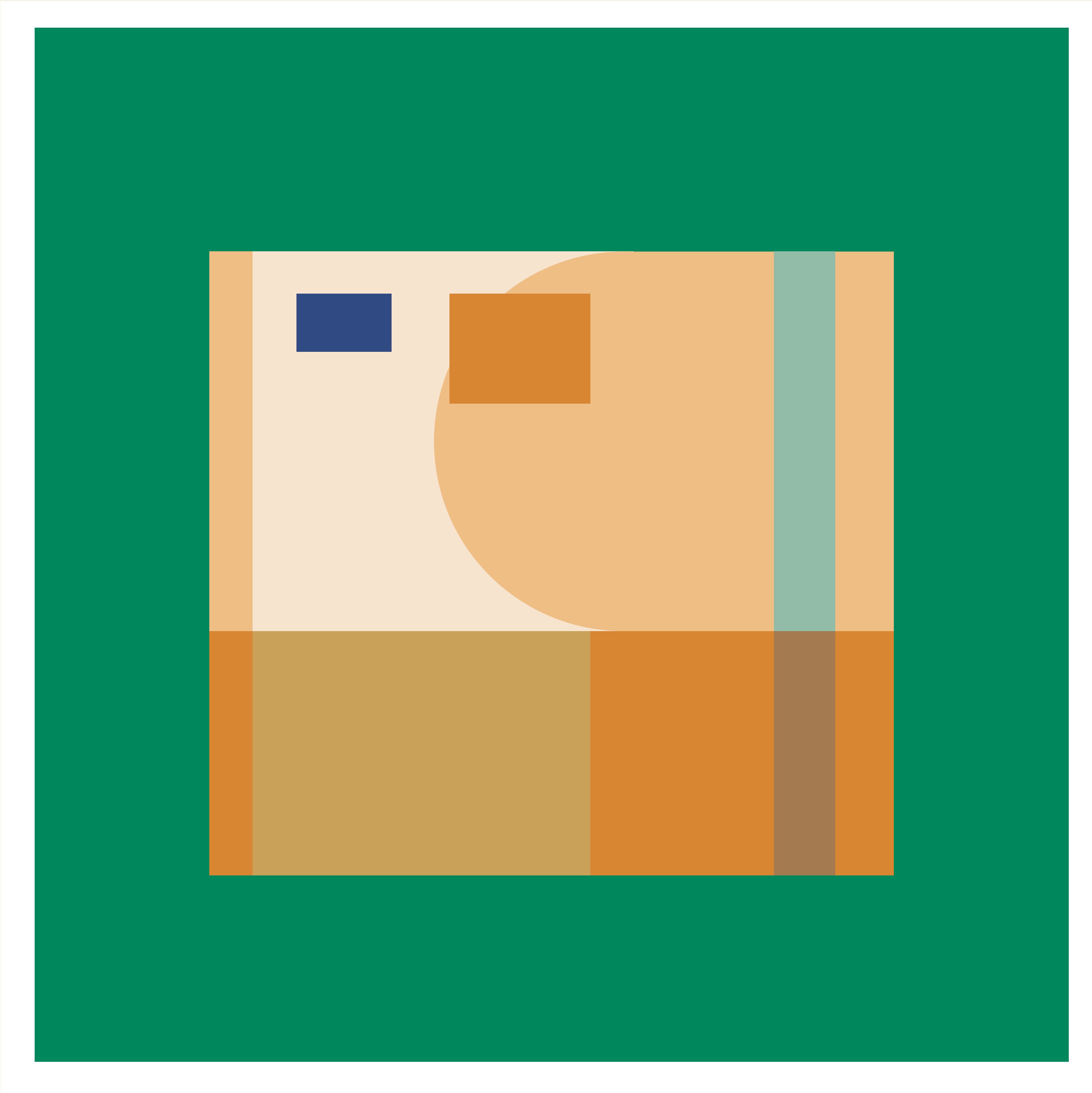
Innovation
Innovation comes from the inspiration to do things better than they have been done before. At CTP, innovation is integral to our ethos. We continually seek out new methods, new materials, and new ideas and are willing to take calculated risks. To meet the specific needs of modern business we have developed five bespoke product types, including the unique ctBox concept for smaller businesses and last-mile e-commerce solutions. We take a holistic view of property development and management and ask ourselves: What can we do better today than yesterday to reach our goals? What have we not yet tried? We are never satisfied, knowing that more can always be done.

Sustainability
Sustainability underscores our long-term commitment to growth and informs all that we do today. That's why we build highly efficient buildings to reduce energy and water consumption always to BREEAM standards, and why we are currently certifying our entire built portfolio to BREEAM In-Use —a first for any industrial developer. In 2019 we launched a forest restoration program to preserve one square metre of forest for each square metre of our built portfolio. We began with the purchase of a 1-million-m² tract of forest in the Czech Republic and plan further purchases of forestland in the communities and countries where we operate. All of our sustainability efforts are part of our larger goal to reduce our company's operational carbon footprint to zero by 2023.

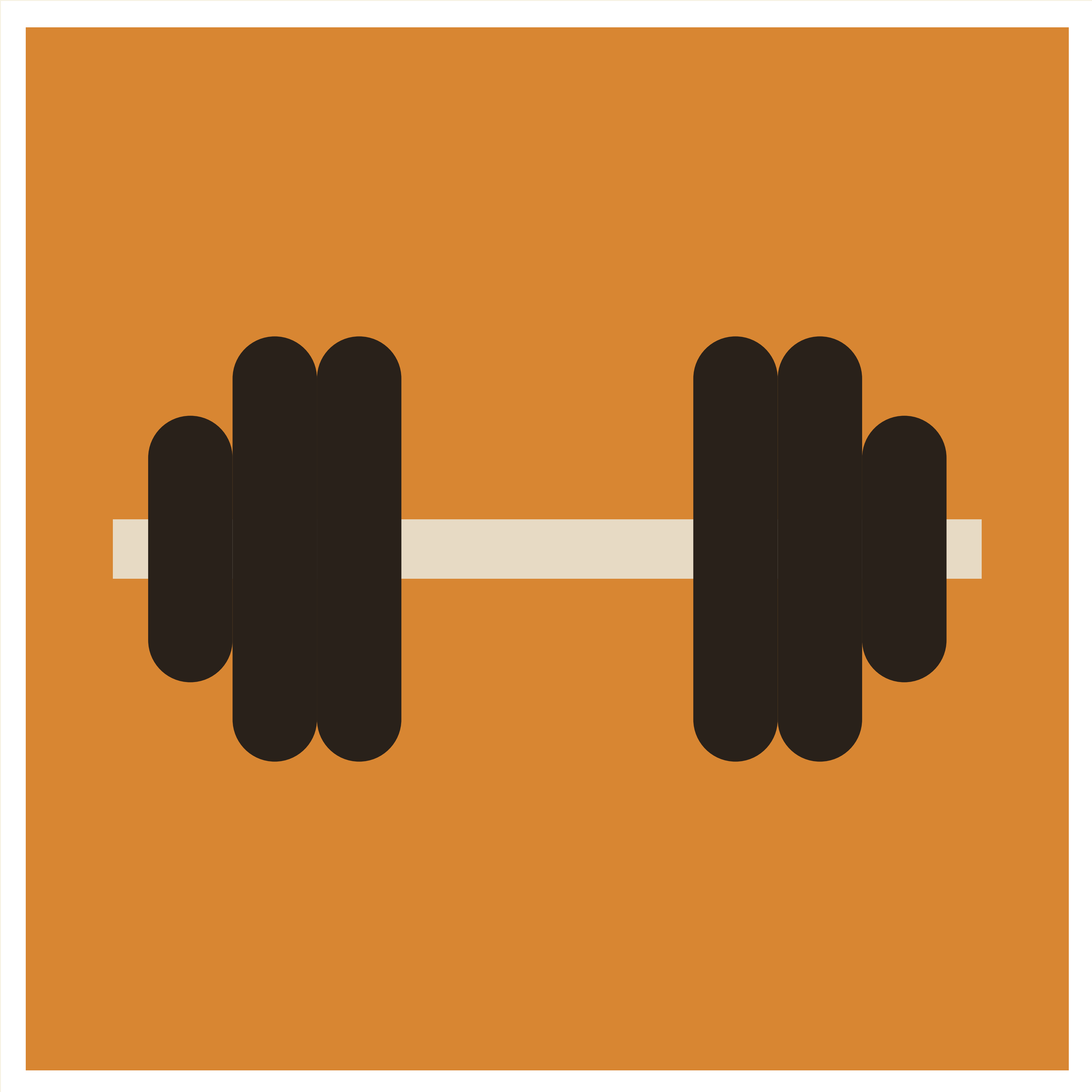
Care
Values only have meaning if you work to realise the ideals that they represent. We take responsibility for our actions through attention to detail, the charity work we do and by going the extra mile to make sure that our tenants and our people are taken care of. Because we understand that our activities impact local communities, we step up to the responsibility to build a future that is both positive for CTP and for all stakeholders. Caring is best expressed not through words but through action. That is what we do.

Vision gets us there
It is important to have a plan and a long-term goal that guides our current activities. Sticking to our original vision has taken the company to where it is today and will continue to guide the company going forward. We have a vision for success, and the dedication and know-how to get there.

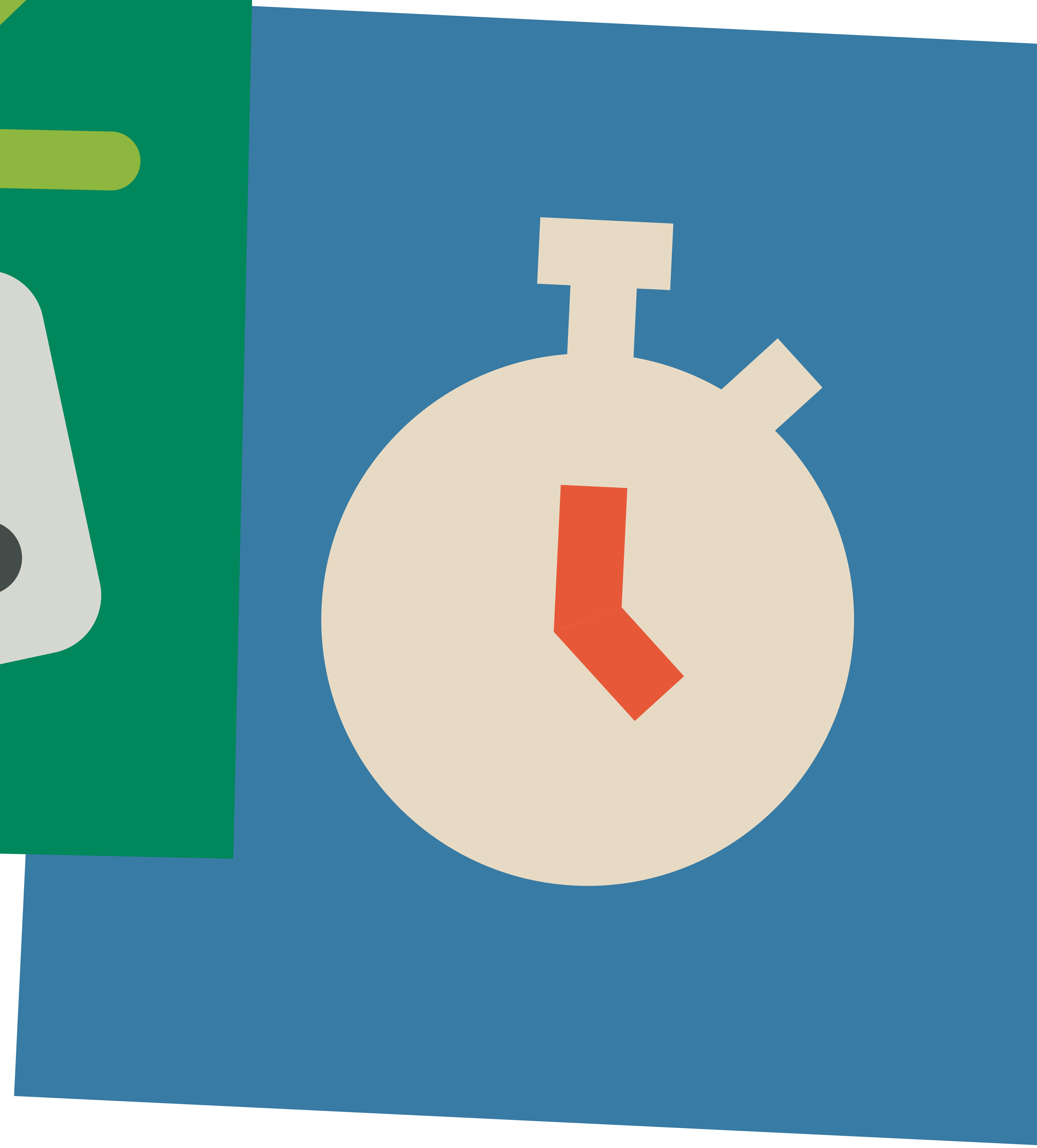
Training & education
We pride ourselves on being business smart, and we invest in our people to ensure that they have the opportunities they need to develop their professional skills. That's why we provide support for our people to pursue MBAs and other advanced qualifications, as well as holding in-house trainings, Top 30 management workshops, and external seminars and conferences. Smart people make smart decisions.



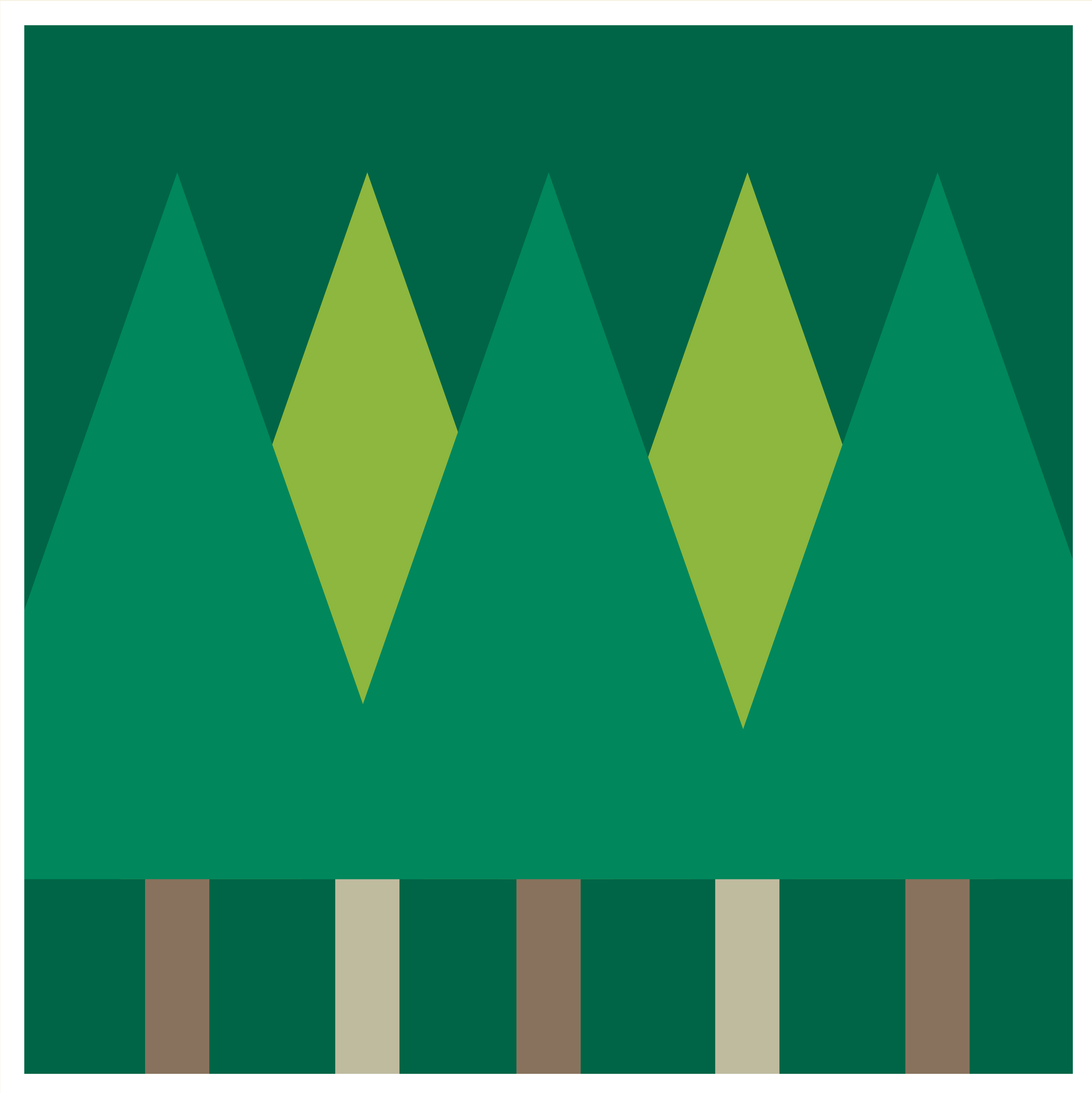
Investor opportunity
CTP's financial strength and proven business model create a unique opportunity for investors. With over two decades of successful development behind us, we have built a stable and dependable platform for future financial growth. Our large, pre-zoned land-bank means that we are always ready for new opportunities. We are expert at controlling costs, and unafraid to invest to make a difference.



Strength & responsibility
CTP's strength comes from many sources. Led by our values, we know the importance of delivering on time and on budget. As the owner and operator of our portfolio of premium properties, we have a vested interest to maintain the highest development standards in the industry. We are well positioned in all of our markets and have the on-the-ground know-how to know when and where to invest.



Entrepreneurial approach
One of the things that makes CTP unique is its flat management structure, which allows us to innovate new solutions, take calculated risks, and make fast decisions. We are always on the lookout for new opportunities, new locations and new markets to better serve our clients and to ensure the continued long-term success of our company.



We do Green
CTP has long been a leader in green development. We build energy-efficient buildings to minimise resource usage and reduce the size of our environmental footprint. We go the extra mile to invest in landscaping at all our parks and office developments, to make sure our workplaces are not only business smart but people friendly. Our new sustainability initiatives, including large-scale forest preservation, are part of our plan to reach operational carbon neutrality by 2023.

IF YOU HEAD OUT TO THE WOODS TODAY

Top 8 and a dog take a trip to the ctForest

"IT'S IN OUR DNA TO ACT RESPONSIBLY TOWARDS OUR COMMUNITIES."

"2019 WAS THE YEAR WE DECIDED TO ACT ON OUR CARBON FOOTPRINT."

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 and platform, and to develop and strengthen relationships with long-term business partners.

"WE CAN'T WAIT FOR OTHERS TO LEAD THE WAY IN ENVIRONMENTAL STEWARDSHIP."

Richard Wilkinson
Group CFO
Richard joined as CTP Group CFO 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.

"IT'S A GOOD PLACE TO TAKE YOUR FAMILY. . ."

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.

". . .AND I'M PROUD TO PLAY A POSITIVE ROLE IN SOMETHING BIGGER."

Bert Hesselink
Research & Data Management 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.

"WE'RE ALWAYS LOOKING FOR NEW, BETTER WAYS, TO DO THINGS, AND THIS IS ONE."

"OUR GOAL IS TO CREATE HONEST, MUTUALLY BENEFICIAL RESULTS."

Arno van Hummel
Financial Director
Arno joined CTP in 2006 as head of the Finance and Accounting department and has 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, the Netherlands.

"WE TAKE A LONG-TERM VIEW ON OUR BUSINESS AND OUR INVESTMENTS."

“OUR PLAN IS TO PRESERVE AS MUCH FOREST LAND AS OUR BUILT-UP PORTFOLIO— THAT’S UNIQUE.”

"...ONE OF THE MOST IMPORTANT ACQUISITIONS I'VE EVER WORKED ON."

Michal Felcman
M&A, Finance Manager

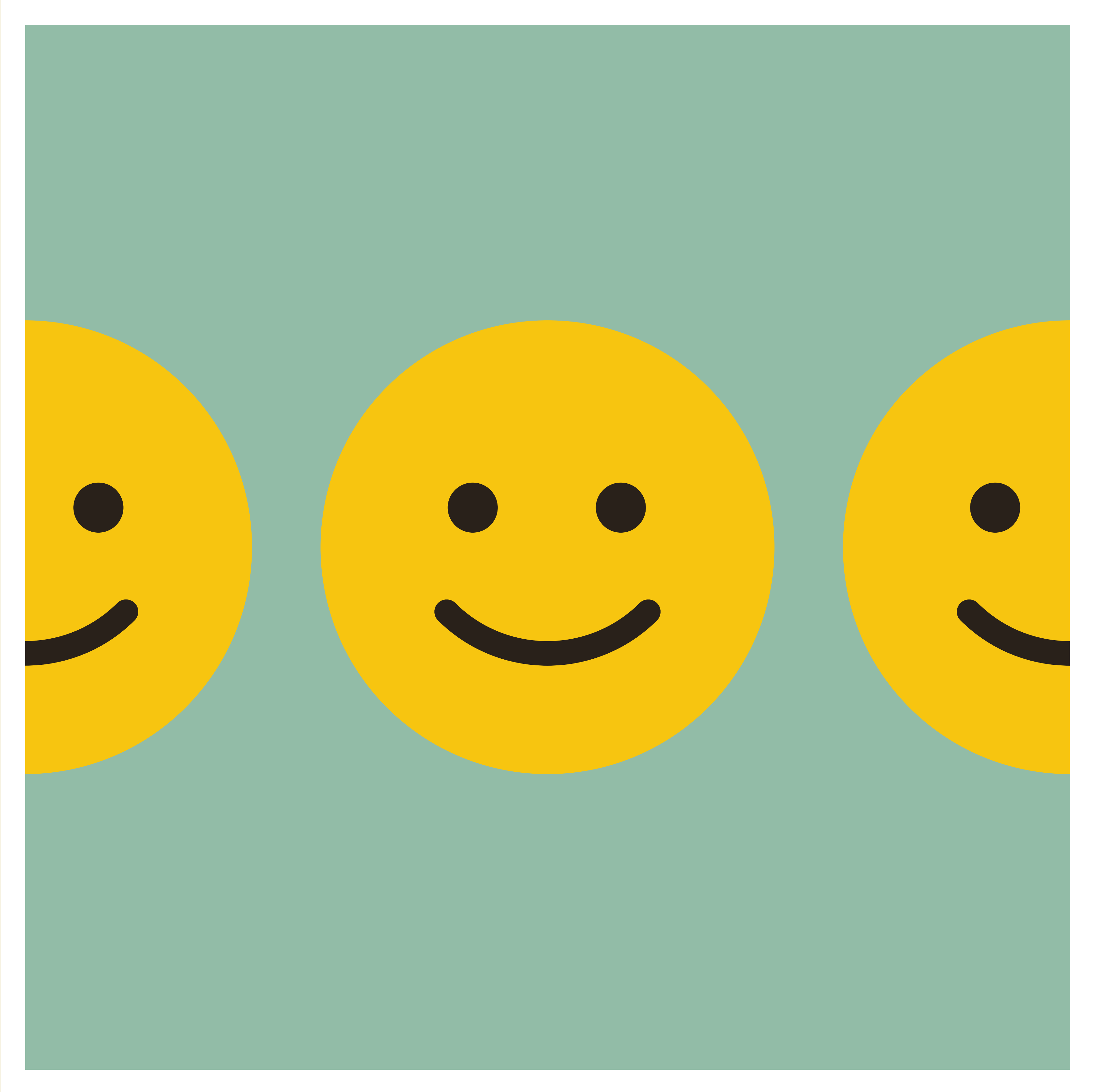
Michal joined CTP in 2015 to strengthen CTP's Finance team in the areas of acquisitions and financing. He earned a PhD at the University of Economics in Prague and an MBA in Manchester, UK. Before joining CTP, he worked in the corporate restructuring business. Michal is responsible for the finance and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

"YOU
NEED TO
TAKE STOCK,
REEVALUATE
PRIORITIES,
AND THEN
MOVE."

“WE HAVE TO TAKE CARE TO LEAVE A POSTITIVE, LASTING IMPACT.”

Jan-Evert Post
Head of Funding
Jan-Evert joined in July 2019 to support CTP's corporate governance. In this capacity he contributes to CTP's process of raising equity. Jan-Evert was CFO/COO of Humanitas, a prominent day care organisation in the Netherlands, and was previously a member of the management board at ING's real estate finance division. He holds a BBA and MBA from Nyenrode University, the Netherlands.

IN 2019
WE LAUNCHED
A FOREST RESTORATION
PROGRAM TO PRESERVE
ONE SQUARE METRE
OF FOREST FOR EACH
SQUARE METRE OF OUR
BUILT PORTFOLIO.
WE BEGAN WITH THE
PURCHASE OF A
1-MILLION-M² TRACT OF
FOREST IN THE CZECH
REPUBLIC AND PLAN
FURTHER PURCHASES
OF FOREST LAND IN THE
COMMUNITIES AND
COUNTRIES WHERE WE
OPERATE.



Community is key
CTP sees itself as a part of the community in which we operate, and we see these communities as stakeholders in our shared future: local populations, city and regional administrations, our clients as well as our employees.

CTP colour palette
From Horseradish to Battleship, Dijon to Florida Peach, and Brick Red with Lime help make up the wide but unique CTP pallette.

Brand New

CTP is dead, long live CTP!
2019 was a year marked by massive changes for CTP. In March, CTP launched its 1023 goal—10 million m² by 2023. During the course of the year we expanded into the new market of Bulgaria; expanded in all of our existing markets to become #1 in all except Poland; finalised the largest refinance transaction in CEE history; announced our carbon neutral strategy; began BREEAM certifying our entire CEE portfolio; and launched an initiative to purchase and preserve one square metre of forest land for each square metre of built-up properties in our portfolio.

All of these initiatives strike at the heart of what CTP is. They reflect our core values, and during the year CTP decided it was the right time to reflect that more coherently in our outward face: to rebrand CTP to more closely reflect who we are.

CTP is entrepreneurial, responsive, and committed to quality, sustainability, and our communities. CTP has always been that way. The new brand was determined by these values and closely reflects what we do, why we do it, and how we do it. CTP hasn't changed, but we now have a brand that more clearly states our beliefs and plans.

The new CTP brand also shows that CTP is different. It is bold, innovative and unafraid to take calculated risks. At its core, CTP is made of exceptional people, and the new brand reflects the company's unique personality. It is approachable, it is not a corporate behemoth, but rather a welcoming partner happy to listen to your concerns. In short, the new brand is more human, just like CTP.

The primary emphasis in the new brand is that first and foremost, we are Parkmakers. The new ctPark logo was chosen as it demonstrates CTP on multiple levels. It represents a sustainable building surrounded by a calming green park, which is accessible to any who wishes to enter, and is a destination point. This is our core buisniess: the ctPark Network. Secondly, it represents a tree in a green field, connoting our commitment to sustainable development and desire for responsible growth. Thirdly, it represents a green dock leveler, showing that the future of industrial development, e-commerce, logistics and industrial production also strives to a low-energy future.

Because the ctPark Network is the core of our business, the new CTP logo demonstrates that the company is an intrinsic part of any ctPark development. CTP is at the heart of every development we make, surrounding it, taking care of it.

To further clarify what we do, the brand has expanded to categorise the various ctParks that we create. The ctPark logo is used for our industrial parks further away from cities; the new ctZip park is defined by being nearby cities and large urban agglomerations, where we include a variety of building types, community centres and are flexible to cater to changing city logistics trends.

Inside major urban areas, CTP develops urban office hubs, which are unique to that location, incorporate its traditions but most importantly are connected to the surrounding community.

All four new logos are connected by the same simple visual language and demonstrate their park-like nature and our commitment to sustainable development wherever we build a new park.

As online communication is becoming increasingly important, CTP introduced a new element to our social media sites and posts. The 'by CTP' logo is used to attribute events, information and posts from our employees as supported by CTP. Each of our employees has a different voice, and they can use 'by CTP' for social media posts, knowing they have the backing of the company. It can also be used in 'guerrilla marketing' campaigns, on our car fleet and other outdoor campaigns. Google it to find out how effective it is.

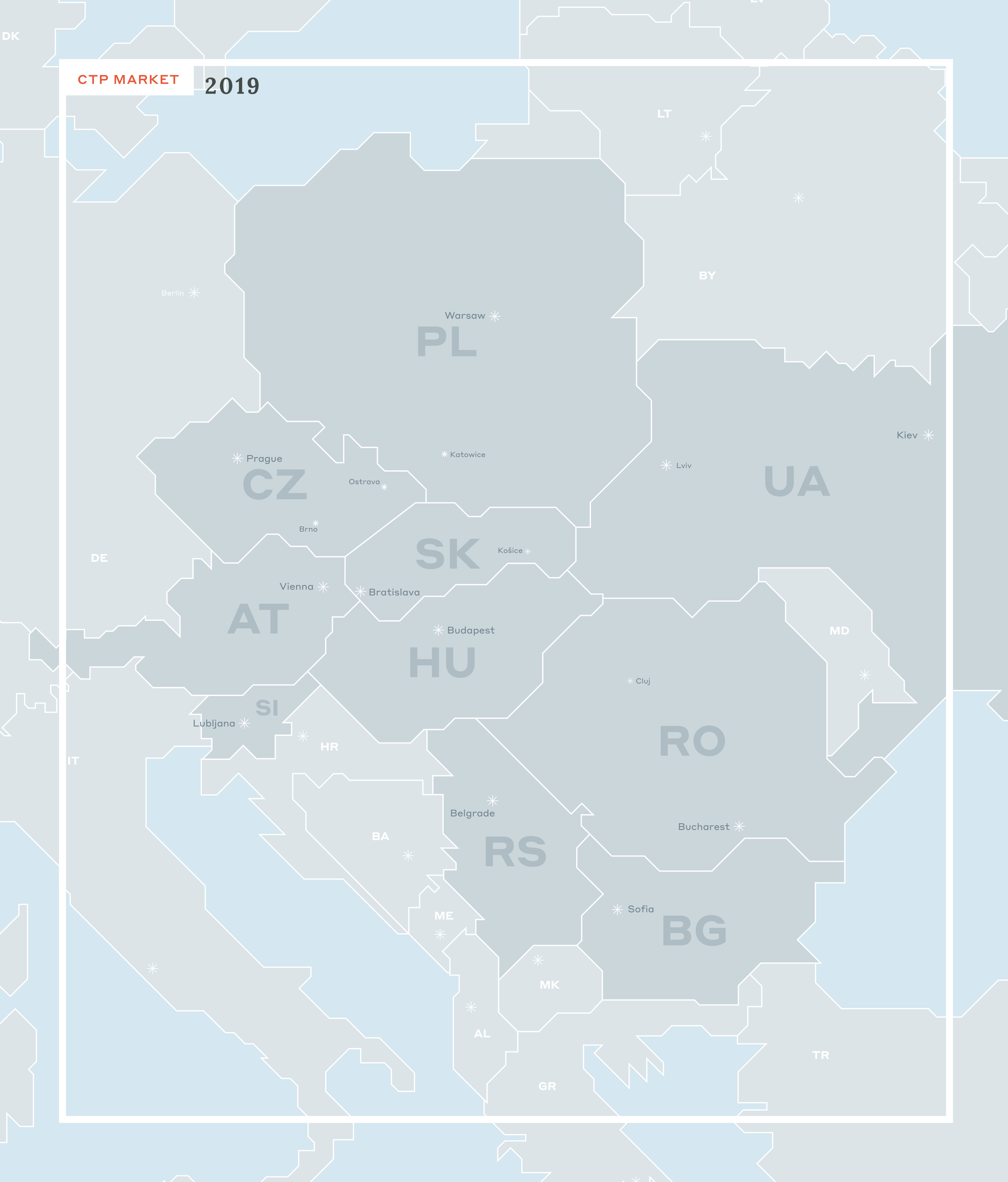
CTP has not changed; we just pivoted the angle from which the world can see us.

In the end, the new brand now closely aligns with CTP's original vision, represents our core company values, and is refreshing, friendly and unabashed about itself. It expresses confidence without arrogance, action but not aggression, and the company's commitment to sustainable development in cooperation with the communities where we live and operate and whom we most closely serve.

It's who we are.
It's what we do.
We are Parkmakers.

ctPark rebrand
During the rebrand we created a new characterisation of our parks: from our large parks far from major city centres, to the new **'Zip'** parks, which are located on or just inside the periphery of major urban centres, and our inner city **ctHub** office parks.

by ctp. signature
We introduced a new 'signature' logo for use on social media sites. Uniquely CTP, it was specifically created for use by all CTP employees, giving them a simple way to show the real people behind the company. It also makes it easy to find all CTP's social media posts through a simple web search.



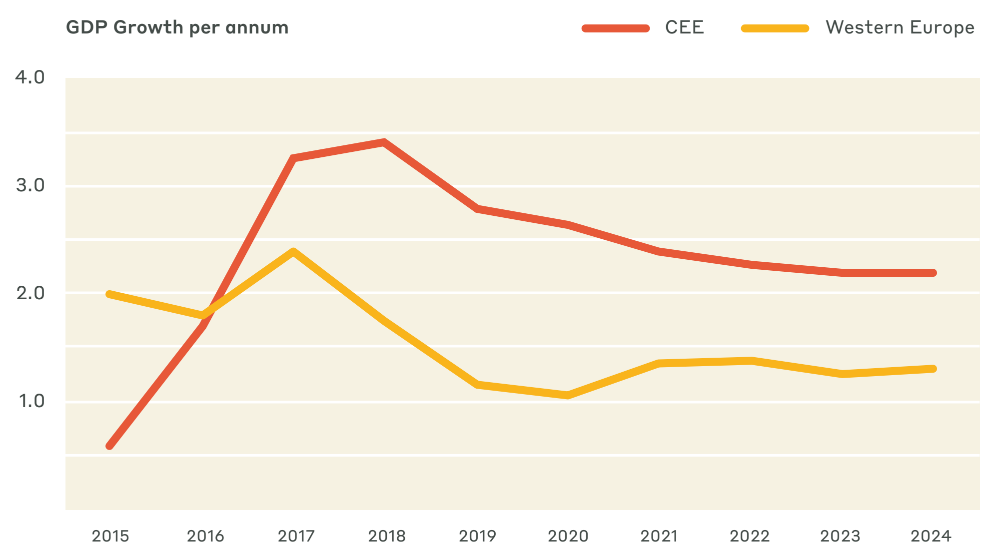
The Market

Overview of the European market

Between 2008 and 2018 the EU's GDP grew by over 13.5%, recording an all-time high value of over EUR 14.5 trillion by the end of 2018. GDP grew a further 1.5% in 2019 and at end-year had been forecast to increase 1.8% in 2020. While Germany remains the economically strongest country amongst the EU member states, Poland, Hungary and Slovakia are among the countries with the most dynamic growth rates. Between 2008–2018, the Polish economy grew by almost 40%; in Slovakia the economy grew by 25% during the period.

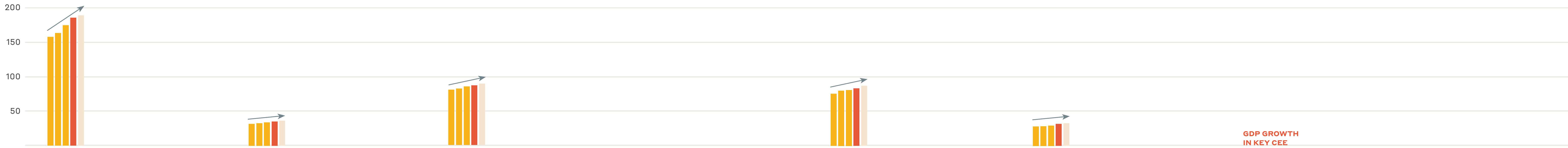
Following China and the US, the EU is the world's third-largest trading bloc, accounting for 28% of global trade. The majority of the EU's exports are destined for the US, and most imported goods arrive from China, making the world's two largest economies the EU's most important trading partners.

A strong economic situation and dynamic world and intra-EU trade are expected to lead to an increase in demand for freight transport. Eurostat forecasts that demand for freight transport in continental Europe will almost triple between 2010 and 2050. Over the next decade alone the EU is expected to experience a 22% rise in freight activity.



GDP GROWTH COMPARISON (in %)
The central European region has historically outperformed western Europe in terms of GDP growth rates, and that trend is expected to continue for the forseeable future.

Market snapshot



GDP GROWTH IN KEY CEE MARKETS 2015-2020 (in EUR billions)

CZ

Economic overview

→ The Czech Republic has one of the highest GDP growth rates in Europe, with unemployment rates significantly below the European average.

→ The economy is currently in a transitional period to a higher value-added growth path due to a rise in labour costs.

→ The country is a prime beneficiary of the extensive and increasingly interconnected trade activity across Europe and Europe's largest economy, Germany. The manufacturing industry (26% of GDP) looks set to continue benefitting from it's strategic location at the heart of Europe.

→ In a global study comparing the suitability of locations for global manufacturers to expand in or relocate their operations, the Czech Republic places fifth overall and first in Europe.

Logistics market overview

→ High demand for new occupancies at existing and under-construction properties resulted in the highest value of prime rent in the past three years, reaching EUR 4.25 per square metre per month at the start of 2019.

→ Total industrial stock in the Czech Republic exceeded 8.0 million m² at the end of Q2 2019 (owner occupied schemes excluded).

→ Greater Prague, with over a third of total industrial stock, dominates the market followed by the Plzen region (14%) and South Moravia region (13%). The highest rate of growth of industrial stock in the last three years has been recorded in the secondary regions.

RO

Economic overview

→ GDP in 2019 outpaced the previous year for the 9th consecutive year, recording an increase of 4.2%, among the highest in the EU.

→ Private consumption and e-commerce penetration remains consistent, which alongside double-digit year-on-year wage growth has further fuelled demand for logistics space to satisfy an expanding retail sector throughout Romania.

→ The demand for logistics as well as traditional industrial facilities is increasing – with new stock also set to grow considerably by 2023, if planned infrastructure projects commence and fiscal policies remain unchanged.

Logistics market overview

→ The logistics market recorded a healthy result in 2019 overall, albeit slightly less robust than the exceptionally strong 2016–2018 period.

→ Romania's recent development as a logistics destination is reflected in the dynamic development of prime rents in recent years. At the end of the 2018 rents had reached EUR 4.25 / square metre; however this reduced in 2019 to reflect the stabilisation of market conditions following the surge of demand in the preceding three years.

→ Further yield pressure will be evident from the reduced availability of Grade-A investment product over the next 18 months, as the best properties are gradually transacted.

HU

Economic overview

→ Hungary has forged a strong reputation for its advanced and diversified market economy. GDP growth reached 4.9% in 2019.

→ Domestic consumption continues to rise due to rising wage growth, which is expected to continue in 2020.

→ Industrial output grew 4% year-on-year in 2019.

Logistics market overview

→ Prime rents in Hungary are increasing at a rapid rate due to strong occupier demand, record low availability of existing stock and limited new supply in the short-term. Headline rents at end-2019 stood at EUR 4.75/square metre per month for new, built-to-suit developments. In the Greater Budapest area, year-on-year rental growth of 17.5% has been recorded due consistent demand from the logistics sector.

→ Approximately 80% of modern logistics stock in Hungary is located around the Budapest Metro Area, predominantly along the M0 ring road whereas production facilities are spread out throughout the country.

→ Hungary's extensive road network is ranked the highest in CEE in terms of length and density, mainly due to its location at the centre of the Helsinki Corridors and along the main Ten-T Network routes.

SK

Economic overview

→ Slovakia continued to post strong GDP growth in 2019, expanding 2.3% year-on-year. The rate of growth slowed compared to 2018, when year-on-year growth reached 4.1%

→ Unemployment fell to a historically low level of 5.4% in May 2019 and there is almost full employment in Bratislava and the other western regions of the country.

→ The economy benefits from its qualified and comparably low-cost labour force, which attracts numerous corporations from the automotive and other industries opening subsidiaries in the country. The automotive sector represents about 45% of the total industrial sector.

Logistics market overview

→ Slovakia benefits from location in the centre of Europe, with proximity to eastern and western markets. Bratislava is by far the country's largest logistics hub.

→ Slovakia's rise as a popular logistics destination is reflected in the dynamic development of prime rents. At the end of the first half of 2019 prime rents reached EUR 3.90 / square metre, which not only represents a 10-year high but reflects a growth of 5% compared to the end of 2018.

→ Due to the high demand for logistics space in Slovakia, take-up numbers have developed dynamically in recent years. With a take-up of almost 350,000 square metres in 2019, the total value of 2018 was far outpaced. 2019 also reflected a record in terms of take-up in the first two quarters of the year.

RS

Economic overview

→ Serbia has experienced a decade of strong economic growth, driven by a mix of growing domestic consumption, strong FDI inflows and improved infrastructure and public financing.

→ Robust GDP growth continued in 2019, with strong quarterly increases throughout the year. Annual GDP growth is expected to reach 3.8% and is projected to grow an additional 4% in 2020.

→ There is a strong increase in FDI in the construction sector (40% year-on-year growth in 2019).

Logistics market overview

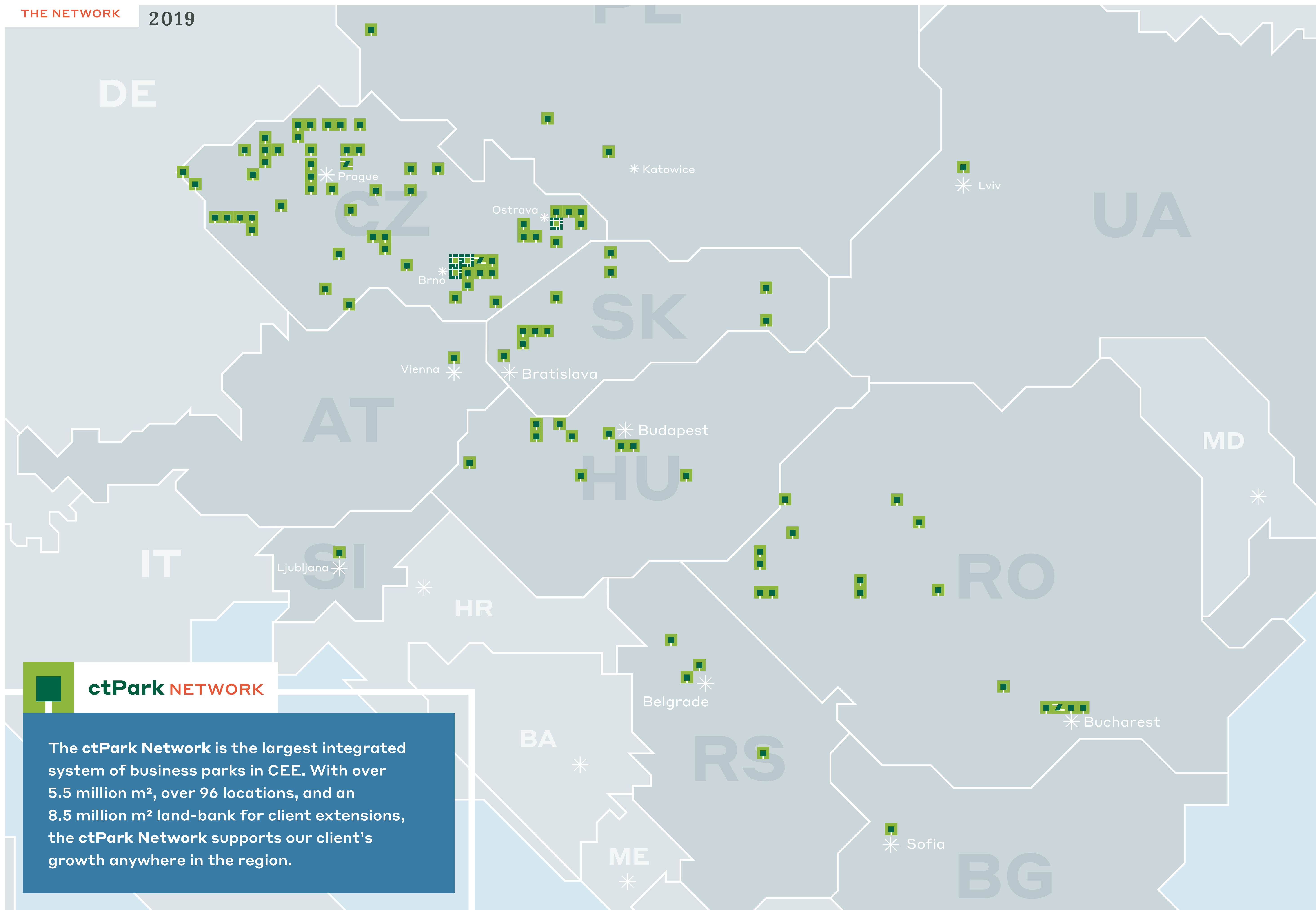
→ The development of the logistics sector is fast catching up with regional neighbours, driven by Serbia's strong economic performance and the thriving construction sector.

→ Prime rents and yields are becoming more competitive, reflecting investor appetite for both manufacturing and logistics facilities in Serbia (however this is off a relatively low base compared to more developed markets in CEE such as Prague and Warsaw).

→ Prime rents are currently at approximately EUR 4.5 / square metre, while yields have compressed year-on-year by approximately 100 bps to 9.5% and 10% respectively for logistics and light industrial facilities.

Disclaimer:
Any forward-looking projections herein were made based on the market situation prior to the onset of the Covid-19 crisis in Europe in March 2020.

THE NETWORK 2019



ctPark NETWORK

The **ctPark Network** is the largest integrated system of business parks in CEE. With over 5.5 million m², over 96 locations, and an 8.5 million m² land-bank for client extensions, the **ctPark Network** supports our client's growth anywhere in the region.

The Portfolio

ctParks

Czech Republic
Aš
Blatnice
Blučina
Bor
Brno
Brno Líšeň
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
Prague Airport
Prague East (Zip)
Prague North
Prague West
Přeštice
Stříbro
Teplice
Teplice II
Ústí nad Labem
Zákupy
Žatec
Žatec II

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

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

Poland
Iłowa
Opole
Zabrze

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

Serbia
Belgrade North
Belgrade West
Kragujevac
Novi Sad

ctHubs
Ponávka
Vlněna
Spielberk
IQ Ostrava

Key: ctPark ctZip ctHub

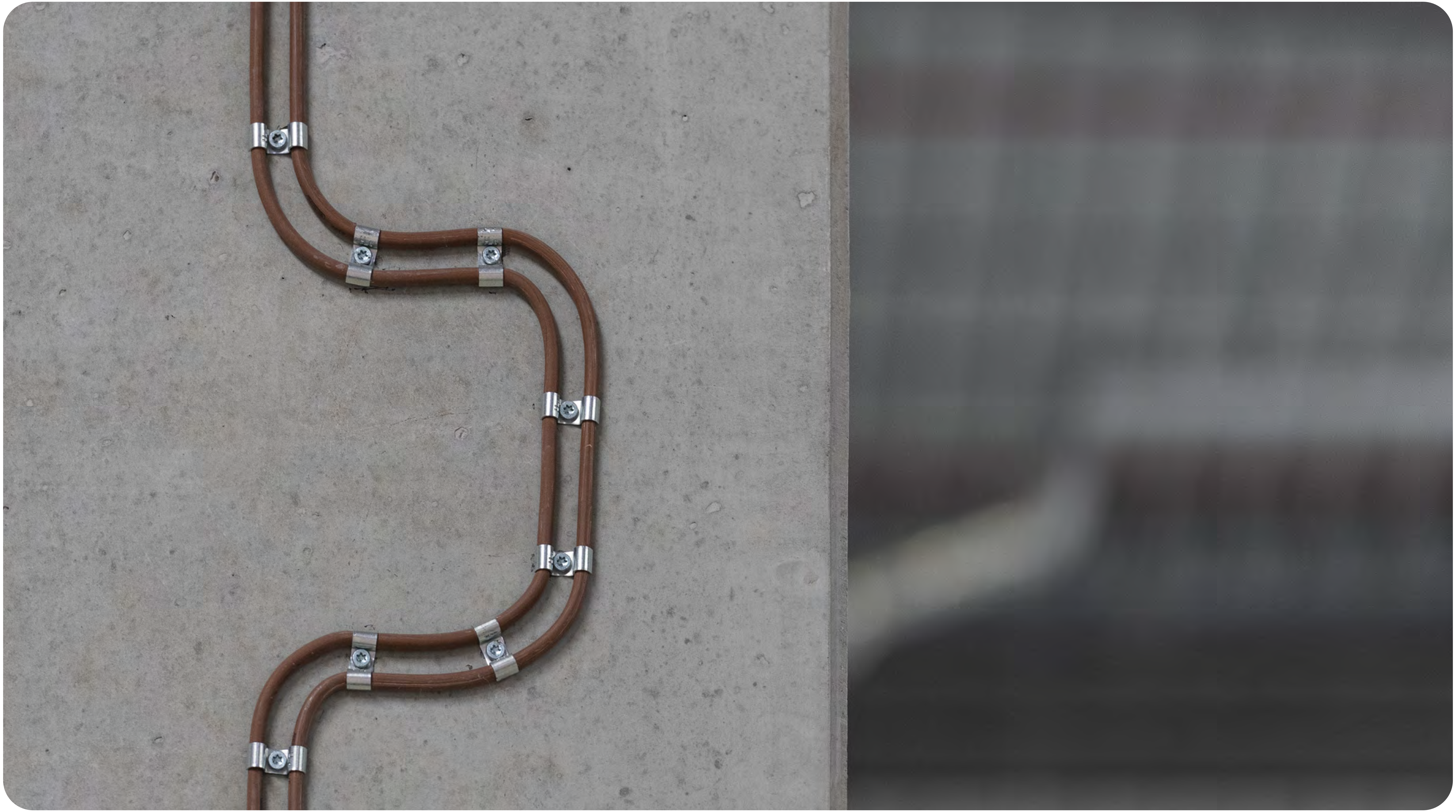
Building is our bread and butter
CTP's success is grounded in our business model. We act as in-house general contractor to all construction projects, covering all phases of the development process from design to handover. Our highly experienced construction experts know what our clients need and how to get the job done on time and on budget. Over the past 18 months, we have grown our portfolio by one million m²—mostly from own construction. We were born to build.

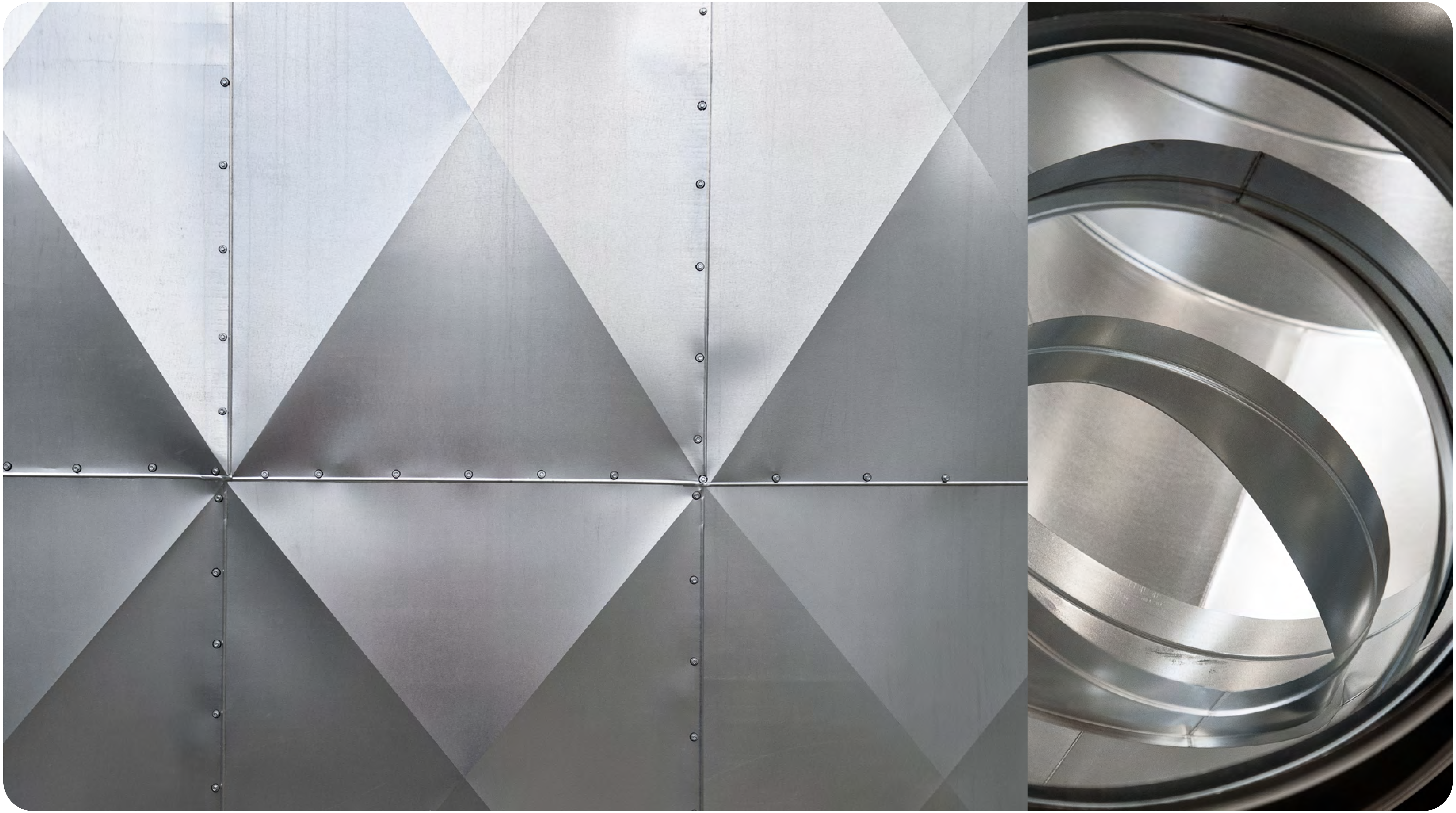
THE GRAND TOUR

A tour of CTP's Portfolio

Construction is in our DNA. CTP is unique on the market because we have an in-house team to handle all aspects of the construction process, including design, permitting & engineering, as well as experienced project managers. CTP acts as the general contractor and maintains a network of trusted and vetted suppliers, providing certainty to our clients that their project will always be built on-time and on budget.


3





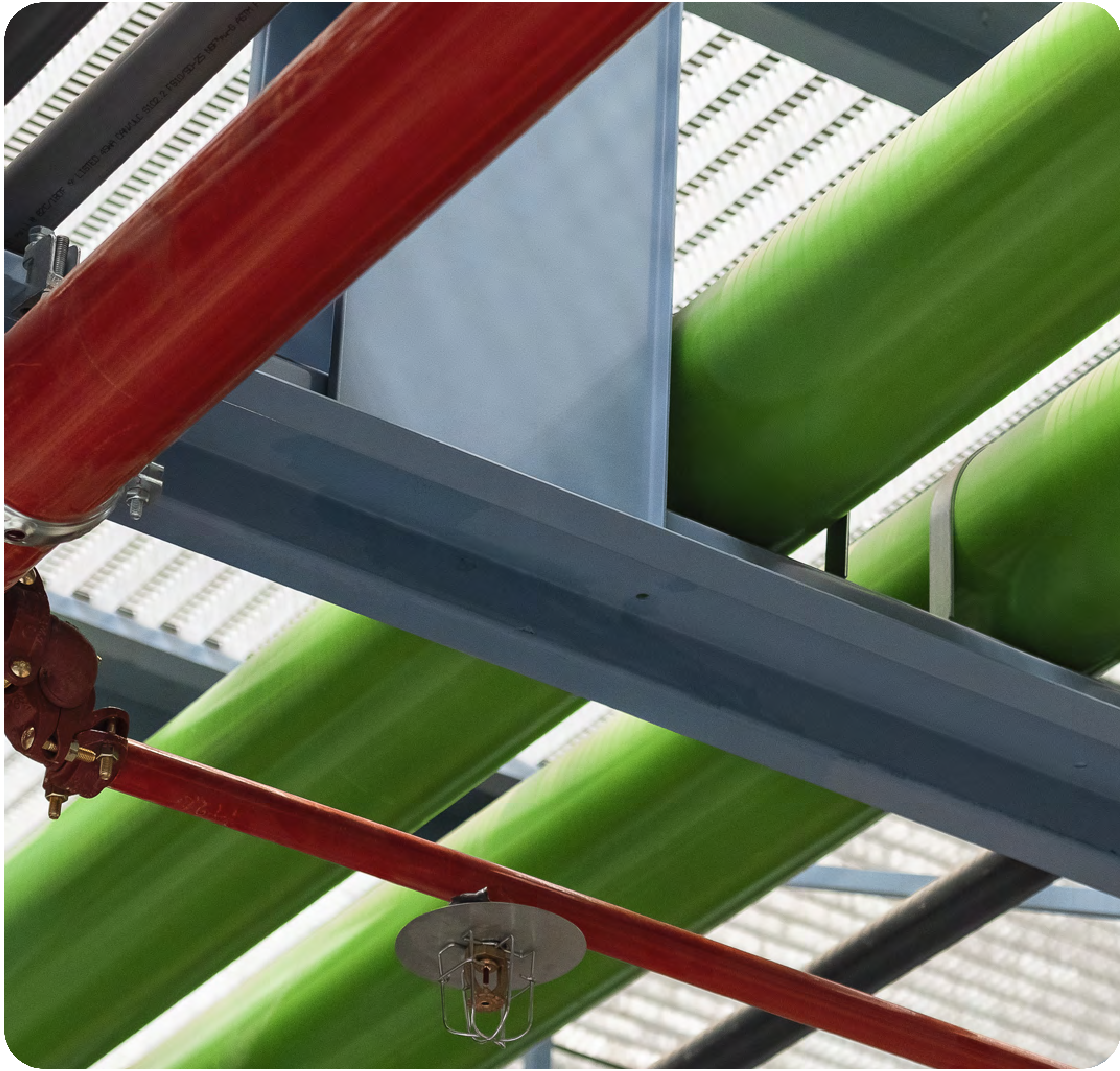

OPEN

Plug-n-Play Part of the value-add that CTP brings to the development process is that we have the in-house resources to design and build even the most complex and demanding requirements. We invest the time up front to understand our clients' needs so that when it comes time to install specialised technology, clients can simply plug-n-play.

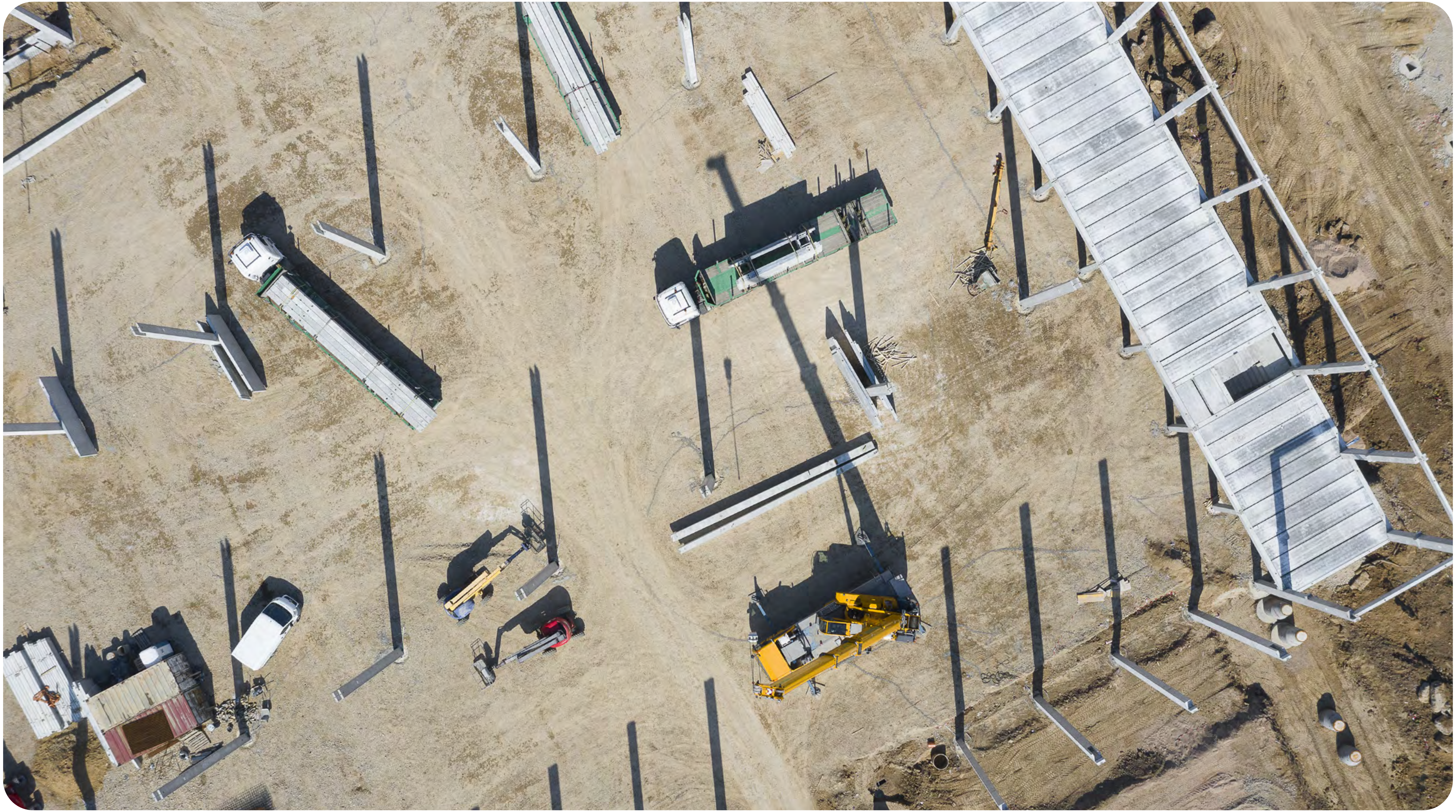
Water management
CTP understands the impact our developments have on the surrounding communities and environment. Large buildings alter water absorption and runoff patterns. Where appropriate, we build large water containment pools or holding tanks that mitigate the impact on local hydrological conditions. We continue to collect rain water for use in sprinkler systems, and for landscape irrigation, and we reuse greywayter for internal systems.

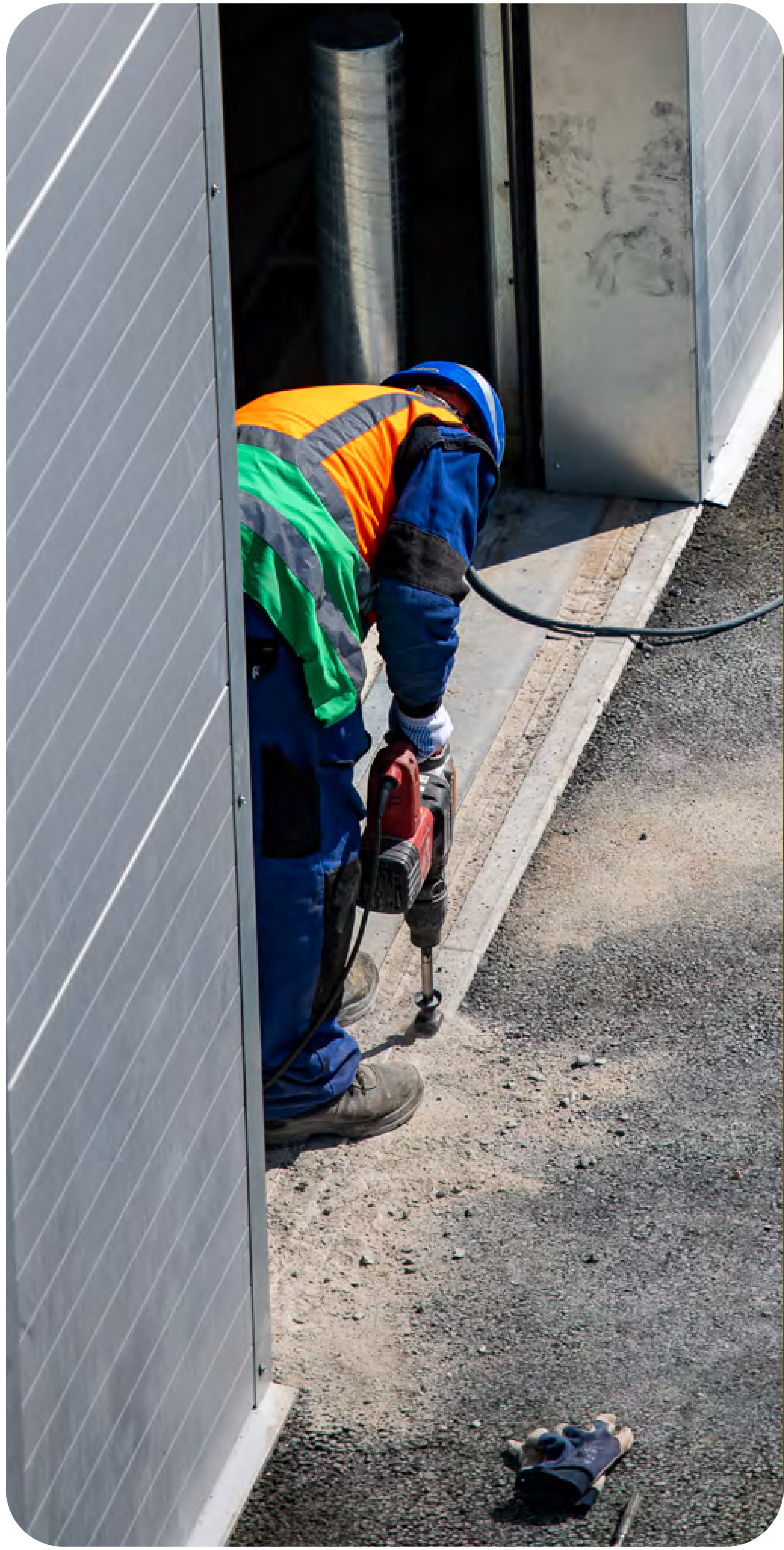
Parkmakers

A key part of what makes ctParks unique is the effort we put into creating a 'park' environment. All new parks are masterplaned with ample landscaped areas, including natural grasses, shrubs and of course trees. To keep them healthy, we install beehives to pollinate the various species. With pedestrian and bike paths, employees can take a refreshing break for some exercise, enabling a healthy lifestyle and a more enjoyable—and productive—workplace.




KEE KLAMP

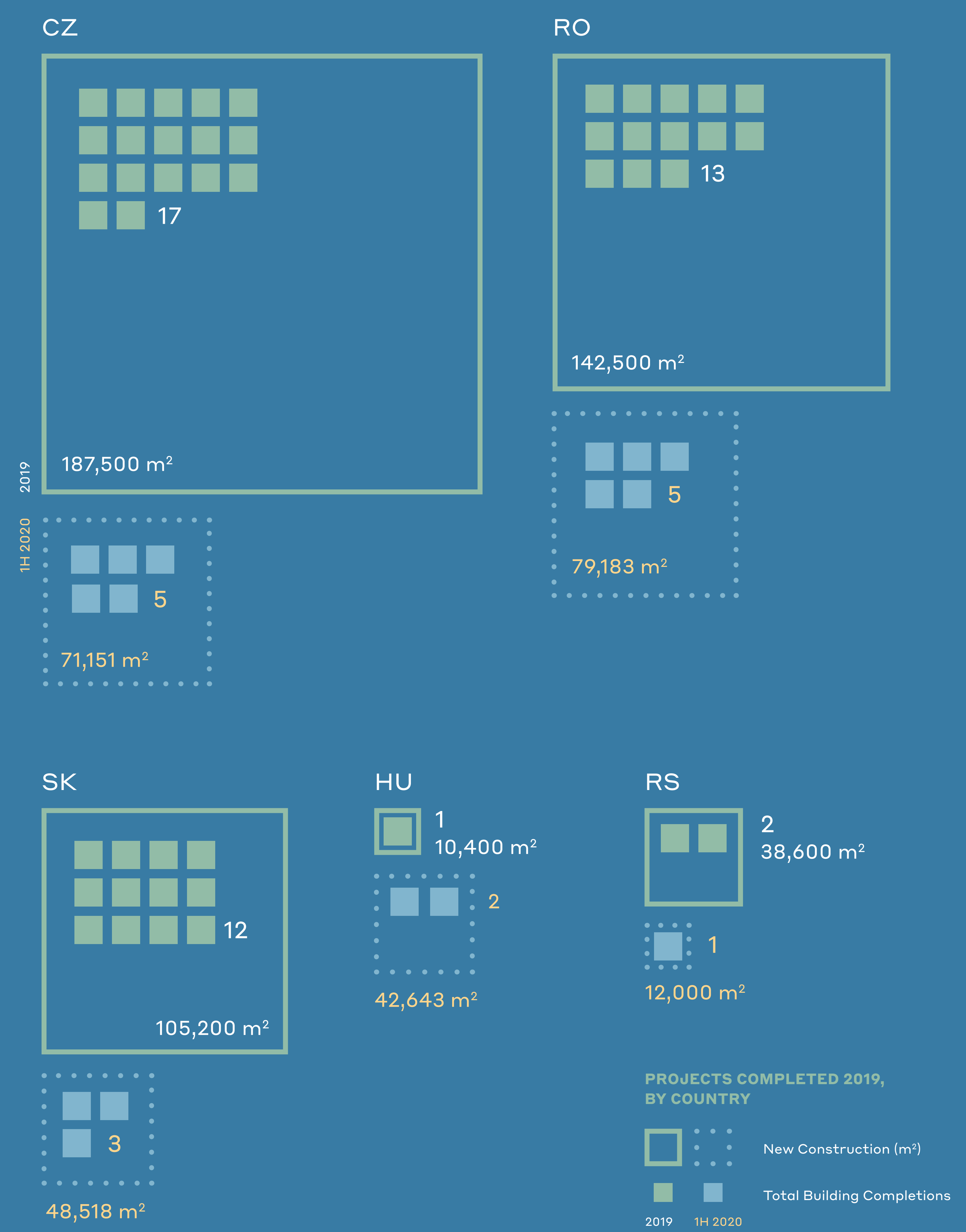





1769xC


GYSMATIC


Landscaping makes a difference
Business isn't only about bottom-line numbers: it's the people and their quality of life at the workplace that makes the difference. This is why CTP is a market leader in developing natural landscaping at all our parks and office developments. Landscaping with native trees, shrubs and grasses is not an after-thought or merely décor: it is part of the master plan of each our developments. Supporting the well-being of our clients' employees helps us to support our clients' business.



Country Highlights

2019 was a year of expansion for CTP throughout the region. We grew our portfolio in each market significantly and managed to become the market leader in both Serbia and Slovakia during the year by staying in close contact with our clients, attending to their expansion needs and swiftly capitalising on market trends. Most expansion during the year took place in the Czech Republic, where we have a much larger client base compared to our other markets, and we grew significantly in both Romania and Slovakia. In total, we delivered 45 new buildings during 2019 and at the end of the year had nearly 750,000 m² under construction, of which 720,000 m² is to be delivered in 2020.

David Chládek
Construction Director, Czech Republic

“We remain on plan to achieve strong growth in 2020.”

Czech Republic
CTP is the long-term market leader in the Czech Republic, with nearly 3.4 million m² of leasable space. In 2019 the Czech team completed 17 new buildings covering nearly 190,000 m² of space.

David Chládek, Construction Director, Czech Republic: “Highlights from 2019 include the construction of 17 new buildings for existing and new clients across our Czech portfolio, including a 20,000 m² extension for Primark and a 24,000 m² facility for LSG Sky Chefs (part of Lufthansa). During the year we acquired two new strategic sites in Brno (Líšeň) and Ostrava (Poruba) and built and leased 80,000 m² of new space in Ostrava.

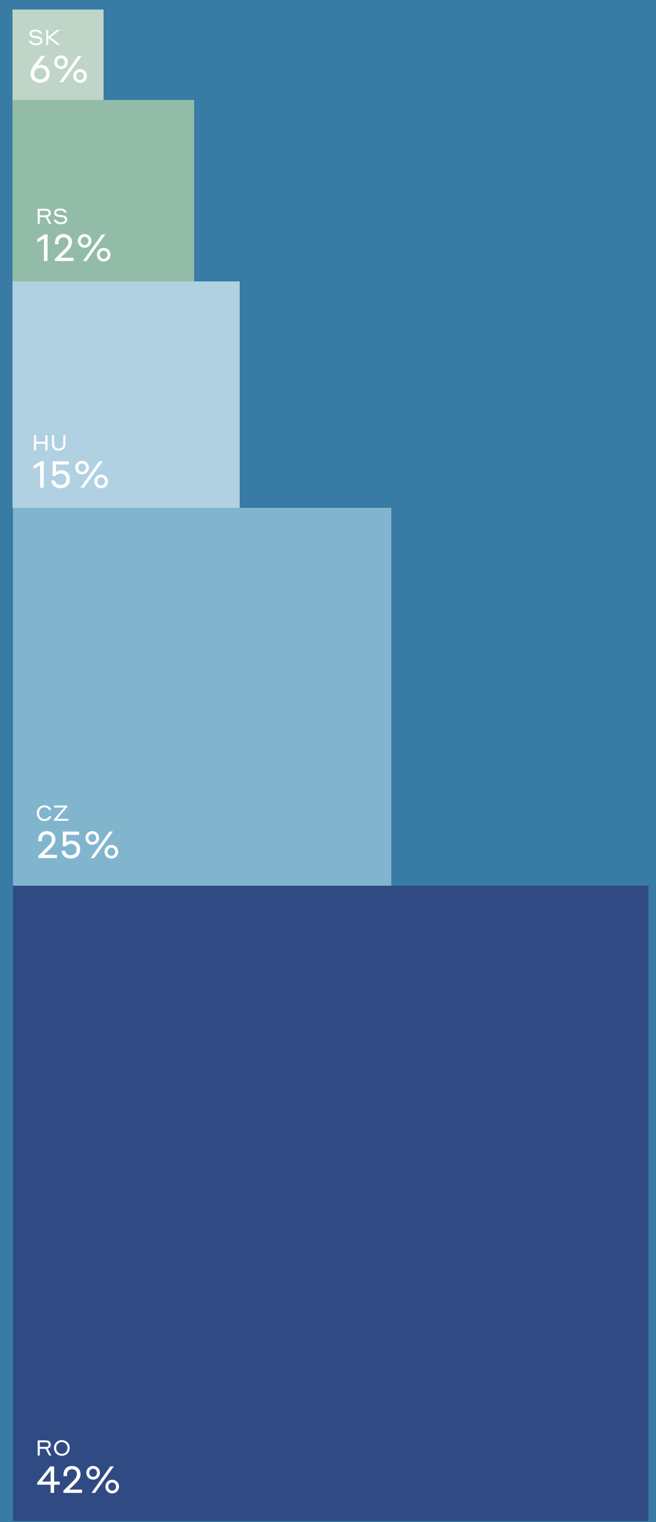
“We successfully renegotiated most of our expiring lease agreements in 2019 and extended cooperation with our existing tenants. During the year we recorded a growing interest among existing tenants to prolong cooperation even before the expiry of lease agreements.

“At end-2019 our occupancy rate was above 96%, with rental income in line with expectations. We stabilised and strengthened our Moravian industrial development team during the year and established a new position of Regional Director for western Bohemia, with responsibility for ctPark Stříbro, ctPark Bor, ctPark Cheb, and ctPark Aš.

“In 2019 we launched BREEAM certification for our entire industrial portfolio, including BREEAM Outstanding for new office developments and WELL certification for new office and housing projects, as applicable. We expect to complete certification by 2H 2020.

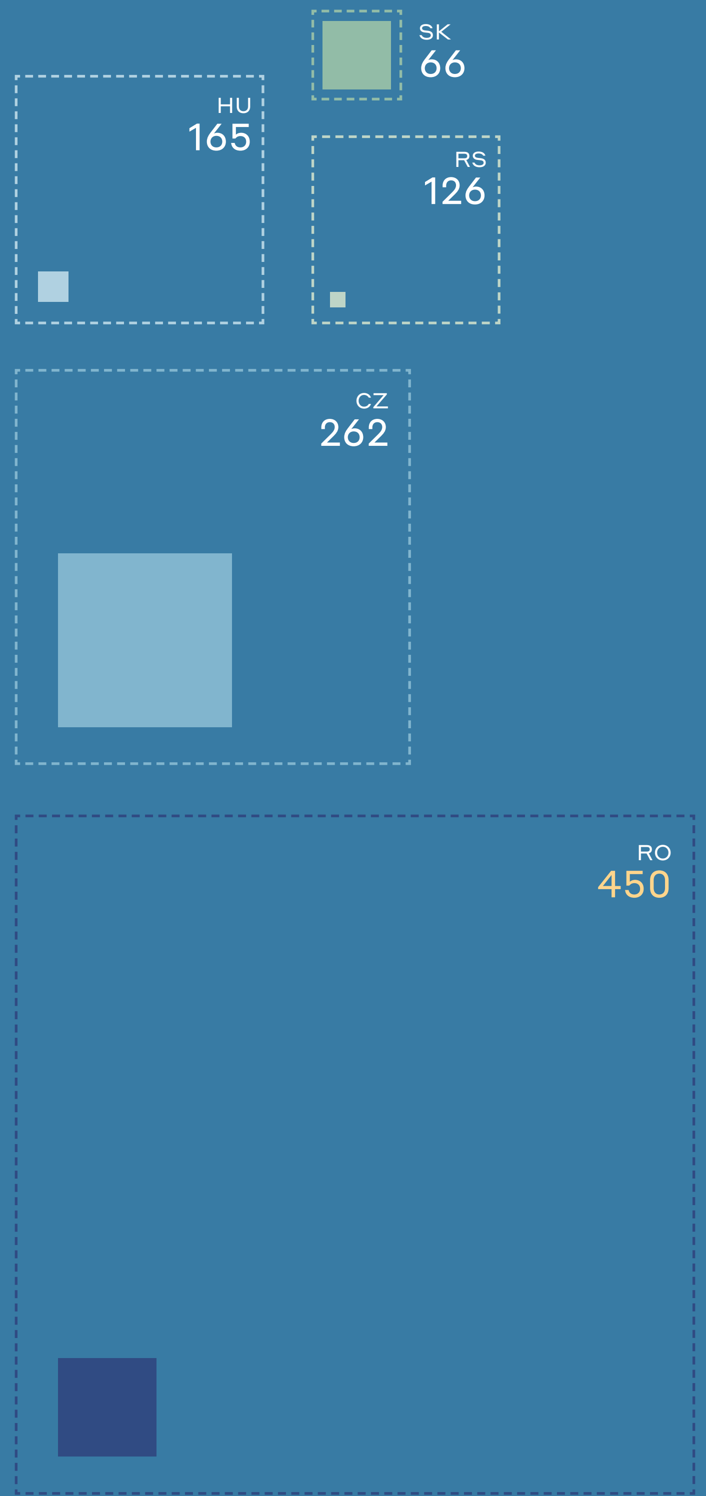
“Looking ahead, in 2020 our priorities include starting construction at our new ctPark Aš, which includes investment in new infrastructure—such as road connections and utility lines—as well as new office and residential projects in Brno (Vlněna, Domeq) and phase two of our successful IQ Ostrava office centre. We are also looking to grow our premium land-bank throughout the country, particularly in Brno and Ostrava.

“We remain on plan to achieve strong growth in 2020 with the delivery of 19 new buildings in the pipeline for a total of nearly 300,000 m² of new facilities.”



PLANNED GLA GROWTH 2020, BY COUNTRY
At the end of 2019, CTP had over 700,000 m² under construction, with 70% of all planned growth to take place in markets outside the Czech Republic.

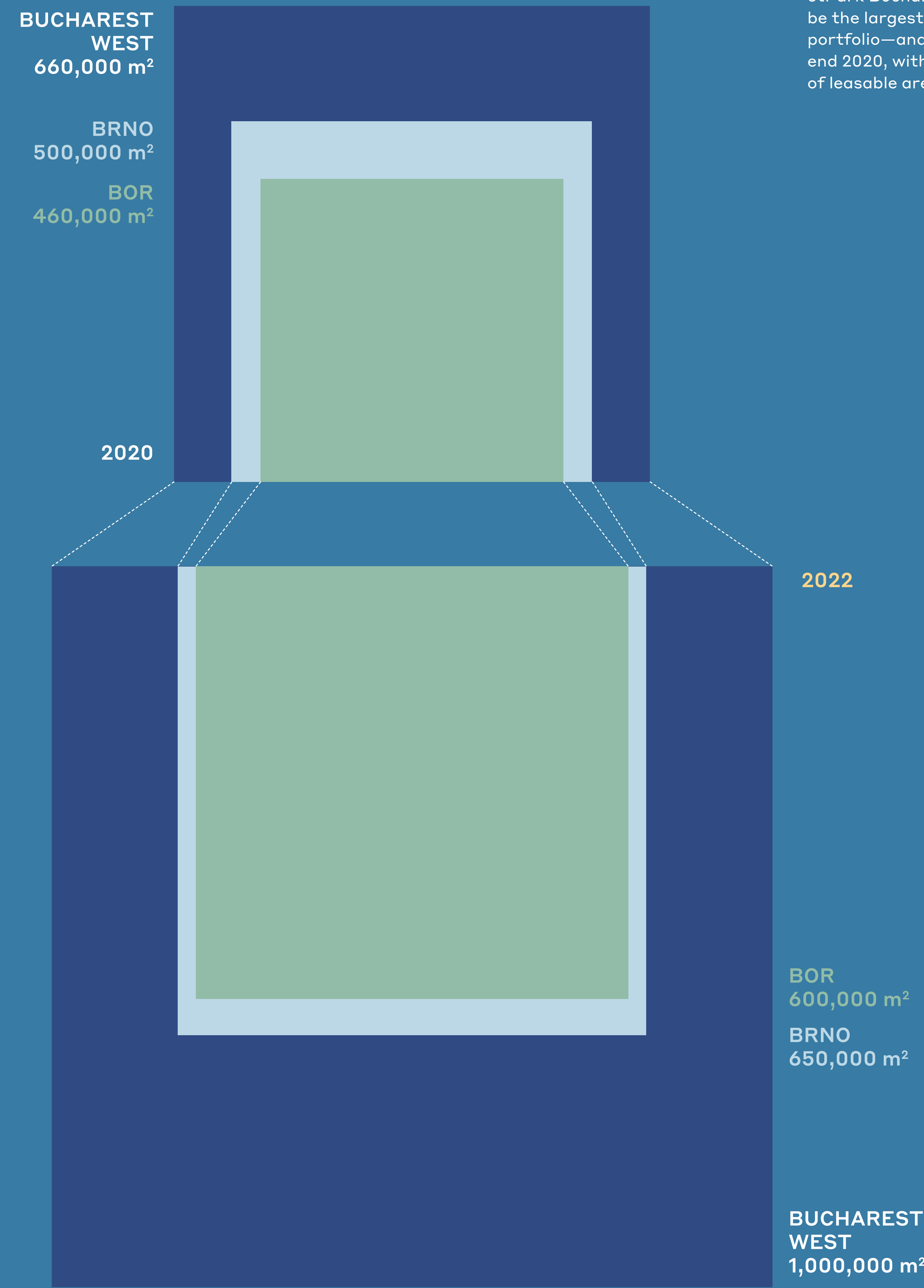
979,190 m²
Overall



ACTUAL & PLANNED GROWTH 2020 ('000 M²)
High growth rates in new markets reflect CTP's ability to get up and running quickly and become market leader, as seen in Serbia where we plan to grow over 300% in 2020.

1H 2020 Planned 2020

LARGEST PARKS IN PORTFOLIO
ctPark Bucharest West will be the largest park in our portfolio—and all CEE—by end 2020, with 660,000 m² of leasable area.



Stanislav Pagáč
Regional Director
Slovakia

Slovakia
CTP became the market leader in Slovakia after a strong year of growth in 2019. The team in Bratislava added over 100,000 m^2 of new space to the portfolio with the delivery of 12 facilities during the year.

Stanislav Pagáč, Regional Director, Slovakia: “At-end 2019 CTP became the leader on the Slovak industrial market with total leasable area of over 420,000 m^2. We recorded strong growth in Trnava, extended our footprint in the east of the country including new parks in Prešov and Košice, and acquired new land plots in strategic locations to support future growth.

“During 2019 we launched environmental and sustainability assessments of our entire portfolio under the BREEAM certification standard. The project is expected to be completed by mid-2020. As part of our sustainability efforts in 2019 we continued our tree-planting initiative throughout the portfolio and continued to investment in new sustainable infrastructure.

“Based on our current pipeline, CTP is well positioned to capture at least 25% of the expected demand for new facilities in 2020. Challenges include new administrative development fees and higher taxation rates for real estate, both of which place pressure on cash flows. We are in negotiations with the authorities concerning long-term development permits and will manage efficiently the changes to the tax regime.”

Ana Dumitrache
Country Head
Romania

Romania
CTP is the market leader in Romania with over 1.2 million m^2 of leasable space. The team in Bucharest delivered 13 new buildings in 2019 totalling over 140,000 m^2.

Ana Dumitrache, Country Head, Romania: “Among our accomplishments in 2019 was the lease of around 250,000 m^2 of space throughout our portfolio in Romania, as well as seeding the pipeline for 2020.

“At end-2019 the size of CTP’s Romanian portfolio reached 1.2 million m^2 through organic growth and also by acquisitions, including several projects totalling around 130,000 m^2 on the western side of Bucharest next to ctPark Bucharest West. Significant lease agreements signed during the year include retailer Profi, which signed for a 65,000 m^2 expansion of their facilities at ctPark Bucharest West.

“Another big achievement is that during 2019 we started to receive our BREEAM Very Good green certificates and we continue to do so, with the expectation to complete certification of our entire portfolio by end of 1H 2020. CTP is the only developer of light industrial and logistics properties in Romania with BREEAM certification of all buildings.

“We remain the market leader in Romania in terms of gross leasable area, but the market is tough with reputable players and the overall feeling is that it is getting more mature, also by becoming more professionalised and by welcoming new players.

“Looking ahead to 2020, we are on plan to grow our Romanian portfolio by over 160,000 m^2, with the delivery of six projects currently in the pipeline.

“2020 will also bring further consolidation of our team, which is one of the best real estate teams in the country, gathering professionals in construction, finance, legal, controlling and accounting. Leasing remains our favourite game, and we are up to the challenge of both delivering what we have signed last year and getting the pipeline for 2021 ready as we look toward the future.”

David Huszlicska
Business Development Director
Hungary

Hungary
At end-2019 CTP was actively building six new facilities in Hungary with a combined total of over 150,000 m^2. While representing only 2% of CTP’s total portfolio growth at end-2019, properties in Hungary total over 450,000 m^2.

David Huszlicska, Business Development Director, Hungary: “In 2019 CTP showed strong financial results in Hungary. Rental income increased 28% year-on-year, and during the year we signed new financing agreements with our long-term financial partners for a total value of EUR 91 million. We continue to maintain excellent relationships with all banking partners, including RBI, UCB and Erstebank. During 2019 we also undertook internal reorganisations to streamline financial and tax management activities.

“Based on our pipeline at end-2019 we expect to deliver six new buildings totalling over 150,000 m^2 in 2020.”

Vlatko Djuricek
Country Head
Serbia

Serbia
CTP recorded strong growth in 2019 in Serbia, growing the portfolio by 40,000 m^2. At end-2019 the team in Belgrade were overseeing the construction of multiple new projects with the expectation to grow by over 150,000 m^2 during 2020.

Vlatko Djuricek, Country Head, Serbia: “In 2019 we launched and completed two large-scale, new-build projects totalling over 40,000 m^2. This included a 13,000 m^2 extension at ctPark Belgrade West for two tenants and the launch and completion, in record time, of a new EUR 20 million custom-built facility for Yanfeng Automotive Industries at ctPark Kragujevac.

“In 2020 CTP is poised for strong growth in Serbia with the launch of what will be, at completion, the largest industrial park in Serbia, ctPark Belgrade North. The 15.3 hectare land plot is located 20 km from Belgrade’s city centre on the A1 motorway, with strategic access to the city of Novi Sad. This large logistics/distribution centre will comprise three separate buildings totalling over 70.000 m^2 of modern, A-class industrial space. The first tenant move-in is expected in Q3 2020.

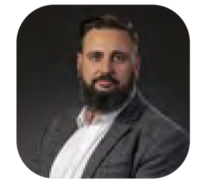
“In 1H 2020 CTP will also welcome its first tenant to ctPark Novi Sad—BMTS, a leader in the manufacture of turbochargers for engines. Total investment in the new, custom-built, 24,350 m^2 production hall is expected to reach EUR 50 million. A considerable part of the investment is for R&D activities. In total BMTS expects to create up to 500 new jobs in Novi Sad.”

Anna Piasecka
Deputy Country Manager, Poland

Poland
In 2019 CTP strengthened its Polish presence with new hires and the expansion of its Business Development team.

Anna Piasecka, Deputy Country Manager, Poland: “In 2019, the Polish warehouse and logistics sector was characterised by high levels of supply and demand. During the year CTP strengthened its focus in the Upper Silesia and Opole regions, and we recorded increasing demand for our ctBox urban logistics solution throughout the portfolio.

“Two significant land purchases in Zabrze, near Katowice, totalling over 23 hectares, will enable us to significantly expand our presence in Poland in 2020 and beyond.”



Vladimir Gurdjieff
Country Manager
Bulgaria

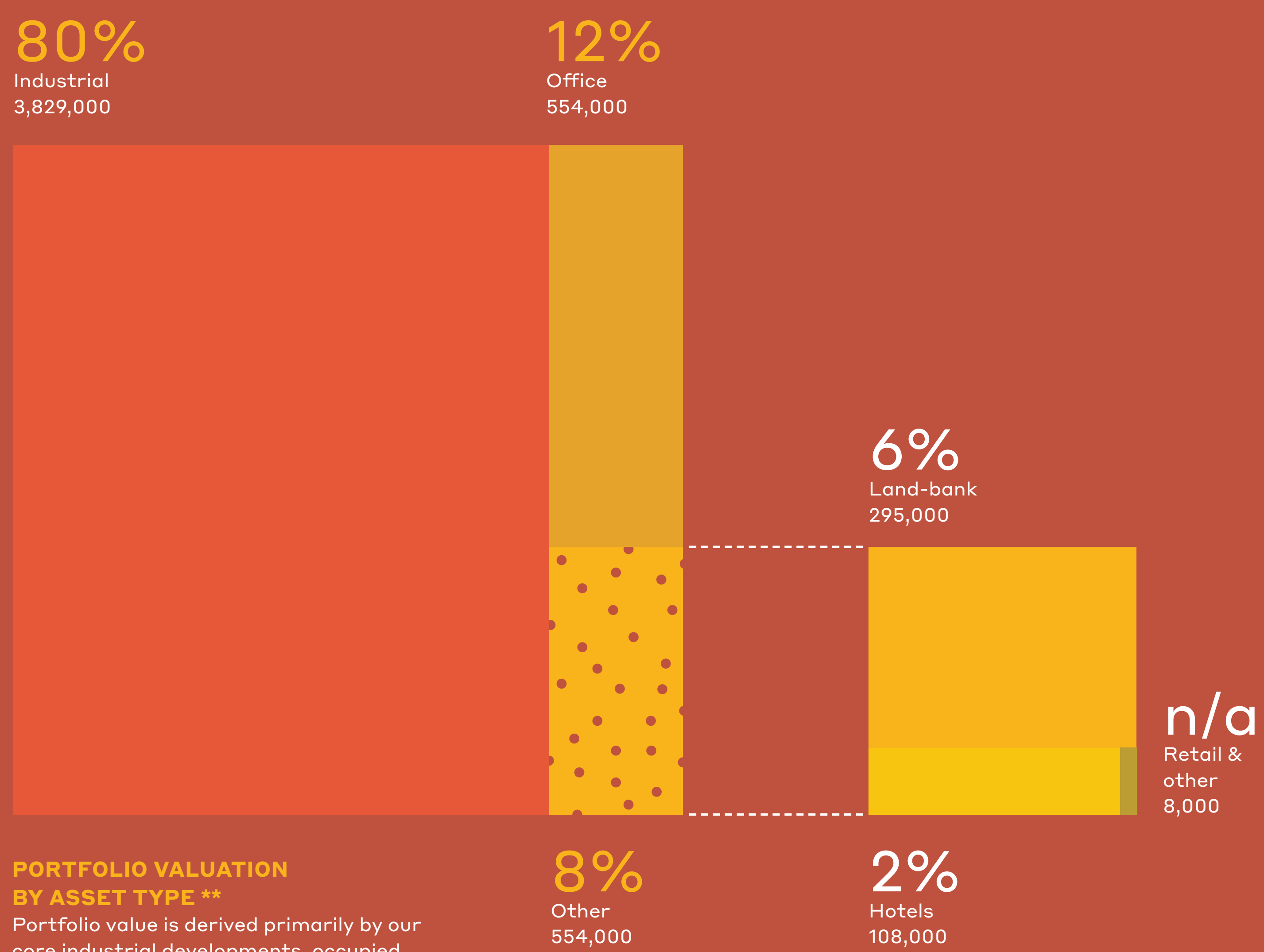
Bulgaria
CTP entered the Bulgarian market in 2019, carrying out due diligence on potential land purchases near the capital, Sofia.

Vladmir Gurdjieff, Country Manager, Bulgaria: “In 2019, CTP decided to make its move in Bulgaria, based on the low supply of new A-class industrial space and above-average rental levels for the region. We established an office in Sofia and began due diligence on strategic land purchases.

“During 2020 we expect to finalise our first land purchase in Sofia and begin the process of establishing our first ctPark in Bulgaria. During the year we will also expand our team to be able to provide CTP’s signature full-service package to tenants. Handover of the first buildings is expected in 2021.”

Portfolio Evaluation
(in EUR million)

4,996* 2019 | 4,795* 1H 2020



PORTFOLIO VALUATION BY ASSET TYPE **

Portfolio value is derived primarily by our core industrial developments, occupied by a stable international and varied client base. Due to on-going demand, we have invested into growing our strategic land-bank, which grew to 6% of portfolio value.

* Does not include investment property under development

** Figures for 1H 2020 are not shown as the changes between 31/12/2019 and 30/06/2020 do not substantially impact the overall relationships

The Portfolio

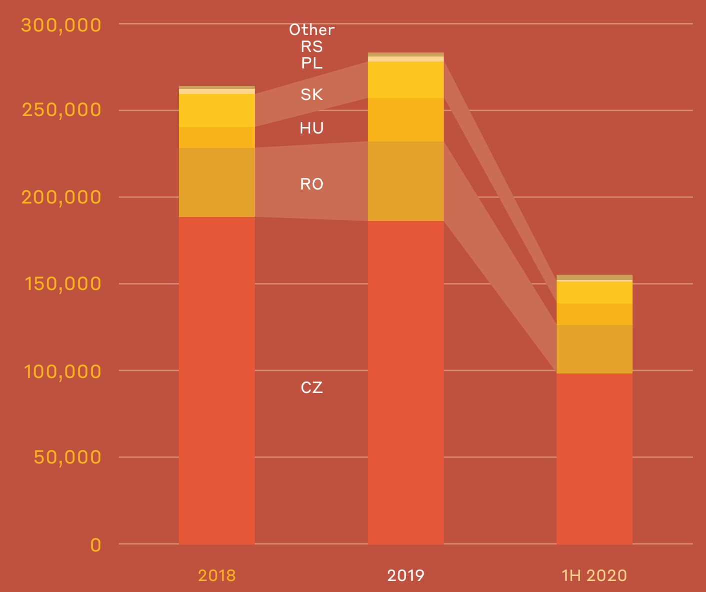
At the end of 2019, CTP's portfolio of industrial and office properties comprised over 5.5 million m² of leasable area and a land-bank providing for a further 4 million m² of development opportunity. As we began operations in the Czech Republic, the majority of the portfolio is located in that country. In recent years, overall growth accelerated outside our home market and now comprises the majority of our annual growth.

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 business operations.

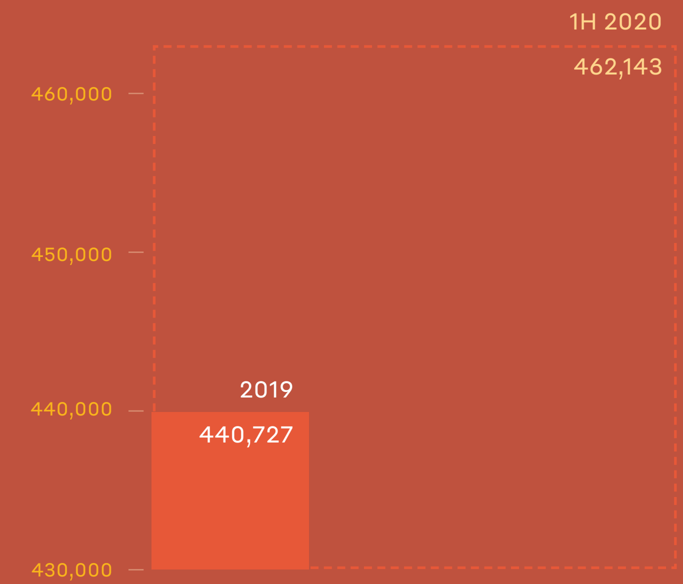
In 2019, we continued our strategy focusing on regional centres with a large, educated workforce to support investments in high-tech activities. We acquired or built new properties around the capital cities in each of our markets. We opened new parks around Budapest, Bucharest, and Belgrade and continued 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 2020 and beyond.

Company	m²	Units / Buildings
ABB	30,788	11
Adient	48,838	5
Aptiv	40,912	2
Brembo	41,626	2
Bridgestone	71,971	1
CALBERSON	41,561	3
CommScope	26,125	5
DHL	154,408	15
DSV	105,592	5
Faurecia	86,560	7
GEFCO	48,923	12
GRUPO ANTOLIN	42,800	3
Henniges	36,564	5
Honeywell	99,846	7
IAC	51,147	4
Kompan	40,772	3
Kühne + Nagel	34,483	5
Lear	43,761	7
MAKRO	57,278	2
Primark	64,730	1
Quehenberger	106,086	10
Raben	51,027	7
SCHENKER	86,687	9
SCHNELLECKE	34,064	4
Tech Data	53,734	1
Thermo Fisher Scientific	56,579	2
Valeo	27,164	3
Wistron	65,317	2
Yanfeng	49,102	2
Yusen Logistics	39,981	5

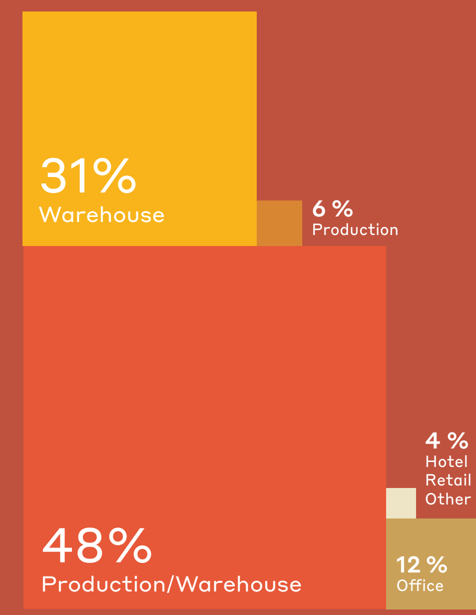
Top 30 clients
Our clients are the core of our business. In 2019, 63% of new business originated from existing clients as many chose to expand existing properties or open a new location in another market where we are active.



GROSS RENTAL INCOME BY COUNTRY (in EUR thousand)
Gross rental income maps closely to portfolio size in the respective markets, although growth in both Romania and Hungary increased those countries' share of overall income.



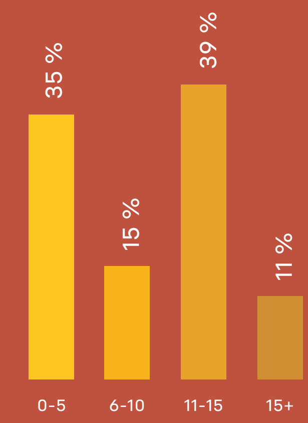
INVESTMENT PROPERTY UNDER DEVELOPMENT (in EUR thousand)
The value of investment property under development grew to over EUR 440 million, a nearly 40% increase compared to end-2018, and had increased an additional 5% by end-1H 2020, reflecting a significant pipeline of projects and increased land-bank.



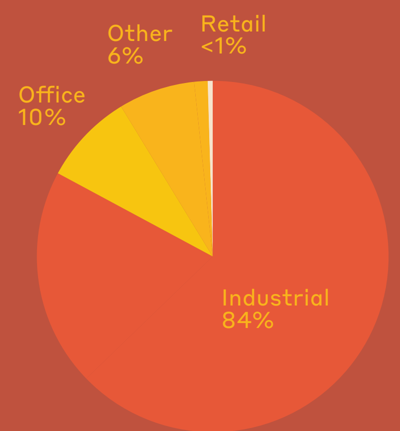
REVENUE BY BUILDING USE*
(% gross rental & service charge income)
Reflecting macro economic trends—and our continued focus on our core business—occupiers engaged fully or partially in warehousing activities represent 79% of our overall income.

9.24

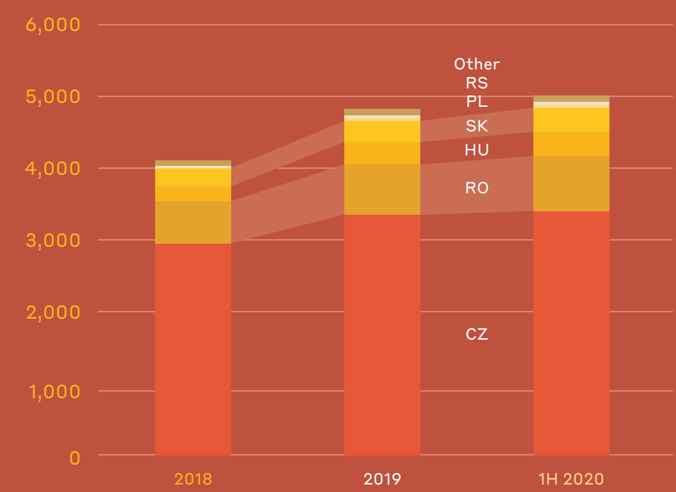
Average age of buildings (in years)



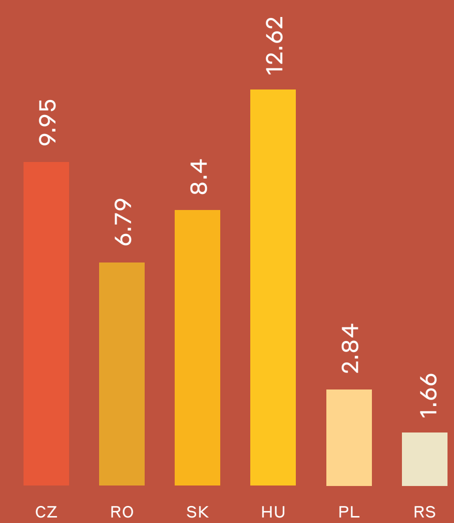
BUILDINGS PER AGE CATEGORY*
The average age of buildings stood at 9.24 years due to construction of new space and divestments of older assets.



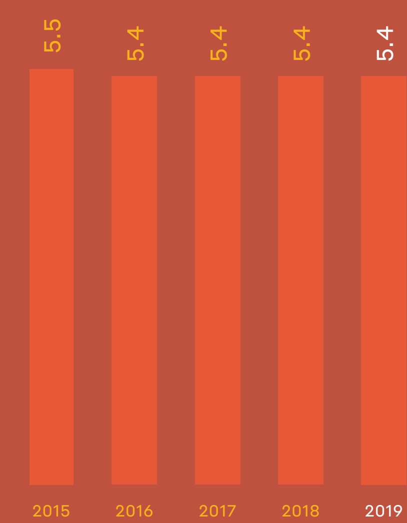
GROSS RENTAL INCOME BY ASSET TYPE 2019*
Underpinning the porfolio valuation breakdown, industrial properties comprise the lion's share of rental income. Relative values in 1H 2020 remained substantially the same.



VALUE OF INVESTMENT PROPERTY PER COUNTRY (In EUR million)
The value of the portfolio, not including investment property under development, grew over 17% during 2019, and extended gains in 2020, rising 4.2% in 1H 2020.



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.



WAULT (Weighted Average UnexpiredLease 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.

* Figures for 1H 2020 are not shown as the changes between 31/12/2019 and 30/06/2020 have not substantially changed the overall relationships

5 Property 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 96 locations and a strategic land-bank on which we are able to build an additional 4 million m², 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, logistics, e-commerce, manufacturing and its supply chains, as well as high-tech manufacturing, 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

From 400—850m²

Designed for local companies and start-ups. This simple and functional building provides 3 necessary areas for a smooth running business: showroom, office space and warehouse. As companies grow, it is easy for them to expand their retail, light manufacturing, test facility, etc.

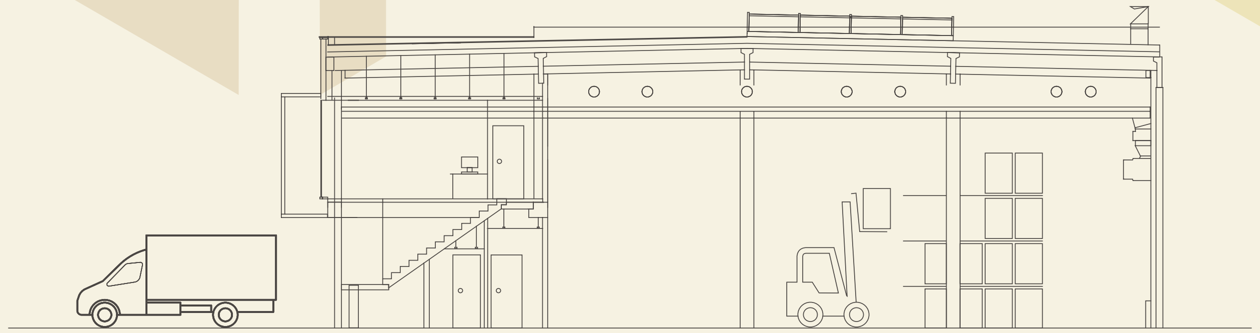
Typical Usage
B2B retail, showrooms, warehousing / production

Typical Size
400-850 sq m

Standard Height
7 m

Floor Loading
500kg/sq m (Office), 4t/sq m (Warehouse) or 3.2t for rack support

Standard Grid
15x24, office inbuilt reduced up to 5x6m



ctFlex

1,150—3,000 m²

Built with flexibility in mind for growing businesses, ctFlex offers a modifiable and expandable concept for small and mid-sized companies with built-in offices and warehouses. ctFlex allows companies to focus on their business without being worried about having enough space for operations.

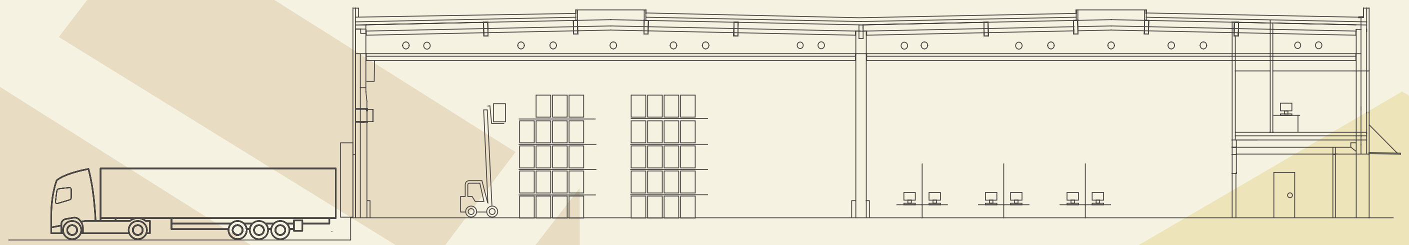
Typical Usage
Production/warehousing in smaller units that can be merged as clients grow

Typical Size
1,150 - 3,000 sq m

Standard Height
10.5 m

Floor Loading
5,000 kg/sq m or 3.2t for rack support

Standard Grid
12x24



ctFit
From 5,000 m²

Ideal for activities of large enterprises with special technical parameters, such as distribution hubs, chilled warehousing, high-tech manufacturing and R&D laboratories.

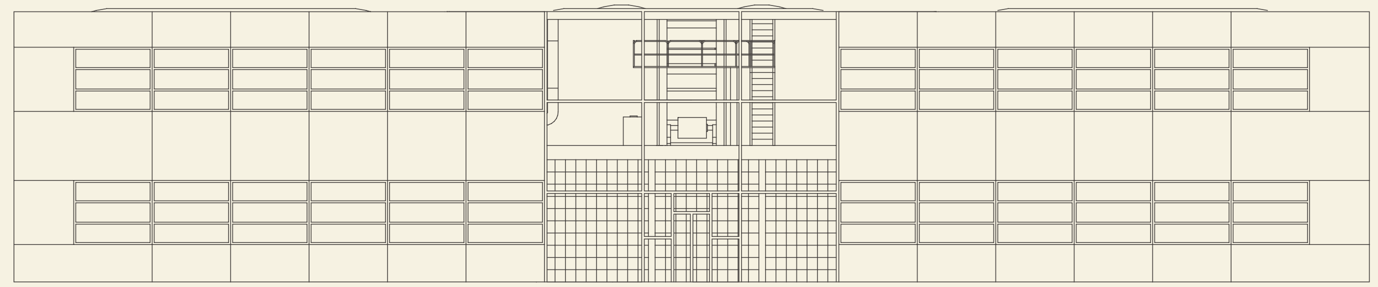
Typical Usage
To meet client specifications, but also ensures suitable for new clients

Typical Size
from 5,000 sq m

Standard Height
Clear height 10.5m

Floor Loading
500kg/sq m (Office),
5t/sq m (Warehouse)
or 3.2t for rack support

Standard Grid
12x24m, office inbuilt
reduced up to 6x6m



ctSpace
From 3,000 m²

Top-quality buildings for global companies designed to accommodate warehousing and distribution needs. The ctSpace concept is ideal for logistics operations, distribution centres or supply chain hubs.

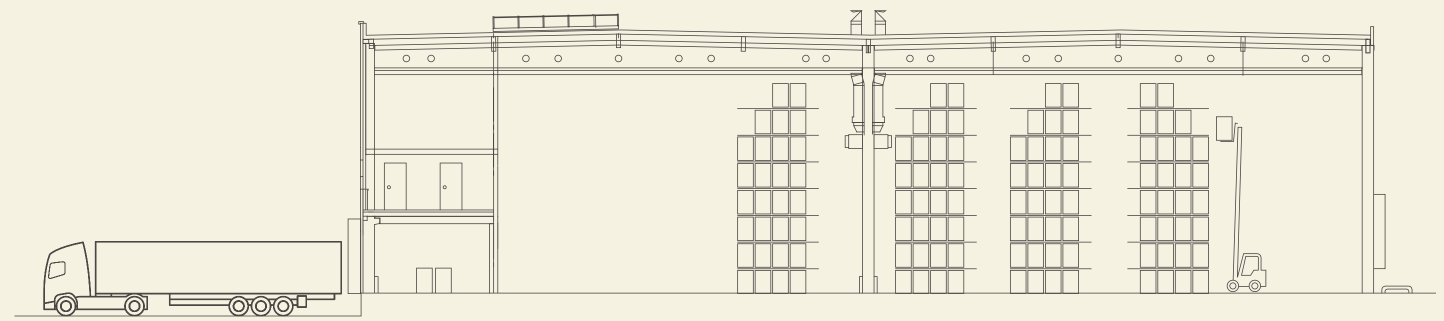
Typical Usage
Big-box logistics

Typical Size
from 3,000 sq m

Standard Height
12 m

Floor Loading
5,000 kg/sq m
or 3.2t for rack support

Standard Grid
12x24, office inbuilt
reduced up to 6x6m



ctOffice
From 195 m²

ctOffice is a cost-effective facility ideal for service centres, software/equipment design, R&D and back-office operations of all types of companies. Flexible floor plans support customisation and future expansion. The concept also includes many business services and amenities.

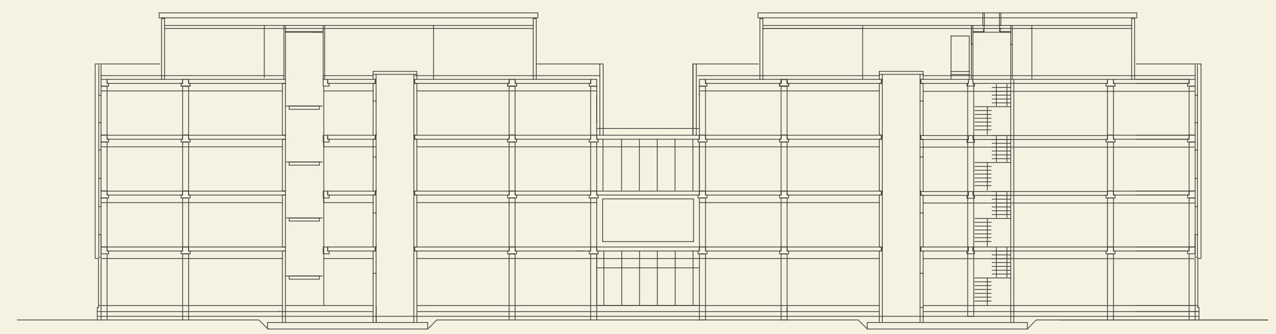
Typical Usage
Supplementary offices
in parks

Typical Size
from 195 sq m

Standard Height
2.8 m

Floor Loading
400kg/sq m

Standard Grid
Variable, typically 6x6
up to 7.5x7.5m



Sustainability

CTP has always been committed to sustainability. In 2013 we built the first BREEAM Outstanding office building outside the UK and have continued to certify not only our office buildings according to BREEAM standards, but also our industrial properties. In 2019, CTP was the BREEAM leader in the Czech Republic, responsible for over 20% of all buildings certified in the country.

Net carbon neutrality

The overarching goal of all CTP's sustainability efforts is to achieve operational carbon neutrality across the Group. To do this we are taking a two-step approach. As it is imperative to understand what the current carbon footprint is, the first step in the process is to measure the Group's overall carbon output.

CTP outsourced this in order to provide a baseline on what actions will need to be taken. We are looking at both parts of the Group—CTP Property, which manages the standing portfolio, and CTP International, which handles construction and Group operations.

As the construction process is more difficult to both measure and affect due to the need to create new supply chains and source new materials and suppliers, we have set our first goal of getting our company and park management operations to net carbon neutrality by 2023. Steps we are implementing to achieve this goal include:

➜ use of PVP, LED lighting, and maximising the use of recycled and recyclable materials;
➜ securing electricity from renewable sources;
➜ roll-out of company fleet of electric vehicles;
➜ implementation of circular office principles (recycling, less waste, reduce plastics, etc.);
➜ maintenance and expansion of a robust carbon offset program

"Circular economy" for zero-waste

As part of our overall plan to reduce greenhouse gas emissions and develop sustainably, in August 2019 we launched a pilot project to assess daily operations at Spielberk Office Centre in Brno from the perspective of "circular economy" principles. The goal was to determine the steps necessary to get our office park operations to zero waste. The results of the pilot project were delivered in January 2020 and provided a roadmap of steps to take to reach zero-waste. These include:

➜ installing cool-air hand-dryers in all restrooms, which prevents 90 tonnes of waste paper annually and saves nearly EUR 20,000 each year in costs for paper towels;
➜ investing in better recycling containers and systems for office waste, including paper, plastics, printer toner, and bio-waste;
➜ elimination of single-use plastic containers;
➜ installation of LED lighting in areas where not already in use;
➜ water reuse from kitchens and restrooms;
➜ installation of smaller-scale photovoltaic power plants on the rooftops of buildings.

Based on the recommendations from the Spielberk pilot project, we are rolling out zero-waste strategies throughout our office portfolio, including at Vlněna Office Centre in Brno, IQ Ostrava, and in ctOffice locations throughout the ctPark Network.

Preserving forests

As a sign of CTP's long-term commitment to sustainability and to the communities where it operates, in 2019 the company launched an initiative to purchase and preserve forestland in CEE at a 1:1 ratio to its built portfolio, which currently stands at over 5.5 million m^2.

Forest preservation is essential to offsetting the company's carbon footprint and is an effective global strategy to mitigate the negative impacts of climate change in general. Forests, together with wetlands and grasslands, are the most effective carbon sinks we have to reduce global carbon emissions.

In October 2019, CTP purchased its first forest preserve outside Mladá Boleslav in the Czech Republic. The entire 100-hectare forest will be preserved in its natural state and will be managed by expert staff to encourage biodiversity, which will also protect against the bark beetle infestation that is ravaging the country's coniferous forests. CTP will plant a variety of trees to both offset the company's carbon footprint and to boost biodiversity to help battle the bark beetle infestation, which is a result of climate change, mono-culture planting and over-forestation.

The 100-hectare forest outside Mladá Boleslav absorbs 15 million kilograms of CO_2 from the atmosphere each year.

CTP is committed to purchasing additional forestland in the countries where it operates, with a goal to match and keep pace with our built portfolio. The company also plans to plant smaller-scale new-growth forests to help boost carbon offsets.

Solar energy

CTP was an early pioneer in solar power among CEE industrial property developers. Over the years, the company has installed many solar plants on the rooftops of its buildings. CTP currently has eight functioning solar farms in the Czech Republic, which even now—many years after installation—are generating 116% of originally planned energy output.

In 2019, as part of Group strategy to strengthen sustainability across the business, we prepared a new, broad-based solar power initiative going forward in 2020.

Starting in 2020, all of CTP's new buildings will be constructed 'solar ready'—i.e., either the roofs will be built to allow the creation of a photovoltaic plant (PVP) on each building by incorporating the necessary hook-up technology, or the building will be built with solar panels installed. This will allow CTP to offer renewable energy to our clients in those parks that have it, lowering their operational costs while at the same time, providing them with viable renewable energy for their own sustainability goals.

Additionally, in January 2020, CTP began investigations into companies that source and resell 100% renewable, locally-generated energy in order to provide the opportunity for our tenants to purchase 100% renewable, always-on energy at costs rivalling or below standard utility charges. This reduces costs and allows tenants to bolster their own green credentials. The project also allows CTP to offer "green energy" to its own employees and to tenant employees for their homes.

CTP acts as a conduit between its tenants and the energy supplier and receives a portion of any profits generated through mediated sales. CTP has committed to invest these profits from solar energy into environmental improvements, either by purchasing additional forestland or through grants to local preservation societies.

"The overarching goal of CTP's sustainability efforts is to achieve operational carbon neutrality across the Group."

Portfolio certification

BREEAM certification
In September 2019 we approached BRE, the UK-based organisation responsible for overseeing and setting BREEAM building standards for sustainability, to certify our entire built portfolio. This is the largest BREEAM certification process ever undertaken in Europe—certifying nearly 300 buildings across six countries.

Certification requires the coordination of three local assessor agencies to certify the portfolio according to the BREEAM In-Use standard. Assessments will provide improvement points, and we plan re-certification of all buildings every three years. Additionally, when a client requires, CTP can build and certify specific buildings according to BREEAM New Construction, as we are doing for selected projects in Romania.

BREEAM certification of existing buildings requires continual investment in new technologies to ensure low operational costs and lower energy use and waste as buildings age. Constructing new buildings to BREEAM standards requires more investment up front to achieve high ratings, including into technology for water reclamation and reuse, low-carbon materials and green, people-friendly and eco-friendly parks. These investments help to lower our company's overall carbon footprint and reduce operational costs.

WELL certification
The WELL building standard is the leading global rating system for the construction industry focused on the overall health and well-being of workplaces. It is "an evidence-based system for measuring, certifying, and monitoring the performance of building features that impact health and well-being." Building I at CTP's latest office development, Vlněna, is undergoing certification for the WELL Gold standard as well as BREEAM Outstanding. Achieving these certificates will make the office building one of the most energy-efficient, sustainable and healthiest workplaces in Europe. CTP is also aiming for Well Gold in our second and third Domeq co-living buildings at Ponávka in Brno.

BMS upgrades
As part of overall efforts to enhance sustainability, during 2019 CTP made improvements to data gathering and analysis of building energy usage through upgrades to the building management system (BMS) for both industrial and office properties. BMS technology provides for the coordinated control and supervision of building engineering systems and their energy consumption. Advanced BMS systems, which are the only efficient way to resolve the well-known energy performance gap of buildings, are newly included as part of CTP's building standards.

Data collection is only part of the story: how to use data to improve energy efficiency in real-time requires state-of-the-art solutions. In 2019 CTP began upgrading all BMS technologies with IoT (Internet-of-things) connectivity and cloud-based data monitoring, which enables energy tracking through smart metering, smart lighting, monitoring of roof-top weather stations, automatic HVAC regulation, and the use of advanced EMS (energy monitoring system) software to profile past, present and future energy consumption trends. Optimising energy efficiency leads to a decrease in operating expenses.

Snapshot of portfolio certification at CTP

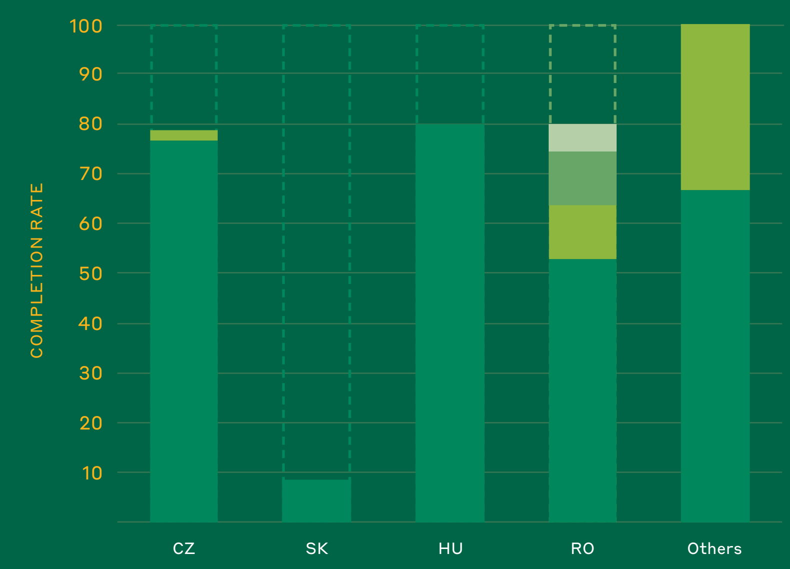
What: Entire CTP portfolio (5.5 million m²)—one of the largest certification processes in the world. The project includes in-use certificates for existing buildings and high-standard certifications for all new construction.

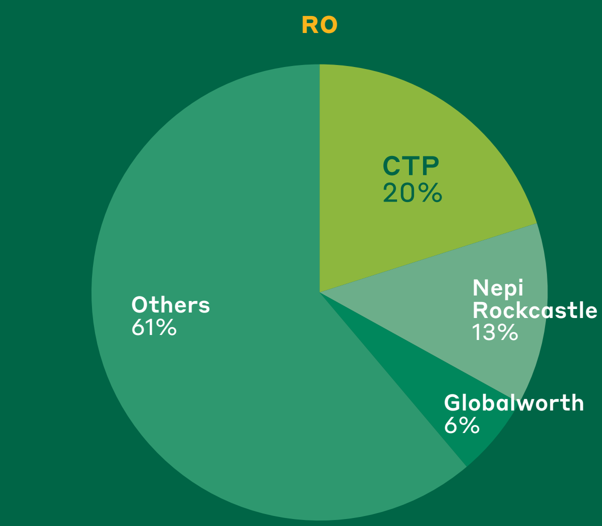
When: 2020

How: Grouping assets by similar
- location (country)
- age group: 2000–2009
  2010–2015
  2016+
- construction type

Who: Assessors appointed
- Romania: ADP
- Slovakia: CEVRE
- Remaining group: Arcadis, CEVRE (CZ)

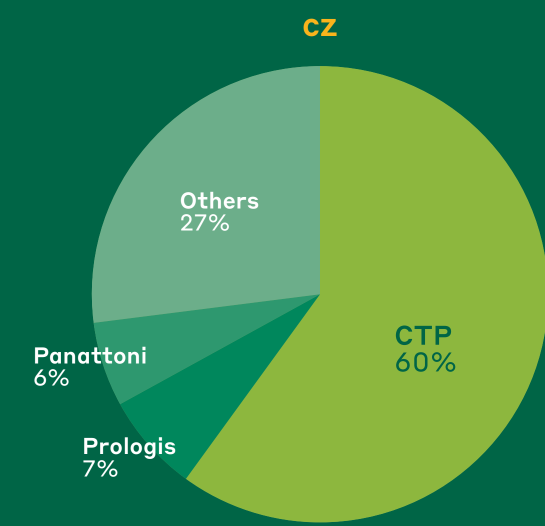
BREEAM IN USE OVERVIEW 1H 2020 (in %)



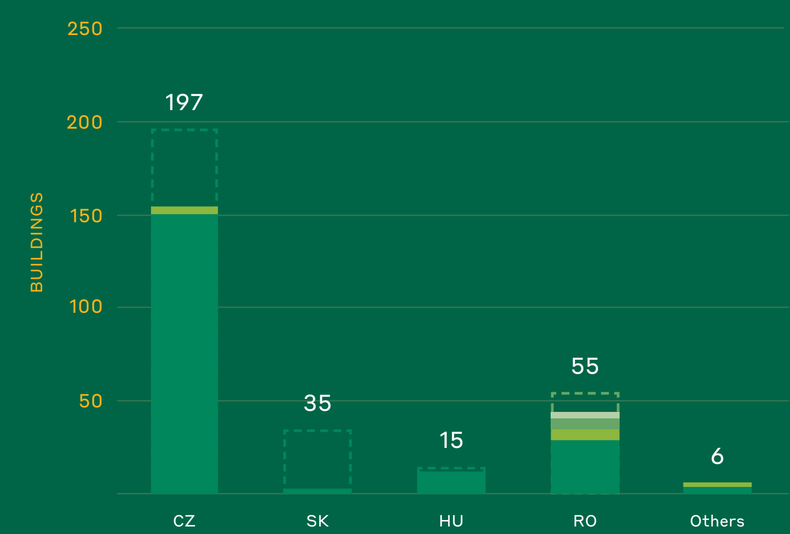


BREEAM CERTIFIED INDUSTRIAL BUILDINGS
By 1H 2020, CTP had successfully completed the certification of approximately 80% of its entire industrial portfolio according to BREEAM In-Use Very Good or Better. Where appropriate, we were also able to certify nearly 25% of our portfolio according to BREEAM New Construction.

BIU Very good | BIU Excellent | BIU Pending
BNC Very good | BNC Excellent | BNC Pending



BREEAM CERTIFIED BUILDINGS, INDUSTRIAL PORTFOLIO (Total)



BREEAM CERTIFIED BUILDINGS CZ & RO, BY DEVELOPER
Certifying the entire portfolio of nearly 290 buildings throughout 1H 2020 significanly increased CTP's green credentials in each market. In the Czech Republic, which comprises the lion's share of CTP's portfolio, CTP holds 60% of all BREEAM certified buildings, up from 20% in March of this year. In Romania, we are also the market leader with 20% of all certified buildings in the market.

Community

Helping to make it happen

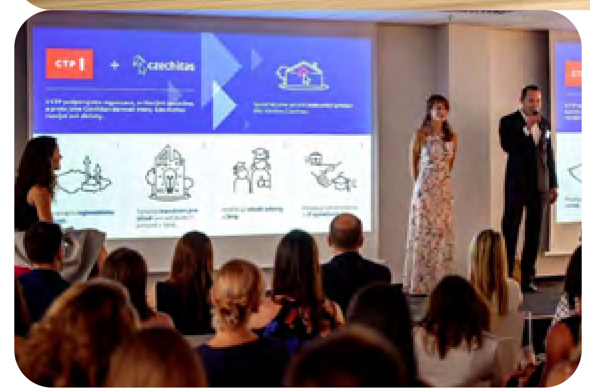
AT CTP, we do care. This is why we give back to the communities where we work and where our people live. CTP has a long track record of working with local community groups and grass-root charities to create opportunities, particularly for disadvantaged youth and other underserved members of society. We work with effective local NGOs that deliver proven results to people deserving of assistance. We also cooperate with local schools and universities to help expand educational opportunities for young people through real-life work experiences. The values that drive our successful business model are the same values that underpin our long-term commitment to being a good neighbour. We do care.

ACTIVITIES ACHIEVED	2018	2019
Number of educational events	146	238
Number of graduates of full-time educational events	4,344	5,821
Number of women employed in IT	113	96

CzechITas
At the end of 2018, CTP agreed to sponsor the non-profit CzechITas for two years, providing them facilities in the offices at Ponávka Business Centre in Brno to create a new educational and community space called CzechITas House. In September 2019, CzechITas House opened its doors as the first community centre in the Czech Republic for the education of women and girls in information technology. In all, CzechITas House operates on an area of over 1,500 m² in the CTP Ponávka complex in Brno. CzechITas House features ground-floor public areas, including a café, a children's corner and a conference hall. The upper floor is focused on education and includes a large lecture hall, a relaxation room, facilities for lecturers, offices for CzechITas employees and three classrooms for workshops. CzechITas organises courses for girls and women on programing, web development, graphic design and data analytics. It will include a classroom for IT courses, a café and a lecture hall for 300 people. The organisation also focuses on correcting imbalances in education and encourages the greater participation of women in STEM careers. CTP is proud to support educational programs that work to promote gender equality at the workplace.

CzechITas team photo 2019

CzechITas signing ceremony, cooperation with CTP. CEO and founder, Dita Přikrylová



Jiří Kostečka and COO Lenka Franců announce two-year cooperation agreement

YourChance

At the end of 2018, CTP became the general partner of YourChance, which runs a program aimed at young disadvantaged Czech adults who are currently living in children's homes but will soon be able to move out into the world on their own. The program uses mentors to assist them with financial literacy, entrepreneurship, and adjusting to life outside the home. Over 700 young people benefit from the project, which involves over 200 mentors and also includes direct assistance and scholarships. CTP supports this activity on a financial level and encourages its employees to take on active roles as mentors.

HOSPICE Casa Sperantei

In Romania CTP provides financial support to the HOSPICE Casa Sperantei foundation. Founded 27 years ago, HOSPICE Casa Sperantei is the only organisation in Romania offering a full range of palliative care services to adults and children suffering from advanced incurable illnesses. Services include medical care, social support, and psycho-emotional and spiritual counselling for the patient and family members. The foundation provides free care and social support to over 4,000 people each year.

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. In 2019, the foundation provided support to over 1,200 children living in orphanages and children's homes in the Czech Republic through several programs focusing on educational support and counselling services, including work for the prevention of child abuse and domestic violence. As part of its support, CTP provided space at Ponávka Business Centre in Brno for the Domeq Academy summer program run by the Tereza Maxová Foundation, which gives disadvantaged youth to learn new skills while having fun.

Comenius program

- Target group – children and teenagers in orphanages
- Grants are being used for individual tutorials, psychotherapy, buying school utensils
- Domeq Academy (summer programme) project directed at young people enabling them to get work experience during their summer stay in Brno

Regional Aid – Education

In 2019 there was a total of 9 rounds of grants

- Target group – children and youth growing up in socially disadvantaged families
- Grants are being used for individual tutorials and help with learning, buying education utensils and other educational and developmental activities, specialized courses, accommodation at internet, transport to school, school fees, psychological support

Regional Aid – Prevention

(annual grant once per year)

- Target Group – socially disadvantaged families, children and youth growing up in biological or foster families
- Grants are being used for non-profit organisations helping with rehabilitation of the family and prevention of the removal of children from the family

LOCIKA - childhood without violence

The aim of the three-year project is to increase the delivery of early professional assistance and help to children at risk of domestic violence in the Czech Republic.

The help to the supported children will:

- shorten the time before they receive professional help
- help prevent family violence
- reduce the amount of traumatisation

Brno University of Technology

In 2019 CTP began long-term cooperation with the Brno University of Technology Faculty of Civil Engineering to help create opportunities for students to gain practical, real-world experience. Projects include educational excursions to the Vlněna Office Centre in Brno, where students learn about all stages of the development process. In autumn 2019 CTP organised a design project for the historic "Výtopny" building at Vlněna, which is before reconstruction. Over 300 students took part in the project. Selected designs will serve as inspiration for the architectural studio StudioAcht in its realisation of the reconstruction. In February 2020 CTP sponsored a job fair at the faculty with the goal of connecting students with potential employers. Two students were selected for a paid, three-month internship with CTP. As part of its long-term cooperation, CTP also supports a café corner at the faculty, where students can both study and socialise.

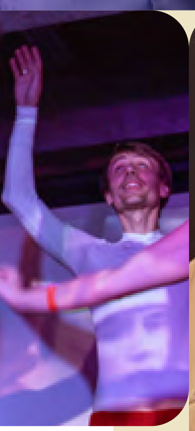
Company culture at CTP is the outward expression of our company values: Quality, innovation, sustainability, responsiveness, and responsibility—care. Our business philosophy places a premium on developing and nurturing talented, entrepreneurial people who share these values, and building a congenial and cooperative work environment for all.












Bratislava bravura
2019 was the first year that our annual holiday GALA was held in Bratislava, Slovakia at the locally popular hipster joint, DUNAJ! After an inspiring speech by the boss, regional teams made a mockery of themselves, in addition to taking home some awards for their real acomplishments during the year. As always, an excellent Christmas atmosphere!














Mid-summer party

Early June, and the company gathers as many as can fit at the CEO's countryside residence in Čejkovice for an elegant evening of games, entertainment and splendid food. Classical ballet, roaring keyboards, levitating colleagues, and unbelievable acrobatics made the night memorable for all. It's always a great opportuity to mingle with colleagues, catch up personally and professionally, set amidst a charming summer's eve.





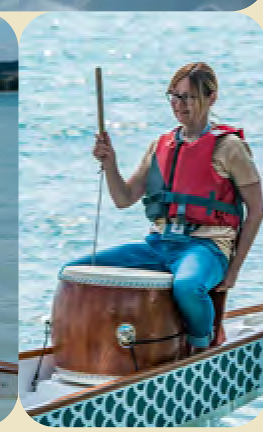







Balaton bonkers
At the end of summer, the annual ctSport event was held at magical Lake Balaton, hosted by our Hungarian team. The weather held perfectly for the program they planned: a wild goose chase through Hungarian villages, on- and off-water competitions and the unforgettable warehouse birthday cake made especially for the boss's birthday. Great weekend!





















Getting together
Every quarter, CTP's Top30 team of leaders meet to review company progress, share best practices and ideas, and agree plans and KPI's for the year. The most recent meeting took place in Prague with some of the team joining in by teleconference, due to Covid-19 travel restrictions.












Jakub Kodr
Senior Business Developer, Bohemia
Jakub is a dealmaker. Since 2017 he 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 worked at Cushman & Wakefield

Jiří Kostečka
Senior Business Developer, Brno
Jiří knows the city inside inside out. As leader of our Brno business development team for over a decade he has been instrumental in introducing new businesses to our Brno-based office properties. He holds an MBA in Management Ethics.

Pavel Blažek
Business Developer, Moravia
Pavel brings broad-based real estate experience to develop long-term relationships with industrial clients in the South Moravian region.

Vojtěch Peřka
Junior Business Developer, Moravia
Vojtěch has an on-the-ground understanding of the strategic benefits of his home region. A recent joiner to the CTP team, he worked previously at CzechInvest.

Michal Bujárek
Senior Business Developer, Bohemia
Michal leads our rapidly growing business in the strategic Prague market, driven largely by the growth in e-commerce. He has broad-based experience catering to diverse client needs across multiple sectors.

Štěpán Morkes
Regional Development Director, Northern Bohemia
Štěpán is responsible for development projects in the North Bohemia region. He has over a decade of experience handling international real estate development for a range of clients in diverse sectors.

Martin Glozar
Head of IT
With over 30 years of IT experience, Martin doesn't solve problems: he makes things happen. As head of IT he ran the successful migration to our new Group environment to ensure seamless communication between offices and teams. He played a key part in our Covid-19 response to support team members working from home.

Lukáš Jezbera
Head of Controlling
Lukáš loves to crunch numbers. As head of Group Controlling, he facilitates the growth of our business by ensuring that all finances are in order and that all terms are met. He has extensive experience in high-level finance, having worked previously at PwC and at Home Credit International as Head of FP&A in the Philippines and as Senior Manager in the Czech Republic.

Oliver Oros
Senior Counsel for Leasing and Land Issues
Oliver is an expert on real estate legal issues, especially leasing, in both the Czech Republic and Slovakia. He has extensive experience handling legal issues relating to real estate transactions and leasing arrangements for a diverse range of international businesses.

Květa Vojtová
Head of M&A and Corporate Transactions, Banking
Květa leads our M&A legal team to support all acquisitions, divestments and group restructuring. From 2019 she also leads our Banking team. She brings broad-based experience handling all aspects of real estate and financing transactions, having worked previously in the Prague office of international law firm CMS Cameron McKenna.

Martin Vaidiš
Head of Design & Development Sustainability
Martin serves as Head of Design and Development. He has over eight years of experience working on large-scale projects, including the tallest building in Europe—the Lakhta Center in St. Petersburg. Among his responsibilities, Martin is in charge of CTP's portfolio-wide BREEAM certification project.

Tom Kostelac
Marketing Director
As leader of CTP's award-winning marketing team, Tom is the glue that binds the company's marketing efforts together at the Group level and across the region. Since 2013, Tom has helped build CTP's industry-leading brand through its annual reports, GRID magazine, videos and online presence, and looks forward to the challenges that CTP's growth will bring.

Karl Brückner
Country Head, Austria
Karl's role is to build awareness of CTP in Austria and to prepare the company for future expansion. He worked previously as Head of the Real Estate division at Erste Group in Austria and as Development Head for McDonalds CEE.

Ana Dumitrache
Country Head,
Romania
Under Ana's dynamic leadership, Romania has grown to become our second-largest market with a portfolio of leasable property over 1.2 million m². She has extensive experience helping international companies grow their business in Romania.

Andrei Koszti
Business Developer,
Bucharest
Andrei is focused on developing our roster of clients in the dynamic Bucharest market. With a background in construction, he understands what companies are looking for when leasing premium properties.

Emanoil Dascalu
Construction Director,
Romania
Emanoil's unique background combines over 20 years of experience managing the construction of high-value industrial projects in Romania. Under his leadership we have significantly grown our portfolio in Romania, including at our largest industrial development, ctPark Bucharest West.

Valentin Rosu
Regional Development Director,
Romania
Valentin manages our entire Bucharest portfolio, which includes five large-scale industrial parks, including our largest park, ctPark Bucharest West, as well as ctPark Pitești.

Emilia Tepes
Business Development Manager,
Transylvania
Emilia is responsible for the growth of our portfolio in the strategically important Transylvania region, which includes Romania's high-tech and IT hub in the city of Cluj-Napoca. Her target is to double the size of our Transylvanian portfolio over the next three years.

Milla Kalmár
Business Development Manager and Marketing Manager, Hungary
Milla has extensive experience advising international clients on their industrial property solutions in Hungary.

David Huszlicska
Senior Business Developer,
Hungary
David is responsible for 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.

Eleonora Amariutei
CFO,
Romania
As CFO for our Romanian operations, Eleonora has overseen our rapid growth to become market leader in the country. She has over 15 years of experience in business and financial management.

Ivan Pastier
Senior Business Developer,
Slovakia
Ivan is responsible for the growth and occupancy of our Slovak portfolio. With a background in project management, he has broad-based experience helping companies meet their property needs in Slovakia.

Ivan Šimo
Construction Director,
Slovakia
Ivan rose rapidly through the CTP ranks to become Construction Director for Slovakia, after joining CTP as a Junior Project Manager. He holds a Masters degree in engineering from the Slovak University of Technology in Bratislava.

Stanislav Pagáč
Regional Director,
Slovakia
Stanislav has extensive experience in the development and construction of industrial properties to support a wide range of business activities. He holds an MBA, a PMP certification and is an authorised building engineer in Slovakia and Austria.

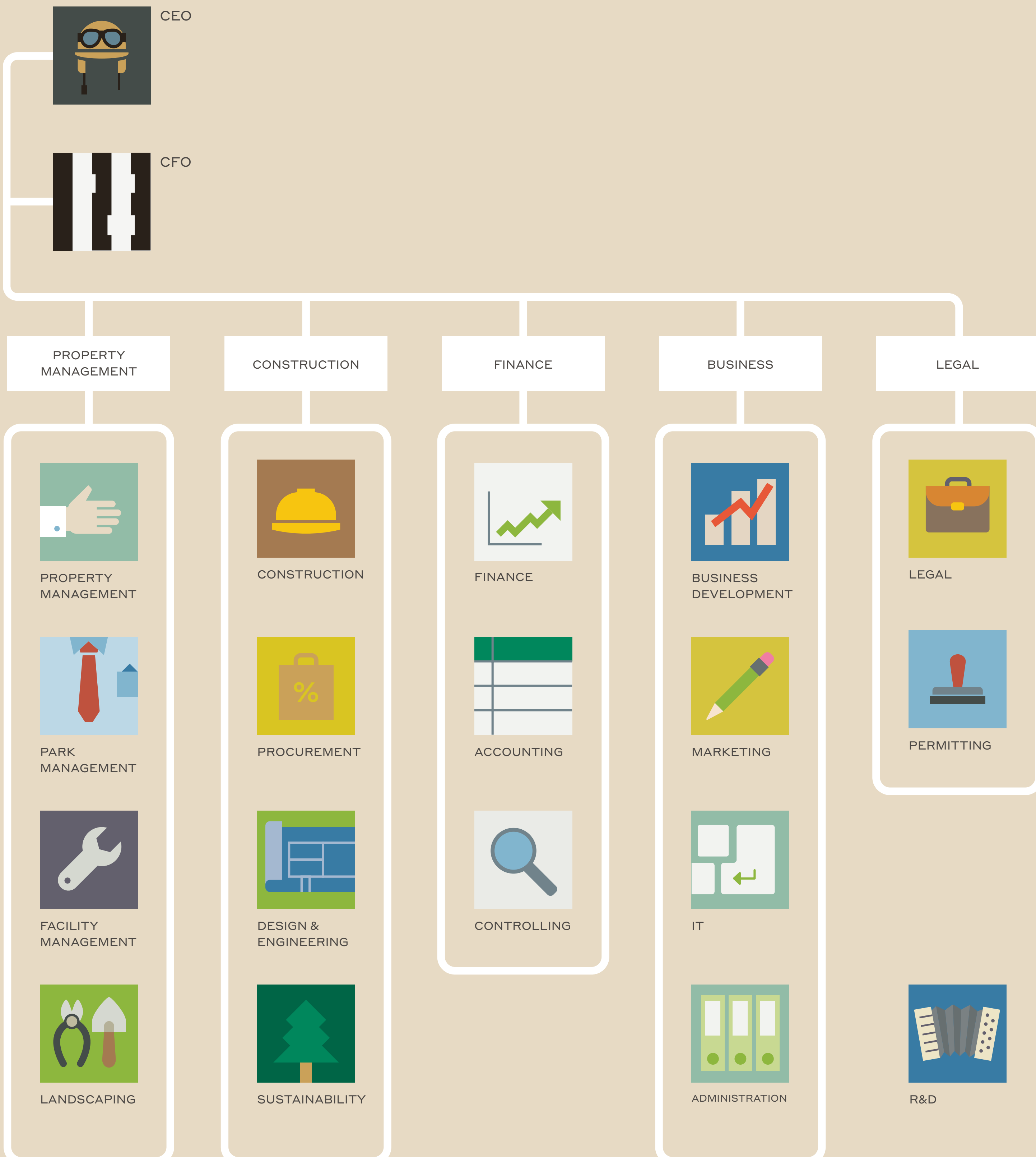
Vlatko Djuricek
Country Head,
Serbia
Vlatko has led the growth of our business in Serbia since 2017 and played a key role in making CTP market leader in 2019. He has over eight years of experience in acquisitions, investments and development working with leading real estate companies in Serbia.

Dragana Djordjevic
Head of Finance & Accounting,
Serbia
As Head of our Finance and Accounting department in Serbia, Dragana's responsibilities include financing, accounting, and cash management, in addition to providing support for the Construction and Business Development teams.

Vladimir Gurdjieff
Country Manager,
Bulgaria
As Country Manager for Bulgaria, Vladimir has developed a strong team of professionals in Sofia and secured our first acquisitions in the country as part of the regional expansion of the ctPark Network. He has extensive experience in commercial real estate, from financing at Unicredit and Raiffeisen to advisory and agency at Cushman & Wakefield.

COMPANY STRUCTURE 2019

CTP's operational structure ensures that key functions of the company work closely togetherwith low administrative overhead.



Financial results 2019

Combined financial statements
for the year ended 31 December 2019

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 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
396 01 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 B.V. 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 B.V.

CTP B.V.

Groeneweg 11
4197 HD Buurmalsen
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 B.V. 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)

- **Non-industrial Assets**
- **Property Development**
  - Design
  - Construction
  - Asset Management

CTP B.V.
(Netherlands)

Property Fund Management
Asset Ownership

Remon Vos CEO
Richard Wilkinson CFO

- **Finance**
  - Accounting, Consolidations, 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 B.V. 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 B.V., and of their respective subsidiaries.

For more detailed information about CTP group structure and its subsidiaries, see page 60-61.

KPMG

Independent auditor's report

To: the Management of CTP B.V.

Report on the accompanying combined financial statements

Our opinion

We have audited the combined financial statements for the year ended 31 December 2019 of CTP B.V., based in Buurmalsen the Netherlands and CTP Invest, spol. s.r.o. based in Humpolec, Czech Republic (hereafter: 'the Company').

In our opinion the accompanying combined financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

The combined financial statements comprise:

1 the combined statement of financial position as at 31 December 2019;

2 the following combined statements for the year ended 31 December 2019: the statement of profit and loss and comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the combined financial statements' section of our report.

We are independent of the Company in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to note 1, 3 and 4, which describes the special purpose of the combined financial statements and the notes, including the basis of accounting. The combined financial statements are prepared for the purpose of providing information on the combined activities of the Company. As a result, the combined financial statements may not be suitable for another purpose. Our opinion is not modified for this matter.

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KPMG

Description of the responsibilities for the combined financial statements

Responsibilities of management for the combined financial statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with EU-IFRS. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the combined financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the combined financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the combined financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the combined financial statements.

Our responsibilities for the audit of the combined financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the combined financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

— identifying and assessing the risks of material misstatement of the combined financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

— evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

KPMG

— concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;

— evaluating the overall presentation, structure and content of the combined financial statements, including the disclosures; and

— evaluating whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities or operations. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities or operations for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amstelveen, 11 September 2020

KPMG Accountants N.V.

H.D. Grönloh RA

Combined statement of profit and loss and comprehensive income

For the year ended 31 December

In EUR thousand	Note	2019 Revenues	2019 Attributable external expenses	2019	2018 Revenues	2018 Attributable external expenses	2018
Rental income	8	257,986			241,960		
Service charge income	8	22,379			19,990		
Property operating expenses	9		-40,575			-29,799	
Net rental income				**239,790**			232,151
Hotel operating revenue	10	17,312			16,805		
Hotel operating expenses	10		-11,546			-10,681	
Net operating income from hotel operations				**5,766**			6,124
Income from development activities	11	12,519			9,358		
Expenses from development activities	11		-10,304			-7,891	
Net income from development activities				**2,215**			1,467
Total revenues		**310,196**			**288,113**		
Total attributable external expenses			**-62,425**			**-48,371**	
				247,771			**239,742**
Net valuation result on investment property				**408,356**			**238,017**
Other income	12			9,097			49,693
Amortization and depreciation	19			-8,000			-3,868
Employee benefits	13			-13,200			-11,335
Other expenses	13			-21,129			-28,356
Net other income/expenses				**-33,232**			**6,134**
Net profit/loss before finance costs				**622,895**			**483,893**
Interest income	14			582			1,953
Interest expense	14			-54,413			-54,927
Other financial expenses	14			-18,552			-8,405
Other financial gains/losses	14			-44,809			1,361
Net finance costs				**-117,192**			**-60,018**
Profit/loss before income tax				**505,703**			**423,875**
Income tax expense	15			-109,498			-60,992
Profit for the period				**396,205**			**362,883**
OTHER COMPREHENSIVE INCOME							
Items that will never be reclassified to profit and loss							
Revaluation of PPE				-64			2,063
Items that will be reclassified to profit and loss							
Foreign currency translation differences net of tax				1,692			538
Total other comprehensive income				**1,628**			**2,600**
Total comprehensive income for the year				**397,833**			**365,483**
PROFIT ATTRIBUTABLE TO:							
Non-controlling interests				-14			-3,392
Combined equity holders of the Company				396,219			366,275
Total comprehensive income attributable to:							
Non-controlling interests				-14			-3392
Combined equity holders of the Company				**397,847**			**368,875**

The notes on pages 12-59 form an integral part of this combined financial statements.

Combined statement of financial position

As at 31 December

In EUR thousand	Note	31 December 2019	31 December 2018	1 January 2018
ASSETS				
Investment property	16	4,794,732	4,094,048	3,786,710
Investment property under development	17	440,727	315,357	310,089
Property, plant and equipment	19	47,021	54,220	33,858
Contract assets	20	32,343	33,730	28,726
Trade and other receivables		11,755	23,872	35,699
Financial derivatives	28	403	1,047	2,509
Financial investments		1,280	204	--
Receivables from related parties	31	54,257	15,467	26,985
Deferred tax assets	29	9,119	8,568	9,222
Total non-current assets		**5,391,637**	**4,546,513**	**4,233,798**
Trade and other receivables	21	113,117	79,789	67,869
Short-term receivables due from related parties	31	143	296	--
Financial derivatives	28	337	402	1,350
Inventories		8,461	1,343	--
Assets held for sale		--	--	85,967
Cash and cash equivalents	22	63,821	46,284	25,485
Total current assets		**185,879**	**128,114**	**180,671**
Total assets		**5,577,516**	**4,674,627**	**4,414,469**
EQUITY AND LIABILITIES				
Combined issued capital	23	74,019	74,019	74,019
Translation reserve	23	5,985	4,293	3,755
Combined reserves	23	828,682	138,921	138,921
Combined retained earnings	23	717,047	356,282	1,496,668
Revaluation reserve	23	12,586	12,650	10,587
Net result for the year	23	396,219	366,275	--
Total combined equity attributable to owners of the Company		**2,034,538**	**952,440**	**1,723,950**
Non-controlling interest		**625**	**639**	**4,031**
Total combined equity		**2,035,163**	**953,079**	**1,727,981**
Interest-bearing loans and borrowings from financial institutions	24	2,507,777	1,978,281	1,887,686
Trade and other payables	26	21,672	17,422	4,244
Contract liabilities	25	34,200	35,918	29,710
Long-term payables to related parties	31	41,081	967,199	34,269
Financial derivatives	28	11,013	12,379	7,472
Provisions		--	14	14
Deferred tax liabilities	29	491,356	397,577	381,677
Total non-current liabilities		**3,107,099**	**3,408,790**	**2,345,072**
Interest-bearing loans and borrowings from financial institutions	24	187,409	153,061	136,958
Trade and other payables	26	175,098	148,250	151,206
Contract liabilities	25	7,630	7,244	7,261
Short-term payables to related parties	31	60,005	167	753
Financial derivatives	28	5,112	3,794	2,870
Liabilities associated with assets held for sale		--	--	38,728
Provisions		--	242	3,640
Total current liabilities		**435,254**	**312,758**	**341,416**
Total liabilities		**3,542,353**	**3,721,548**	**2,686,488**
Total equity and liabilities		**5,577,516**	**4,674,627**	**4,414,469**

The notes on pages 12-59 form an integral part of this combined financial statements.

Combined statement of changes in equity

As at 31 December

In EUR thousand	Combined issued capital	Translation reserve	Combined reserves	Revaluation reserve	Combined retained earnings	Net result for the year	Total combined equity atributable to parent	Non controlling ineterst	Total combined equity
Balance at 1 January 2018	**74,019**	**3,755**	**138,921**	**10,587**	**1,496,668**	**0**	**1,723,950**	**4,031**	**1,727,981**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Profit for period	--	--	--	--	--	366,275	366,275	-3,392	362,883
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	**0**	**538**	**0**	**2,063**	**0**	**366,275**	**368,876**	**-3,392**	**365,484**
OTHER MOVEMENTS									
Common control transactions	--	--	--	--	--	--	--	--	--
Paid dividends	--	--	--	--	-1,140,386	--	-1,140,386	--	-1,140,386
Total other movements	**0**	**0**	**0**	**0**	**-1,140,386**	**0**	**-1,140,386**	**0**	**-1,140,386**
Balance at 31 December 2018	**74,019**	**4,293**	**138,921**	**12,650**	**356,282**	**366,275**	**952,440**	**639**	**953,079**
Balance at 1 January 2019	**74,019**	**4,293**	**138,921**	**12,650**	**356,282**	**366,275**	**952,440**	**639**	**953,079**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Profit for period	--	--	--	--	--	396,219	396,219	-14	396,205
OTHER COMPREHENSIVE INCOME							--		--
Revaluation of plant and equipment	--	--	--	-64	--	--	-64	--	-64
Foreign currency translation differences	--	1,692	--	--	--	--	1,692	--	1,692
Total comprehensive income for the period	**0**	**1,692**	**0**	**-64**	**0**	**396,219**	**397,847**	**-14**	**397,833**
OTHER MOVEMENTS									
Transfer of profit 2018	--	--	--	--	366,275	-366,275	--	--	--
Decrease of reserves	--	--	-138,921	--	--	--	-138,921	--	-138,921
Addition to reserves	--	--	828,682	--	--	--	828,682	--	828,682
Common control transactions	--	--	--	--	-5,510	--	-5,510	--	-5,510
Paid dividends	--	--	--	--	--	--	--	--	--
Total other movements	**0**	**0**	**689,761**	**0**	**360,765**	**-366,275**	**684,251**	**0**	**684,251**
Balance at 31 December 2019	**74,019**	**5,985**	**828,682**	**12,586**	**717,047**	**396,219**	**2,034,538**	**625**	**2,035,163**

The notes on pages 12-59 form an integral part of this combined financial statements.

Combined statement of cash flows

For the year ended 31 December

In EUR thousand	Note	2019	2018
OPERATING ACTIVITIES			
Profit for the period		396,219	366,275
Net valuation result on investment property	18	-408,356	-238,017
Amortisation and depreciation	19	8,000	3,868
Net interest expense and expenses from derivatives	14	53,831	52,762
Change in fair value of derivatives	14	32,349	10,469
Other changes		5,322	-7,609
Income from non-controlling interest		-14	-3,392
Gain from sale of investment property and subsidiaries	7	--	-34,977
Income tax expense	15	109,498	60,992
Operating profit before changes in working capital		**196,849**	**210,371**
Decrease/(increase) in trade and other receivables		-45,376	1,556
Increase/(decrease) in trade and other payables		47,148	32,853
Decrease/increase in inventory		-7,118	-1,343
Changes in net working capital		**-5,346**	**33,066**
Interest paid		-54,583	-54,715
Interest received		582	1,953
Income taxes paid		-12,077	-36,766
Cash flows from operating activities		**125,425**	**153,909**
INVESTMENT ACTIVITIES			
Acquisition of investment property	16	-48,699	-46,603
Acquisition of property, plant and equipment	19	-3,228	-20,879
Proceeds from disposal of investment property and PPE		12,110	37,090
Acquisition of subsidiaries, net of cash acquired	7	-20,378	-39,689
Proceeds from disposal of subsidiaries, net of cash disposed	7	--	398,159
Development of investment property		-323,770	-348,922
Cash flows used in investing activities		**-383,965**	**-20,844**
FINANCING ACTIVITIES			
Repayment of borrowings	24	-1,508,800	-273,782
Proceeds from interest-bearing loans and borrowings	24	2,042,082	357,466
Loan and borrowings granted to related companies		-225,000	-13,428
Loan and borrowings received from related companies		--	11,518
Transaction costs related to loans and borrowings	14	-31,705	-2,385
Paid dividends	23	--	-195,606
Payment of lease liabilities		-500	-590
Cash flows from/used in financing activities		**276,077**	**-116,807**
Cash and cash equivalents at 1 January		46,284	25,485
Net increase in cash and cash equivalents		17,537	16,258
Cash and cash equivalents reclassified from asset held for sale		--	4,541
Cash and cash equivalents at 31 December	22	**63,821**	**46,284**

The difference of the loans and borrowings granted to related companies compared to the balance sheet movement relate to a non-cash settlement of EUR 681 million.

The notes on pages 12-59 form an integral part of this combined financial statements.

Notes to the combined financial information

1. General information

The CTP Group (hereinafter referred to as "CTP" or "Group") is a Dutch-based real estate developer developing and leasing a portfolio of properties in Central and Eastern Europe (CEE). CTP comprises of the following sub-groups (hereinafter referred to as "the Sub-groups"):

(a) CTP B.V. domiciled in the Netherlands (hereinafter referred to as "the Sub-group CTP BV"),

(b) CTP Invest, spol. s r.o. domiciled in the Czech Republic (hereinafter referred to as "the Sub-group CTP Invest") including CTP CEE Properties, spol. s r.o. (CTP CEE Sub-group) and its subsidiaries.

The Sub-groups do not constitute a legal group; however, as of 31 December 2019 the Sub-groups were under the common control of their sole shareholder (hereinafter referred to as "the Sole Shareholder"):

Multivest B.V. (the Netherlands).

During 2019, upon fulfilment of all conditions precedent, Multivest B.V. acquired the shares held by Finspel B.V. in the CTP Group in order to consolidate ownership within the CTP Group.

Therefore, CTP has prepared these combined financial statements that is a combination of the Sub-groups' separate consolidated financial statements. The financial statements have 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 2019.

For the structure of CTP as at 31 December 2019 see note 30 and Appendix 1.

Sub-group CTP BV

Principal activities:

The principal operation of the Sub-group CTP BV is the lease of investment property in the Czech Republic, Slovakia, Hungary, Romania, Poland and Serbia. The Sub-group CTP BV leases property to its tenants under operating leases. As at 31 December 2019, the investment property portfolio is held directly by the Sub-group CTP BV.

Registered office:

The operating headquarters of CTP B.V., being the holding company of the Sub-group CTP BV, is located at Groeneweg 11, 4197 HD Buurmalsen, The Netherlands.

RSIN number: 860528091

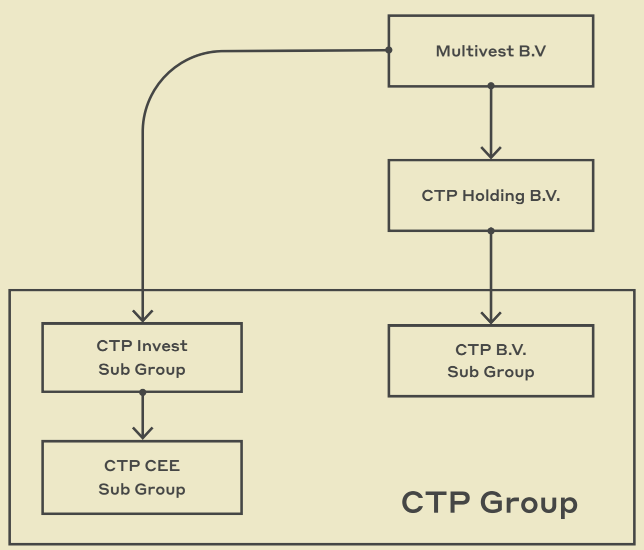
Registration number: 76518233

CTP B.V. was incorporated on 21 October 2019, for an unlimited period of time.

The sole shareholder as at 31 December 2019 is CTP Holding B.V.

Management as at 31 December 2019:

Directors: CTP Management B.V.



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 2019 and 31 December 2018 were:

Shareholder	Share in registered capital 31 December 2019	Share in registered capital 31 December 2018
Multivest B.V.	100,0%	50,0%
Finspel B.V.	-	50,0%
	100,0%	**100,0%**

Management as at 31 December 2019:

Director: Remon L. Vos

Director: Richard J. Wilkinson

Sub-group CTP CEE

Principal activities:

The principal operation of the Sub-group CTP CEE is the lease of investment property in the Czech Republic, Slovakia, Hungary, Romania, Poland and Serbia. The Sub-group CTP CEE leases property to its tenants under operating leases. As at 31 December 2019, the investment property portfolio is held directly by the Sub-group CTP CEE.

The operating headquarter of CTP CEE Properties, spol. s r.o., being the holding company of the Sub-group CTP CEE, is located at Humpolec, Central Trade Park D1 1571, 396 01.

Registration number: 087 58 093

CTP CEE Properties, spol. s r.o.. was incorporated on 12 December 2019, for an unlimited period of time, by transfer of the seat of entity CTP Property Lux S.á.r.l. from Luxembourg to the Czech Republic.

CTP CEE Properties, spol. s r.o. was fully owned by related party CTP Holding B.V. (former CTP Property B.V., not included in the combined financial statements) till 31 December 2019. CTP CEE Properties, spol. s r.o. was purchased by CTP Invest, spol. s r.o. on 31 December 2019. The combined financial statements for the year ended 31 December 2019 are prepared based on the assumption that CTP CEE Properties, spol. s r.o. and all its subsidiaries are fully owned by CTP Invest. spol. s r.o. from 1 January 2018.

The sole shareholder as at 31 December 2019 is the company CTP Invest, spol. s r.o.

Management as at 31 December 2019:

Director: Remon L. Vos

Director: Richard J. Wilkinson

These combined financial statements cover the year 2019, which ended at the balance sheet date of 31 December 2019.

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 2019 during the year 2020 as follows:

In EUR thousand	2019
Current liabilities as at 31 December 2019	435,254
Current assets excluding cash and cash equivalents as at 31 December 2019	122,058
Funds required in 2020 to cover the short-term liquidity need	313,196
Available cash as at 31 December 2019	63,821
Expected net rental income available for repayment current Interest-bearing loans and borrowings to be received in 2020	170,526
Interest-bearing loans and borrowings from financial institutions to be renegotiated to a long-term basis	77,569
Short-term payables to be renegotiated to a long-term basis	60,005
Expected drawdowns of loans and borrowings from financial institutions under existing loan facilities	258,397
Recurring overdraft	3,055
Expected funds to be received in 2020 to cover the short-term liquidity need	**633,373**

Based on the cash-flow projections prepared for the year 2020, other actual development up to the date of approval of these consolidated financial statements and results of management assessment as described above, the directors and management of the Group believe that it is appropriate to prepare the combined financial statements on a going concern basis as at 31 December 2019 and no material uncertainty exists with respect to going concern of the Group as at 31 December 2019.

The Group has secured bank loans that contain loan covenants. Under the agreements, the covenants are monitored on a regular basis to ensure compliance with these agreements.

3. Basis of combination

The combined financial statements are prepared by aggregating the separate 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 statements by adding together their assets, liabilities, equity accounts as well as income and expenses.

The following adaptations were carried out to the aggregation of the separate consolidated financial statements in order to establish the consolidated financial statements of the Group:

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

The combined financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). As this is the first set of combined financial statements of CTP B.V. and CTP Invest, spol. s r.o. IFRS 1 applies and therefore a transition of previous GAAP is not aplicable. As a result the financial position, financial performance and cash flows are not affected.

The combined financial statements were authorised for issue by the Board of Directors on 11 September 2020.

a) CTP has considered the following new and amended standards in 2019

For the preparation of the separate consolidated financial statements of the Sub-groups, the following new or amended standards and interpretations were considered for the first time for the financial year beginning 1 January 2019. The nature and the effect of these changes are disclosed below.

- **IFRS 16 Leases**

  This new standard has brought significant change in accounting policies for lease contracts for lessees. Lessor accounting under IFRS 16 is substantially unchanged from accounting under IAS 17.

  - **As a lessee**

  The Group leases several assets including land, property and offices. The Group previously classified all leases as operating leases under IAS 17. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for some of these leases.

  On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

  The Group has tested the right-of-use assets for impairment on the date of transition and has concluded that there is no indication that right-of-use assets are impaired.

  The Group used a number of practical expedients when applying IFRS 16 to leases. In particular, the Group:

  - did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application,
  - did not recognise right-of-use assets and liabilities for leases of low value,
  - excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application,
  - used hindsight when determining the lease term.

  - **As a lessor**

  The Group primarily leases out its investment property. The Group has classified these leases as operating leases. The Group is not required to make any adjustments on transition to IFRS 16 for such leases.

  The Group adopted IFRS 16 in the annual period beginning 1 January 2019 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application. The comparative information is not restated and will continue to be reported under the accounting standards in effect for that period. The disclosure requirements in IFRS 16 have not generally been applied to comparative information.

  Adoption of IFRS 16 has led to recognising of new right-of-use asset in amount of EUR 6,196 thousand and related additional lease liabilities of EUR 6,196 thousand as at 1 January 2019.

  The following table summarises the impact on Group's opening balances as at 1 January 2019:

Balance sheet - Adjustment	1 January 2019
ASSETS	**6 196**
Right-of-use assets - Investment Property	5 492
Right-of-use assets - Property, plant and equipment	704
Deferred tax assets	--
EQUITY	**--**
Retained earnings	--
LIABILITIES	**6 196**
Lease liabilities	6 196

  When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate as at 1 January 2019, which reflects weighted average interest rates on bank loans provided to the Group. The weighted average rate applied differs from 1.33% to 1.94% depending on type of leased asset, location and other factors considered.

  - **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 Group concluded that it is probable that similar to prior periods a particular uncertain tax treatment will be accepted by the tax authorities instead of common consideration of several tax treatments.

b) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing the separate consolidated financial statements of the Sub-groups.

The following amended standards and interpretations are not expected to have significant impact on the Sub-group's separate consolidated financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards - the amendment reflect the changes in Framework's principles, which have implications for how and when assets and liabilities are recognised and derecognised in the Sub-group's separate consolidated financial statements.
- Definition of a Business (Amendment to IFRS 3) - the amendments narrowed and clarified the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business
- Definition of Material (Amendments to IAS 1 and IAS 8) - the amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

c) Functional and presentation currency

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 statements presented in EUR has been rounded to the nearest thousand.

The Group performed an analysis at the entity level based on primary, secondary and other indicators and concluded the following:

- Group entities with the 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 operating 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's entities with the objective of the stable and sustainable operation of industrial parks or dormant entities with the 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 the sub-group CTP Invest there are the following Invest companies:

- CTP Invest, spol. s r.o. with the functional currency CZK,
- CTP Invest Poland Sp. z o.o. with thefunctional currency PLN,
- CTP Invest d.o.o. Beograd-Novi Beograd with the functional currency RSD,
- CTP Management Hungary Kft. with the functional currency HUF,
- CTP Invest Bucharest SRL with the functional currency RON,
- CTP Invest SK, spol. s r.o. with the functional currency EUR.

All other companies in the Group use EUR as their functional currency.

d) Basis of measurement

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

e) Use of estimates and judgments

The preparation of the combined financial statements 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 estimates and assumptions are reviewed on an on-going 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.

f) 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.

g) Combined financial statements

As the combined financial statements has been prepared by only aggregating the separate consolidated financial statements of the Sub-groups all the above statements apply to the combined financial statements as well.

5. Significant accounting policies

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

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

a) Basis of consolidation

a) 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 this consolidated financial statements from the date that control commences until the date that control ceases with the exemption of the sub-group CTP CEE, as is described under point 1. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Sub-groups.

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 under IFRS 3, when an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary.

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

b) 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 recognized at the carrying amounts recognized 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 recognized 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.

c) Business combinations

Business combinations, excluding those commenced between parties under common control, are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net amount of the identifiable assets acquired and liabilities stated at fair value.

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.

d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

e) Changes in the ownership interests in existing subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries

f) Asset acquisition

Asset acquisitions is an acquisition of an asset or a group of assets (and liabilities) that does not constitute a business. The Sub-groups identify and recognise the individual identifiable assets acquired and liabilities assumed and allocate the cost of the group to the individual identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

g) 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 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 property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. 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 2019 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.

Buildings and land

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 were the following:

Yield	2019	2018
Initial yield	4.25% - 8.79%	5.50% - 7.00%
Exit yield		
Industrial premises	5.50% - 9.50%	5.75% - 9.50%
Office properties	6.00% - 9.00%	6.00% - 8.50%
Retail	7.50%	7.50%
On-going Vacancy	0.00% - 2.00%	0.00% - 5.00%
ERV per sqm		
Industrial premises	2.75 - 9.50 EUR	3.55 - 6.00 EUR
Office properties	3.90 - 9.50 EUR	8.00 - 13.50 EUR
Retail	7.30 EUR	7.85 EUR

Any gain or loss arising from a change in fair value is recognised in the statement of profit and loss.

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

Land bank

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.

The assumptions of the independent valuator for the year ended 31 December were based on analysis of comparable evidence and adopted the following average market values per square meter:

	2019	2018
Czech Republic	54 EUR	61 EUR
Slovak Republic	43 EUR	39 EUR
Hungary	28 EUR	29 EUR
Serbia	28 EUR	36 EUR
Romania	25 EUR	27 EUR
Poland	25 EUR	24 EUR

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. Investment property under development is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. When construction or development is completed, property is reclassified and subsequently accounted for as investment property.

The independent valuation report was obtained as at 31 December 2019. The value of investment property under development was determined by external, independent property valuators, having appropriately 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 development.

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 were the following:

	2019	2018
Capitalisation rates	5.25% - 9.00%	5.50% - 9.00%
On-going Vacancy	0.00% - 2.00%	0.00% - 5.00%
ERV per sqm		
Industrial premises	3.50 – 6.00 EUR	3.55 – 6.00 EUR
Office properties	13.75 EUR	13.25 EUR
Soft costs	8.00% - 10.00%	8.00% - 10.00%
Finance costs	4.00% - 8.00%	4.00% - 8.00%
Profit allowance	20.00% - 25.00%	15.00% - 25.00%

d) Property, plant and equipment

(i) Revaluation model

Solar plants that are completed and generating income are classified under Property, plant and equipment at revalued amounts, being the fair value at the reporting date. Any gain or loss arising on re-measurement of solar plants is treated as a revaluation, 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. A loss is an expense in profit or loss to the extent at which it is higher than the previously recognised revaluation surplus.

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.

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

For the calculation of the market value of solar energy power panels the discount rate of 9% was used.

(ii) Cost model

All other buildings, property, plant and equipment are measured 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 and an appropriate proportion of production overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

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. 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.

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.

(iii) Reclassification to Investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. A loss is an expense in profit or loss to the extent at which it is higher than the previously recognised revaluation surplus.

e) Contract assets and contract liabilities

Contract assets represent the cost of development extras, specific fit-outs, which are paid upfront by tenants but are not capable of being distinct from leased premises. These capitalised development extras costs are depreciated evenly over the leasing period.

Contract liabilities, presented within trade and other payables, primarily relate to the upfront consideration received from tenants for construction of development extras, specific fit-outs, for which revenue is recognised over time, over the leasing period.

f) Leases

As this is the first set of combined financial statements IFRS 16 is applied using the full retrospective approach.

At inception of a contract, the Sub-groups assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- **As a lessee**

At commencement or on modification of a contract that contains a lease component, the Sub-groups allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Sub-groups has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Sub-groups recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of lease term, unless the lease transfers ownership of the underlying asset to the Subgroup by the end of the lease term or the cost of the right-of-use asset reflects that the Subgroup will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Subgroup's incremental borrowing rate.

The Sub-groups determine its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of an asset leased.

Lease payments included in the measurement of the lease liability comprise of following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price under a purchase option that the Sub-groups are reasonably certain to exercise;
- lease payments in an optional renewal period if the Sub-groups are reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Sub-groups are reasonably certain not to terminate early.

Subsequently, the lease liability is measured at amortised cost using effective interest method. It is remeasured when there is change in any of above-mentioned lease liability components. In such case the corresponding adjustment is made to the carrying amount of the right-of-use asset or is posted in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Sub-groups present right-of-use assets that do not meet the definition of investment property in the property, plant and equipment and lease liabilities in trade and other payables in the statement of financial position.

The Sub-groups have elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

- **As a lessor**

At inception or on modification of a contract that contains a lease component, the Sub-groups allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Sub-groups act as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Sub-groups make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Sub-groups consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Sub-groups recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of rental income.

Property held under finance leases and leased out under operating leases was classified as investment property and stated at fair value as described in note 5b).

g) Financial instruments

(i) Financial assets

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 collecting contractual cash flows and selling financial assets; 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 if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

(ii) 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.

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 their 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 their 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.

(iii) Financial liabilities

Financial liabilities are classified as measured at their amortised cost or FVTPL (fair value through profit or loss). A financial liability is classified as at FVTPL if it is classified as held-for trading, it is a derivative or it is designed as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) 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 FVTPL) 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 their 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 are due within one year from the reporting date.

(v) Derivative financial instruments

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

a) its value changes in response to a 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. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss.

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

The principal types of derivative instruments used by the Sub-groups are interest rate swaps.

Swaps are agreements between the Sub-groups and other parties to exchange future cash flows based upon agreed notional amounts.

Under interest rate swaps, the Sub-groups agree with other parties to exchange, at a specific interval, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional amount.

h) Inventories

Inventories represents mainly works in progress, which relates to the cost of development extras and specific fit outs for tenants.

i) Impairment

(i) Non-financial assets

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

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in profit or loss. An impairment loss in respect of Property, plant and equipment measured at fair value is reversed through profit and loss to the extent that it reverses an impairment loss on the same asset that was previously recognised in profit and loss.

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.

(ii) Financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is credit-impaired.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Sub-groups on terms that the Sub-groups would not consider otherwise, indications that a debtor will enter bankruptcy, the disappearance of an active market for a security and observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

The Sub-groups consider evidence of impairment for financial assets at both specific asset and collective level. All individually significant financial assets are assessed for specific impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. The Sub-groups use for the recognition and measurement of impairment losses the "expected credit loss" model (ECLs). The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- provided loans and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition;
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to the lifetime ECLs.

At each reporting date, the Sub-groups assess whether financial assets carried at amortised cost and debt securities at FVOCI (fair value through other comprehensive income) are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Sub-groups first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Sub-groups determine that no objective evidence of credit impairment exists for individually assessed financial assets, whether significant or not, it includes the assets in a group of financial assets with similar risk characteristics and collectively assesses them for credit impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

A significant increase in credit risk (SICR) represents a significant increase in the risk of default in respect of a financial assets as at the reporting date compared with the risk as at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-groups consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-group's historical experience and informed credit assessment and including forward-looking information.

The Sub-groups consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the trade or other receivable is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-groups are exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-groups expect to receive). ECLs are discounted at the effective interest rate of the financial asset. In some cases the observable data required to estimate the amount of an impairment loss on a financial asset may be limited or no longer fully relevant to current circumstances. This may be the case when a borrower is in financial difficulties and there is little available historical data relating to similar borrowers. In such cases, the Sub-groups use their experience and judgement to estimate the amount of any credit impairment loss.

All impairment losses in respect of financial assets are recognised in profit or loss and are only reversed if a subsequent increase in the recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount of the asset that would have been determined, net of amortisation, if no impairment loss had been recognised.

The write-off policy of the Sub-groups require that the outstanding amount of a loan shall be written off if there is any instalment overdue for 730 or more days. However, the loan shall remain in the Company's statement of financial position even after 730 days of non-payment if it is probable that the loan will be sold in the near future, or significant recoveries are expected. In such case, the loan outstanding amount shall be derecognised at the moment of its sale or later, as soon as no significant recoveries are expected.

j) Reversals of impairment

An impairment loss of non-financial assets 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.

k) Equity

Combined share capital

Combined share capital represents the amount of capital registered in the Commercial Register of the combined activities 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.

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 note 4d).

Combined reserves

Combined reserves include Other capital funds, which represent contribution outside the registered capital and are created based on the decision of Board of Directors of the combined activities.

Revaluation reserve

Revaluation reserve comprises the revaluation of solar plants, which are classified under property, plant and equipment at revalued amounts, being the fair value at the reporting date (refer to note 5d).

Combined retained earnings

Combined retained earnings arise from the accumulation of profits and losses of the combined activities and are subject of dividend distribution after approval of the Board of directors.

l) 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.

m) Rental income and service charge income

Rental income from leases is recognised as income in the statement of 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.

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

Service and management charges are included in net rental income gross of the related costs. The Group determined that it does control the services before they are transferred to tenants and therefore that the Group acts rather as a principal in these arrangements.

n) Income from development activities

Revenues from customer specific fit-outs of rented facilities (development extras) are presented separately in statement of comprehensive income. Income from development activities 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. It is recognised on a straight-line basis per duration of respective rental contract.

Development expenses are capitalised and amortised to profit and loss based on related development contract.

o) Revenues from sale of properties

Revenue from sale of properties is recognised when control has passed to the buyer at the amount at which the Sub-groups expect to be entitled, the recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably, i.e. on the date on which the application is submitted to the Land Registry for the transfer of legal ownership title. Revenue is measured net of returns, trade discounts and volume rebates. When appropriate, revenue from such sales are deferred until the property is completed and the properties are ready for sale, including the necessary regulatory permissions.

p) Hotel revenues

Revenues from hotel operations represents room rental and sale of food and beverages. Hotel revenues are recognised in profit and loss at the moment, when customer obtains control over the services provided.

q) 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 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.

r) Income tax

Income tax 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 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 liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

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

The corporate income tax rate for the period ended 31 December 2019 and 31 December 2018 was:

Country	2019	2018
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%

Deferred tax is not recognised from temporary differences on the initial recognition of assets and/or liabilities in transaction which is not a business combination under IFRS 3 (asset deal).

s) Foreign currency transaction

Foreign currency transactions

Transactions in foreign currencies are converted 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 converted 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 converted 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.

t) Segment reporting

The Group has applied the criteria of IFRS 8, 'Operating Segments' to determine the number and type of operating segments. According to this standard an operating segment is component carrying out business operations whose operating income is evaluated regularly by the Group's highest executive decision maker and about which separate financial information is available. The Group's Operating segments were determined in connection with the nature of the business and how the operations are managed by the Group's operating decisionmaker. The Group reports four operating segments based on geographical segmentation: Czech Republic, Romania, Hungary and Other. Segment results that are reported to the Board of Directors include items directly attributable to a segment.

The operating segments are determined based on the Group's management and internal reporting structure. As required by IFRS 8, the Group provides information on the business activities in which, the Group engages including split of revenue and investment property.

6. Segment reporting

The principal operation of the Group is the lease of investment property in the Czech Republic, Slovakia, Hungary, Romania, Poland and Serbia and development in these countries. The Group manages its activities based on geographical segmentation as the substance of the business activities is the same in all regions, where the Group operates.

The Group' s principal activities are performed in the following main business geographical segments: Czech Republic, Romania, Hungary and Other.

Results of the segments as at 31 December 2019 is as follows:

In thousand of EUR	Czech Republic	Romania	Hungary	Other	Eliminations in consolidation	Total
Investment property	3,388,338	695,729	281,300	429,365		**4,794,732**
Investment property under development	243,901	78,190	60,167	58,469		**440,727**
Interest-bearing loans and borrowings from financial institutions	-1,983,335	-376,211	-135,016	-200,623		**-2,695,185**
Net rental Income	164,654	36,416	17,930	20,790		**239,790**
Net valuation result on IP	259,841	66,848	48,525	33,141		**408,355**
Interest expense	-38,689	-19,229	-8,144	-6,018	17,667	**-54,413**
Profit/loss before tax	313,204	85,292	55,323	52,404		**506,223**

Results of the segments as at 31 December 2018 is as follows:

In thousand of EUR	Czech Republic	Romania	Hungary	Other	Eliminations in consolidation	Total
Investment property	2,999,629	575,940	231,305	287,175		**4,094,049**
Investment property under development	196,031	52,947	18,519	47,860		**315,357**
Interest-bearing loans and borrowings from financial institutions	-1,590,221	-298,684	-103,875	-138,562		**-2,131,342**
Net rental Income	170,029	33,310	7,307	21,505		**232,151**
Net valuation result on IP	153,382	40,410	20,498	23,728		**238,018**
Interest expense	-39,494	-11,192	-4,663	-6,213	6,635	**-54,927**
Profit/loss before tax	280,466	61,537	22,537	59,335		**423,875**

7. Changes in the Group

In 2019, the Group has acquired the below mentioned subsidiaries:

Subsidiary	Acquisition date
Development OVA West a.s.	30 April 2019
CTP Invest XXX, spol. s r.o.	18 June 2019
CTP Bucharest A1 SRL	30 June 2019
CTP Borská Pole, spol. s r.o.	3 September 2019
CTP Lambda doo Beograd	31 December 2019

with the effect on the financial statement of the Group as follows:

In EUR thousand	Acquisitions 2019
Investment property	54,548
Investment property under development	427
Cash and cash equivalents	301
Trade and other receivables	1,008
Total assets	**56,284**
Trade and other liabilities	-4,414
Interest bearing loans	-31,191
Total liabilities	**-35,605**
Net assets acquired	20,679
Consideration paid	20,679
Net cash outflow	**20,378**

The acquisition was recognised as a property asset acquisition as acquired companies does not represent a business as defined by IFRS 3.

In 2018 the Group sold several SPV's of Portfolio A, owning investment properties in several parks in Bohemia, Czech Republic (refer to note 12). The effect of the sale of these SPV' s on the financial statements was as follows:

In EUR thousand	Portfolio A
Investment property	326,480
Investment property under development	53,475
Trade receivables	16,421
Total assets	**396,376**
Liabilities	-3,999
Deferred tax liability	-32,735
Total liabilities	**-36,734**
Net assets sold	**359,642**
Proceeds from sale of subsidiaries	**391,974**
Gain on sale of subsidiaries	**32,332**

In 2018, the Group has acquired CTPark Ten Kft. with net asset value as at date of acquisition of EUR 217 thousand for the consideration paid of EUR 23 thousand.

8. Gross rental income and service charge income

In EUR thousand	2019	2018
Industrial	216,404	203,441
Office	26,202	26,674
Retail	1,016	786
Other	14,364	11,059
Total rental income	**257,986**	**241,960**
Service charge income	22,379	19,990
Total gross rental income and service charge income	**280,365**	**261,950**

CTP leases out its investment property under operating leases. The operating leases are generally for terms of 5 - 15 years.

Service charge income represents fixed contractual income receivable from tenants for maintenance, cleaning, security, garbage management and usage of infrastructure.

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

In EUR thousand	2019	2018
Czech Republic	185,892	188,259
Romania	45,703	38,618
Hungary	24,307	12,224
Slovakia	20,237	18,614
Poland	1,786	2,497
Germany	1,476	1,542
Serbia	793	26
Austria	171	170
Total gross rental income	**280,365**	**261,950**

9. Property operating expenses

In EUR thousand	2019	2018
Maintenance and repairs	-23,159	-15,940
Park management expenses	-9,706	-7,590
Real estate tax	-5,448	-4,310
Insurance	-1,681	-1,112
Other	-581	-847
Total property operating expenses	**-40,575**	**-29,799**

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.

10. Net operating income from hotel operations

In EUR thousand	2019	2018
Hotel operating revenue	17,312	16,805
Hotel operating expenses	-11,546	-10,681
Net operating income from hotel operations	**5,766**	**6,124**

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.

11. Net income from development activities

In EUR thousand	2019	2018
Income from development activities	12,519	9,358
Expenses connected with development activities	-10,304	-7,891
Net income from development activities	**2,215**	**1,467**

Net income from development activities represents income from construction services provided by CTP to third party companies, straight-lined over the lease period.

12. Other income

In EUR thousand	2019	2018
Gains from sale of assets	5,842	45,357
Income from sale of electricity	3,254	3,185
Other income	1	1,151
Total other income	**9,097**	**49,693**

Gains from the sale of assets in 2019 consist of the sale of industrial property and land to external partners.

Gains from the sale of assets in 2018 particularly consists of gain from the sale of Portfolio A SPVs of EUR 32,332 thousand; gain from sale of a local distribution network in the 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 359,642 thousand. The selling price amounted to EUR 391,974 thousand.

In 2018, other income consists mainly of insurance indemnification and contractual penalties.

13. Other expenses (including administrative expenses)

In EUR thousand	2019	2018
Wages and salaries	-13,200	-11,335
Social security contributions	-2,811	-2,546
Other personnel expenses	-1,160	-967
Energy and material consumption	-1,446	-2,338
Legal, tax and audit	-3,289	-5,599
Fee for real estate consultants and brokers	-2,288	-2,464
Taxes and charges	-1,254	-2,035
Advertising and promotion expenses	-2,177	-1,881
Rent	-1,502	-2,086
Other	-5,202	-8,440
Total other expenses	**-34,329**	**-39,691**

Energy and material consumption include also cost for equipment and furniture, which due to 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 2019 was 370 (2018 – 324 employees).

14. Net finance costs

In EUR thousand	2019	2018
Interest income	582	1,953
Interest expense	-54,413	-54,927
Other financial expenses	-18,552	-8,405
Other financial gains/losses	-44,809	1,361
Net finance costs	**-117,192**	**-60,018**

Interest expenses consist of interest from loans and borrowings and further from paid interest on financial derivatives. Other financial expenses comprise primarily of standard bank fees and arrangement fees for making available new loan facilities and other financial expenses. In 2019 the financial expenses also include prepayment fee in the amount of EUR 8,569 thousand for premature loan repayments enabling the syndicate refinancing of the Czech industrial Portfolio.

Other financial gains/losses comprise the change of the market value of the derivatives and foreign currency differences. Due to the premature termination of the derivatives related to the refinancing of the Czech industrial Portfolio an amount of EUR 31,705 thousand has been paid in June 2019.

15. Income tax expense

In EUR thousand	2019	2018
Current tax	-17,810	-12,630
Deferred tax	-91,688	-48,362
Total income tax expense in income statement	**-109,498**	**-60,992**

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 2019 and is as well valid for the future periods when the Group expects to utilise the tax impacts from previous years.

16. Investment property

In EUR thousand	2019	2018
BUILDINGS AND LAND	**4,499,496**	**3,816,966**
industrial	3,828,858	3,236,725
office	554,332	458,995
hotels	108,012	103,892
retail	4,200	12,690
other	4,094	4,664
LAND BANK	**295,236**	**277,082**
Total	4,794,732	4,094,048

In EUR thousand	Owned buildings and land	Land Bank	Leased Assets	Total Investment Property
BALANCE AT 1 JANUARY 2018	**3,542,869**	**243,841**	**--**	**3,786,710**
Recognition of right-of-use asset on initial application of IFRS 16	--	--	5,492	5,492
Transfer from/to investment property under development	96,721	-9,491	--	87,230
Transfer from/to owned buildings and land	3,963	-3,963	--	0
Acquisitions	19,602	--	--	19,602
Additions / Disposals	202,869	35,686	--	238,555
Disposals of subsidiaries	-321,054	-5,426	--	-326,480
Transfer from asset held for sale	60,990	--	--	60,990
Valuation gains	247,468	36,540	--	284,008
Valuation losses	-41,954	-20,105	--	-62,059
BALANCE AT 31 DECEMBER 2018	**3,811,474**	**277,082**	**5,492**	**4,094,048**
BALANCE AT 1 JANUARY 2019	**3,811,474**	**277,082**	**5,492**	**4,094,048**
Transfer from/to investment property under development	100,038	22,384	--	122,422
Transfer from/to owned buildings and land	5,927	-5,927	--	0
Acquisitions	99,939	3,156	--	103,095
Additions / Disposals	207,705	705	--	208,410
Valuation gains	291,506	9,975	--	301,481
Valuation losses	-22,585	-12,139	--	-34,724
BALANCE AT 31 DECEMBER 2019	**4,494,004**	**295,236**	**5,492**	**4,794,732**

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.

Investment property comprises a number of commercial properties that are leased to third parties.

All owned buildings and land are subject to bank collateral (refer to note 34). The most significant investment property additions in 2019 relate to completed construction of office facility in Brno, industrial properties in Žatec, Cerhovice, Mladá Boleslav and Plzeň in the Czech Republic and in Kragujevac in Serbia.

In 2018 the most significant investment property additions related to completed construction of industrial properties in Bucharest in Romania, in Tatabanya in Hungary, in Prague East - Nupaky and the office facility in Brno in the Czech Republic. Disposal of investment property in 2019 relate to sale of industrial property and land to external partners.

Disposal of investment property in 2018 consists mainly of the sale of industrial properties in Portfolio A SPVs in total value of EUR 326,480 thousand (refer to note 12. Other income and note 7 Changes in the Group.)

Acquisitions of investment property include property asset acquisitions described in note 7, and acquisitions of operating property from third parties.

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 31 December 2019.

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

In EUR thousand	2019	2018
Czech Republic	3,388,338	2,999,629
Romania	695,729	575,940
Slovakia	314,620	217,802
Hungary	281,300	231,305
Poland	46,320	35,528
Serbia	43,562	11,108
Germany	15,862	16,192
Slovenia	4,588	2,131
Austria	2,780	2,780
Ukraine	1,633	1,633
Total	**4,794,732**	**4,094,048**

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 as it is valued by comparable method. The table below presents the sensitivity of profit and loss before tax as at 31 December 2019 and 31 December 2018 due to changes in assumptions:

Completed investment properties as at 31 December 2019 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	6.97%	4,494,004	7.22%	4,338,300	-155,704
	Current rental income including ERV from vacant space	Decrease rental income by 500bp	FMV based upon decreased rental income	Effect of decrease in rental income by 500bp	Effect of increase in rental income by 500bp
Decrease of 500bp in estimated rental income	313,036	297,384	4,269,304	-224,700	224,700

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%	3,811,474	7.29%	3,680,772	-130,702
	Current rental income	Decrease rental income by 500bp	FMV based upon decreased rental income	Effect of decrease in rental income by 500bp	Effect of increase in rental income by 500bp
Decrease of 500bp in estimated rental income	268,344	254,927	3,620,900	-190,574	190,574

17. Investment property under development

In EUR thousand	2019	2018
Balance at 1 January	315,357	310,089
Additions/disposals	105,613	127,050
Divestments	--	-53,475
Transfer from/to Investment property	-122,422	-87,230
Valuation gains	145,079	30,345
Valuation losses	-3,480	-14,277
Acquisition of subsidiaries	580	2,855
Balance at 31 December	**440,727**	**315,357**

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.

Investment property under development is transferred to Investment property after final building approval (occupancy permit) has been obtained by the Group.

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

In EUR thousand	2019	2018
Czech Republic	243,901	196,031
Romania	78,190	52,947
Hungary	60,167	18,519
Slovakia	48,107	43,610
Serbia	8,162	8
Poland	2,200	4,242
Total	**440,727**	**315,357**

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.

Sensitivity analysis on changes in assumptions of investment property under development valuation

CTP performed a sensitivity analysis on changes in investment property under development valuation. The table below presents the sensitivity of profit and loss before tax as at 31 December 2019 and 31 December 2018:

INVESTMENT PROPERTIES UNDER DEVELOPMENT AS AT 31 DECEMBER 2019 IN EUR THOUSAND

	Current average yield	Current market value at completion	Increased yield by 25bp	FMV based upon increased yield	Effect of increase in yield by 25bp
Increase of 25bp in reversionary yield	6.50%	709,770	6.75%	683,474	-26,296
		Current rental income (including ERV from vacant space)	Decrease rental income by 500bp	FMV based upon decreased rental income	Effect of decrease in rental income by 500bp
Decrease of 500bp in estimated rental income		46,120	43,814	674,281	-35,489
		Current rental income (including ERV from vacant space)	Increase rental income by 500bp	FMV based upon increased rental income	Effect of increase in rental income by 500bp
Increase of 500bp in estimated rental income		46,120	48,426	745,021	35,489

INVESTMENT PROPERTIES UNDER DEVELOPMENT AS AT 31 DECEMBER 2018 IN EUR THOUSAND

	Current average yield	Current market value at completion	Increased yield by 25bp	FMV based upon increased yield	Effect of increase in yield by 25bp
Increase of 25bp in reversionary yield	6.13%	495,775	6.38%	476,334	-19,441
		Current rental income (including ERV from vacant space)	Decrease rental income by 500bp	FMV based upon decreased rental income	Effect of decrease in rental income by 500bp
Decrease of 500bp in estimated rental income		30,368	28,849	470,986	-24,789
		Current rental income (including ERV from vacant space)	Increase rental income by 500bp	FMV based upon increased rental income	Effect of increase in rental income by 500bp
Increase of 500bp in estimated rental income		30,368	31,886	520,168	24,789

An increase of developers' profit by 2% in valuators' assumptions will increase the developers profit and as a consequence will decrease the valuation gain by EUR 6,094 thousand (2018 – EUR 3,624 thousand).

18. Net valuation result on investment property

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

In EUR thousand	2019	2018
Valuation gains	**446,560**	**314,353**
out of which: Investment Property	301,481	284,008
Investment Property under development	145,079	30,345
Valuation losses	**-38,204**	**-76,336**
out of which: Investment Property	-34,724	-62,059
Investment Property under development	-3,480	-14,277
Net valuation gains (- losses) on investment property	**408,356**	**238,017**

19. Property, plant and equipment

In EUR thousand	Leased Property	Plant	Equipment	2019	2018
Balance at 1 January	704	20,079	33,437	54,220	33,858
Acquisitions	--	--	--	--	1,050
Additions	--	--	3,228	3,228	21,201
Disposals	--	--	-2,363	-2,363	-84
Valuation gain/loss on solar plants	--	-64	--	-64	2,063
Depreciation	-324	-1,183	-6,493	-8,000	-3,868
Balance at 31 December	**380**	**18,832**	**27,809**	**47,021**	**54,220**

Under Plant are presented the solar plants installed on the roofs of several buildings. The value of EUR 18,832 thousand (2018 – EUR 20,079 thousand) represents the fair value of the solar panels based upon the independent valuation report.

Under Equipment in the amount of EUR 27,809 thousand (2018 – EUR 33,437 thousand) is real estate infrastructure (roads, greenery, energy transformers etc.) including related equipment, and means of transport are presented.

Property, plant and equipment newly includes also right-of-use assets of EUR 380 thousand (2018 – EUR 704 thousand) related to leased properties that do not meet the definition of investment property (refer to note 27). The most significant addition in 2019 was the purchase of means of transport.

20. Contract assets

The contract assets in amount of EUR 32,343 thousand (2018 – EUR 33,730 thousand) represent capitalised cost of development extras and specific fit-outs.

21. Trade receivables and other assets

In EUR thousand	2019	2018
Trade receivables	39,616	31,338
Other assets	48,246	24,588
Tax receivables	25,255	23,863
Total trade and other receivables	**113,117**	**79,789**

Trade receivables consist primarily of receivables from rent and rent related income.

Other assets consist primarily of estimated receivables of EUR 4,519 thousand (2018 – EUR 319 thousand), advance payments and accrued income of EUR 9,460 thousand (2018 – EUR 12,140 thousand) and prepayments of EUR 34,267 thousand (2018 – EUR 12,129 thousand).

Short-term receivables overdue more than 6 months total EUR 4,208 thousand (2018 – EUR 3,654 thousand).

Total allowances to bad debts are EUR 4,114 thousand (2018 – EUR 3,718 thousand).

Trade and other receivables can be analysed as follows:

31 DECEMBER 2019	GROSS CARRYING AMOUNT	LOSS ALLOWANCE	WEIGHTED AVERAGE LOSS RATE	CREDIT-IMPAIRED
Current (not past due)	27,637	-159	0.58%	27,478
1-30 days past due	6,389	-87	1.36%	6,302
31-60 days past due	2,034	-61	3.00%	1,973
61-90 days past due	929	-109	11.73%	820
91-183 days past due	784	-75	9.57%	709
184-365 days past due	1,177	-414	35.17%	763
Paid in more than 365 past due	3,031	-1,460	48.17%	1,571
Total	**41,981**	**-2,365**	--	**39,616**

31 DECEMBER 2018	GROSS CARRYING AMOUNT	LOSS ALLOWANCE	WEIGHTED AVERAGE LOSS RATE	CREDIT-IMPAIRED
Current (not past due)	15,718	-285	1.81%	15,433
1-30 days past due	4,887	-54	1.10%	4,833
31-60 days past due	1,636	-137	8.37%	1,499
61-90 days past due	6,425	-426	6.63%	5,999
91-183 days past due	1,592	-123	7.73%	1,469
184-365 days past due	576	-125	21.70%	451
Paid in more than 365 past due	3,078	-1,424	46.26%	1,654
Total	**33,912**	**-2,574**	--	**31,338**

22. Cash and cash equivalents

Cash and cash equivalents of EUR 63,821 thousand (2018 – EUR 46,284 thousand) consist of petty cash, cash at bank balances and cash in transit.

Restricted cash amounts to EUR 11,359 thousand and is presented under non-current trade and other receivables (2018 – EUR 23,234 thousand).

23. Equity

CTP B.V.

Share capital

The issued capital of EUR 100 was fully paid.

Other capital funds

Addition to other capital funds of EUR 828,682 thousand represents contribution of parent company for the Group restructuring purposes.

CTP Invest, spol. s r.o.

Share capital

The issue of EUR 74,019 thousand (2018 – EUR 74,019 thousand) was fully paid.

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 note 4c).

Other capital funds

Decrease of other capital funds amounting to EUR 138,921 thousand represents a distribution to CTP Holding B.V. in relation to the restructuring of the Group made in the form of loan repayment.

Profit distribution

In 2018, the Group has paid dividends of EUR 1,140,386 thousand.

24. Interest-bearing loans and borrowings from financial institutions

In EUR thousand	2019	2018
NON-CURRENT LIABILITIES		
Interest-bearing loans and borrowings from financial institutions	2,507,777	1,978,281
Balance at 31 December	**2,507,777**	**1,978,281**

In EUR thousand	2019	2018
CURRENT LIABILITIES		
Interest-bearing loans and borrowings from financial institutions	187,409	153,061
Balance at 31 December	**187,409**	**153,061**

Residual maturity of loans and borrowings from financial institutions as at 31 December 2019 is as follows:

BALANCE AS AT 31 DECEMBER 2019

In EUR thousand	Due within			Due in follow. years	Total
	1 year	2 years	3-5 years		
Erste Group	**19,052**	**16,045**	**49,006**	**311,975**	**396,078**
Erste Group Bank AG	10,406	6,166	18,766	120,632	155,970
Česká spořitelna, a.s.	5,572	6,500	19,500	148,578	180,150
ERSTE Bank Hungary Zrt	1,798	2,072	6,548	30,491	40,909
Banca Comerciala Romana S.A.	1,276	1,307	4,192	12,274	19,049
Raiffeisen International Group	**69,435**	**39,603**	**225,672**	**2,818**	**337,527**
Raiffeisen Bank International AG	4,303	5,312	70,321	0	79,936
Raiffeisenbank, a.s.	9,169	6,126	124,054	0	139,349
Tatra banka, a.s.	53,174	18,816	0	0	71,989
RAIFFEISEN BANK S.A.	1,490	8,047	6,040	2,818	18,395
RAIFFEISEN BANK ZRT.	1,299	1,302	25,257	0	27,858
UniCredit Bank Czech Republic and Slovakia, a.s.	**40,533**	**44,435**	**78,266**	**217,461**	**380,695**
UniCredit Bank Czech Republic and Slovakia, a.s.	40,533	44,435	78,266	217,461	380,695
UniCredit Bank Hungary ZRT.	0	0	0	0	0
KBC Group	**9,078**	**10,498**	**41,042**	**222,868**	**283,486**
Československa obchodní banka, a.s.	9,078	10,498	41,042	222,868	283,486
Československa obchodná banka, a.s.	0	0	0	0	0
KERESKEDELMI ÉS HITELBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG	0	0	0	0	0
Société Générale Group	**13,728**	**46,129**	**43,625**	**292,778**	**396,260**
Komerční banka, a.s.	8,386	39,983	24,405	180,049	252,823
BRD-Groupe Société Générale S.A.	4,101	4,885	14,655	100,355	123,996
SG Equipment Finance Czech Republic s.r.o.	987	1,007	3,805	8,552	14,352
Societe Generale Banka Srbija AD	254	254	761	3,822	5,090
Landesbank Hessen - Thuringen Girozentrale	**0**	**0**	**0**	**0**	**0**
HYPO NOE AG	**634**	**634**	**19,858**	**0**	**21,125**
Raiffeisenlandesbank Niederösterreich-Wien AG	**3,664**	**4,274**	**12,823**	**97,704**	**118,465**
Allianz Lebensversicherungs-Aktiengesellschaft + Allianz Private Krankenversicherungs-Aktiengesellschaft	**0**	**0**	**0**	**0**	**0**
Deutsche Pfandbriefbank AG	**2,786**	**3,250**	**9,750**	**74,289**	**90,075**
ING Bank N.V.	**5,338**	**5,338**	**54,642**	**82,125**	**147,443**
European Bank for Reconstruction and Development	**1,557**	**1,557**	**29,548**	**0**	**32,663**
Banca Transilvania SA	**2,045**	**2,045**	**8,276**	**28,886**	**41,251**
Všeobecná úvěrová banka, a.s.	**0**	**0**	**0**	**0**	**0**
MONETA Money Bank, a.s.	**4,329**	**4,329**	**8,658**	**0**	**17,316**
Alpha Bank SA	**1,759**	**1,886**	**13,301**	**18,485**	**35,431**
Oberbank AG	**2,118**	**2,363**	**13,147**	**40,953**	**58,581**
Oberbank AG pobočka Slovenská republika	171	173	538	3,808	4,690
Oberbank AG pobočka Česká republika	1,947	2,189	12,609	37,145	53,891
Bancpost SA	**0**	**0**	**0**	**0**	**0**
Bank Polska Kasa Opieki S.A.	**579**	**594**	**1,879**	**8,723**	**11,775**
Banka Creditas a.s.	**0**	**9,600**	**0**	**0**	**9,600**
OTP Bank Nyrt.	**1,724**	**1,939**	**6,175**	**22,182**	**32,020**
Bank of China (Hungary) Close Ltd.	**5,572**	**6,500**	**19,500**	**148,578**	**180,150**
European Commercial Mortgages S.à.r.l.	**1,398**	**1,398**	**4,193**	**35,314**	**42,303**
WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group	**1,725**	**1,724**	**5,173**	**43,576**	**52,198**
DONAU Versicherung AG Vienna Insurance Group	**355**	**355**	**1,065**	**8,969**	**10,744**
Subtotal	**187,409**	**204,495**	**645,599**	**1,657,683**	**2,695,186**

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

BALANCE AS AT 31 DECEMBER 2018

In EUR thousand	Due within			Due in follow. years	Total
	1 year	2 years	3-5 years		
Erste Group	**14,166**	**15,060**	**196,521**	**45,611**	**271,358**
Erste Group Bank AG	0	0	0	0	0
Česká spořitelna, a.s.	9,943	10,778	183,297	0	204,018
ERSTE Bank Hungary Zrt	0	0	0	0	0
Banca Comerciala Romana S.A.	4,223	4,282	13,224	45,611	67,340
Raiffeisen International Group	**35,556**	**48,440**	**245,085**	**28,193**	**357,274**
Raiffeisen Bank International AG	4,030	2,847	48,563	0	55,440
Raiffeisenbank, a.s.	19,193	9,780	150,883	28,193	208,049
Tatra banka, a.s.	10,477	34,068	16,935	0	61,480
RAIFFEISEN BANK S.A.	446	446	6,095	0	6,987
RAIFFEISEN BANK ZRT.	1,410	1,299	22,609	0	25,318
UniCredit Bank Czech Republic and Slovakia, a.s.	**15,922**	**44,361**	**107,570**	**137,868**	**305,721**
UniCredit Bank Czech Republic and Slovakia, a.s.	15,922	44,361	107,570	137,868	305,721
UniCredit Bank Hungary ZRT.	0	0	0	0	0
KBC Group	**10,109**	**10,808**	**96,583**	**176,702**	**294,202**
Československa obchodní banka, a.s.	7,221	7,971	87,699	137,162	240,053
Československa obchodná banka, a.s.	413	413	1,240	7,020	9,086
KERESKEDELMI ÉS HITELBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG	2,475	2,424	7,644	32,520	45,063
Société Générale Group	**32,960**	**6,982**	**120,759**	**23,953**	**184,654**
Komerční banka, a.s.	31,574	5,573	116,390	8,840	162,377
BRD-Groupe Société Générale S.A.	0	0	0	0	0
SG Equipment Finance Czech Republic s.r.o.	1,132	1,155	3,608	11,038	16,933
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**
HYPO NOE AG	**0**	**0**	**0**	**0**	**0**
Raiffeisenlandesbank Niederösterreich-Wien AG	**4,297**	**4,377**	**75,753**	**0**	**84,427**
Allianz Lebensversicherungs-Aktiengesellschaft + Allianz Private Krankenversicherungs-Aktiengesellschaft	**4,000**	**4,000**	**12,000**	**76,000**	**96,000**
Deutsche Pfandbriefbank AG	**3,237**	**3,237**	**9,710**	**70,845**	**87,029**
ING Bank N.V.	**4,488**	**4,488**	**54,180**	**45,601**	**108,757**
European Bank for Reconstruction and Development	**4,086**	**3,363**	**35,631**	**18,940**	**62,020**
Banca Transilvania SA	**2,589**	**1,597**	**5,918**	**23,104**	**33,208**
PPF banka, a.s.	**0**	**0**	**0**	**0**	**0**
Všeobecná úvěrová banka, a.s.	**770**	**793**	**2,525**	**8,625**	**12,713**
MONETA Money Bank, a.s.	**10,868**	**0**	**0**	**0**	**10,868**
Alpha Bank SA	**660**	**660**	**1,980**	**8,442**	**11,742**
Oberbank AG	**1,098**	**1,118**	**8,909**	**4,196**	**15,321**
Oberbank AG pobočka Slovenská republika	0	0	0	0	0
Oberbank AG pobočka Česká republika	1,098	1,118	8,909	4,196	15,321
Bancpost SA	**448**	**448**	**1,344**	**8,548**	**10,788**
Bank Polska Kasa Opieki S.A.	**671**	**600**	**1,886**	**6,839**	**9,996**
Banka Creditas a.s.	**0**	**0**	**0**	**0**	**0**
OTP Bank Nyrt.	**1,519**	**1,723**	**5,993**	**24,260**	**33,495**
Garanti Bank	**0**	**0**	**0**	**0**	**0**
Subtotal	**153,061**	**157,672**	**999,197**	**821,412**	**2,131,342**

Interest rates for loans and borrowings are based on EURIBOR and PRIBOR, plus margins that vary from 1.55% to 3.40%. Some of the Group's borrowings have, among others, loan-to-value and debt service coverage ratio covenants. As at 31 December 2019 there were no breach of covenant conditions. Bank loans are 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 34.

In 2019, the group secured the refinancing of the complete Czech Industrial portfolio by a syndicate 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 Este Bank group (Erste Bank group AG and Česká spořitelna a.s.) together with 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.).

Reconciliation of movements of liabilities to cash flows arising from financing activities

In EUR thousand	Interest bearing loans from financial institutions 2019	2018
Balance as at 1 January	**2,131,342**	**2,024,644**
CHANGES FROM FINANCING CASH FLOWS		
Drawing of loans and borrowings	2,042,082	357,466
Repayment of the loans and borrowings	-1,508,800	-273,782
Acquisition through business combination	31,191	--
Disposal through sale of subsidiaries	--	23,014
Other adjustment	-629	--
Interest expense	45,444	48,301
Interest paid	-45,444	-48,301
Balance at 31 December	**2,695,186**	**2,131,342**

25. Contract liabilities

The contract liabilities represent capitalised revenues from extras development and development of specific fit-outs and relate to application of new IFRS 15.

In EUR thousand	2019	2018
Non-current contract liabilities	34,200	35,918
Current contract liabilities	7,630	7,244
Balance at 31 December	**41,830**	**43,162**

In 2019, the Group has recognised revenue of EUR 6,500 thousand (2018 – EUR 5,916 thousand) that was included in the contract liabilities as at 31 December 2018.

26. Trade and other payables

NON-CURRENT

In EUR thousand	2019	2018
Non-current trade payables and other liabilities	16,322	11,646
Liabilities from operating leases	5,350	5,776
Balance at 31 December	**21,672**	**17,422**

CURRENT

In EUR thousand	2019	2018
Trade payables and other liabilities	168,024	144,538
Liabilities from operating leases	426	420
Corporate income tax liabilities	6,648	3,292
Balance at 31 December	**175,098**	**148,250**

Trade payables and other liabilities consist primarily of liabilities for constructions works and liabilities related to acquisition of land.

27. Leases

Leases as lessee

The Group leases various types of assets: offices, parking places, plots of land, other small assets. For short-term leases and leases of low-value items the Group has elected not to recognise right-of-use assets and related lease liabilities.

The leasing period of the offices differs significantly from one to seventeen years. Some leases provide for additional rent payments that are based on changes in local price indices and option to terminate the contract within less than twelve months.

Parking places are leased for period of several months up to indefinite period however with the option to terminate the leasing within several days up to 3 months.

Majority of plots of land are leased for indefinite period to operate the Group premises.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets related to leased assets that do not meet the definition of investment property are presented as property, plant and equipment (refer to note 19).

In EUR thousand	Property, plant and equipment	Investment property	Total
Balance at 1 January 2019	704	5,492	6,196
Additions	--	--	--
Disposals	--	--	--
Depreciation	**-324**	--	-324
Balance at 31 December 2019	**380**	**5,492**	**5,872**

Amounts recognised in profit or loss

In EUR thousand	2019
Interest on lease liabilities	80
Expenses relating to short-term leases	91
Expenses relating to leases of low-value assets	10
Balance at 31 December 2019	**181**

Amounts recognised in statement of cash flows

In EUR thousand	2019
Total cash outflows for leases	**500**

The remaining performance obligations as at 31 December 2019 are as follows:

In EUR thousand	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Lease payments	500	286	209	195	195	4,391	5,776

Leases as lessor

The Group leases out its own investment property. All leases are classified as operating leases from a lessor perspective because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income recognised by the Group during 2019 was EUR 257,986 thousand (2018 – EUR 241,960 thousand).

The following table set out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting period.

In EUR thousand	< 1 year	2-5 years	> 5 years	Total
Lease payments	**302,108**	**1,111,486**	**1,220,013**	**2,633,607**

28. Financial derivatives

In EUR thousand	2019	2018
Receivables	740	1,449
Payables	-15,951	-16,173
Total	**-15,211**	**-14,724**
Accrued interest on derivatives	-174	--
Total derivatives	**-15,385**	**-14,724**

All financial derivatives were stated at fair value as at 31 December 2019 and categorised to Level 3 in the fair value hierarchy. For fair value determination, a market comparison technique was used.

As at 31 December 2019 CTP held the following financial instruments:

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2019 (in EUR thousand)
Interest rate swaps	2020 - 2026	3M Euribor	from -0.241% to -0.140%	EUR	112,320 EUR	**420**
Foreign exchange swaps	2020	N/A	N/A	EUR	25,000 EUR	**320**
Total receivables from derivatives						**740**

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2019 (in EUR thousand)
Interest rate swaps	2020 - 2027	3M Euribor	from -0.34% to 0.8%	EUR	2,045,280 EUR	**-15,722**
Interest rate swap	2020 - 2023	N/A	0.636%	EUR	10,904 EUR	**-229**
Total liabilities from derivatives						**-15,951**

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	101,625EUR	**228**
Interest rate swaps	2022 - 2024	3M Pribor	from 0.68% to 1.3%	CZK	955,638 CZK	**1,093**
Foreign exchange swaps	2019	N/A	N/A	EUR	59,970 EUR	**128**
CAP	2019 - 2020	3M Euribor	from 1.5% to 4%	EUR	23,562 EUR	**--**
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 EUR	**-15,931**
Interest rate swap	2024	3M Pribor	1.000%	CZK	106,631 CZK	**-165**
Foreign exchange swap	2019	n/a	n/a	EUR	10,000 EUR	**-70**
Cross currency interest rate swap	2019	0.00%	n/a	EUR/CHF	2,496 EUR/ 2 822 CHF	**-7**
Total liabilities from derivatives						**-16,173**

29. Deferred tax liability

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The recognised deferred tax assets and liabilities are attributable to the following:

	2019			2018		
In EUR thousand	Assets	Liability	Net	Assets	Liability	Net
TEMPORARY DIFFERENCES						
Investment property	23,878	-2,622,192	-2,598,314	23,335	-2,233,912	-2,210,577
Tax losses	8,862	7,915	16,777	8,352	5,398	13,750
Property, plant and equipment	13,875	3,888	17,763	13,836	3,929	17,764
Other (receivables, hedge accounting etc.)	1,830	--	1,830	2,418	--	2,419
Total temporary differences	**48,445**	**-2,610,389**	**2,561,944**	**47,941**	**-2,224,585**	**-2,176,644**
Average tax rate (majority of deferred tax arises in the Czech Republic)		18.82%			17.87%	
Deferred tax liability	9,119	-491,356	-482,237	8,568	-397,577	-389,009
Change of deferred tax in period ended 31 December			**-93,229**			**-14,833**
Deferred tax recorded in statement of comprehensive income			-91,688			-48,362
Deferred tax related to disposals			--			32,735
Deferred tax recorded in translation reserve			-1,541			845
Deferred tax from asset held for sale			--			-1,773
Deffered tax from new IFRS implementation			--			1,722

Reconciliation of effective income tax

			2018	
In EUR thousand	Tax base	Tax	Tax base	Tax
Profit / Loss before income tax	505,703	95,189	423,875	75,755
Average tax rate	18.8%		17.9%	
Tax non-deductible expenses	64,741	12,186	73,417	13,121
Tax exempt income	-976	-184	-145,478	-26,000
Other items	12,251	2,306	-10,540	-1,884
Tax base	**581,719**	**109,498**	**341,274**	**60,992**

30. Subsidiaries

The Company had the following investments in subsidiaries as at 31 December 2019 and 31 December 2018 respectively:

		Ownership		
SUBSIDIARIES	COUNTRY	2019	2018	NOTE
CTP Immobilienverwaltung GmbH	Austria	100%	100%	
CTPark Beta EOOD	Bulgaria	100%	0%	1/
CTP Invest EOOD (formely CTPark Alpha, EOOD)	Bulgaria	100%	100%	
CTPark Delta EOOD	Bulgaria	100%	0%	1/
CTPark Gamma EOOD	Bulgaria	100%	0%	1/
CTP Beta, spol. s r.o. (formerly CTP Property Czech, S. a r.l.)	Czech Republic	100%	100%	
Bohemia Pilz s.r.o.	Czech Republic	100%	100%	
COPOK s.r.o.	Czech Republic	100%	100%	
CTFinance s.r.o.	Czech Republic	100%	100%	
CTP Alpha, spol. s.r.o. (formerly CTP Property XXII, spol. s.r.o.)	Czech Republic	100%	100%	
CTP Bohemia South, spol. s.r.o. (formerly CTP Property XI, spol. s.r.o.)	Czech Republic	100%	100%	
CTP Borská Pole, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Brno I, spol. s.r.o.	Czech Republic	100%	100%	
CTP Brno II, spol. s.r.o.	Czech Republic	100%	100%	
CTP Brno III, spol. s.r.o.	Czech Republic	100%	100%	
CTP Brno IV, spol. s.r.o.	Czech Republic	100%	100%	
CTP Brno V, spol. s.r.o.	Czech Republic	100%	100%	
CTP CEE Properties, spol. s.r.o. (formerly CTP Property Lux S.á.r.l.)	Czech Republic	100%	100%	
CTP CEE Sub Holding, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Divišov I, spol. s.r.o.	Czech Republic	100%	100%	
CTP Finance, a.s.	Czech Republic	100%	100%	
CTP Hotel operations Prague, spol. s.r.o. (formerly Hotel Operations EUROPORT s.r.o.)	Czech Republic	100%	100%	
CTP Hotel Pilsen, spol. s.r.o. (formerly 2P , s.r.o.)	Czech Republic	100%	100%	
CTP Hotel Prague, a.s. (formerly Europort Airport Center a.s.)	Czech Republic	100%	100%	
CTP Industrial Property CZ, spol. s.r.o.	Czech Republic	100%	100%	
CTP Infrastructure, a.s.	Czech Republic	100%	100%	
CTP Invest 1, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest III, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest IV, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest IX, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest VII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest X, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XIII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XIV, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XIX, 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%	
CTP Invest XVII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XVIII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XX, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XXI, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XXII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XXIII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Invest XXIV, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Invest XXV, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Invest XXVI, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Invest XXVII, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Invest XXVIII, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Invest XXX, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Karviná, spol. s.r.o.	Czech Republic	100%	100%	
CTP Louny, spol. s.r.o.	Czech Republic	100%	100%	

		Ownership		
SUBSIDIARIES	COUNTRY	2019	2018	NOTE
CTP Moravia South, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Omega, spol. s.r.o.	Czech Republic	100%	100%	
CTP Pohořelice I, spol. s.r.o.	Czech Republic	100%	100%	
CTP Portfolio Finance CZ, spol. s.r.o.	Czech Republic	100%	100%	
CTP Products I, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property Bulgaria, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Property Czech, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property II, a.s.	Czech Republic	100%	100%	
CTP Property III, a.s., v likvidaci	Czech Republic	100%	100%	
CTP Property IV s.r.o.	Czech Republic	100%	100%	
CTP Property IX, a.s.	Czech Republic	100%	100%	
CTP Property Romania, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Property Serbia, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP Property V, a.s.	Czech Republic	100%	100%	
CTP Property XIV, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XIX, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XVI, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XVIII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XX, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXI, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXIII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXIX, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXVI, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXVII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXVIII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXX, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXXI, spol. s.r.o.	Czech Republic	100%	100%	
CTP Property XXXII, spol. s.r.o.	Czech Republic	100%	100%	
CTP Solar I, a.s. (formerly CTP Property, a.s.)	Czech Republic	100%	100%	
CTP Solar II, a.s. (formerly CTP Property VIII, a.s.)	Czech Republic	100%	100%	
CTP Solar III, spol. s.r.o. (formerly CTP Invest VIII, spol. s.r.o.)	Czech Republic	100%	100%	
CTP Solar, a.s.	Czech Republic	100%	100%	
CTP Vlněna Business Park, spol. s.r.o. (formerly CTP Property XVII, spol. s.r.o.)	Czech Republic	100%	100%	
CTP Vysočina, spol. s.r.o.	Czech Republic	100%	0%	1/
CTP, spol. s.r.o.	Czech Republic	100%	100%	
CTPark Bor, spol. s.r.o.	Czech Republic	100%	100%	
CTPark Brno Campus s.r.o.	Czech Republic	100%	100%	
CTPark Brno I, spol. s.r.o.	Czech Republic	100%	0%	1/
CTPark Brno II, spol. s.r.o. (formerly CTP Property X, spol. s.r.o.	Czech Republic	100%	100%	
CTPark Brno III, spol. s.r.o. (formerly Bor Logistics, spol. s.r.o.)	Czech Republic	100%	100%	
CTPark Brno Retail, spol. s.r.o.(formerly Brno Retail, spol. s.r.o.)	Czech Republic	100%	100%	
CTPark České Budějovice, a.s. (formerly Kaufpark a.s.)	Czech Republic	100%	100%	
CTPark Mladá Boleslav II, spol. s.r.o.	Czech Republic	100%	100%	
CTPark Mladá Boleslav, spol. s.r.o.	Czech Republic	100%	0%	1/
CTPark Ostrava, spol. s.r.o.	Czech Republic	100%	0%	1/
CTPark Prague Airport. spol. s.r.o.	Czech Republic	100%	100%	
CTPark Prague East, spol. s.r.o.	Czech Republic	100%	100%	
CTPark Prague North II, spol. s.r.o.	Czech Republic	100%	100%	
CTPark Prague North III, a.s. (formerly DUNSTAR a.s.)	Czech Republic	100%	100%	
CTPark Prague West, spol. s.r.o. (formerly CTP Invest XI, spol. s.r.o.)	Czech Republic	100%	100%	
CTPark Stříbro, spol. s.r.o. (formerly Waystone CZ s.r.o.)	Czech Republic	100%	100%	
CTPersonnel Bor, spol. s.r.o.	Czech Republic	100%	100%	

		Ownership		
SUBSIDIARIES	COUNTRY	2019	2018	NOTE
CTZone Ostrava, a.s.	Czech Republic	100%	100%	
Development OVA West, a.s.	Czech Republic	100%	0%	1/
EP Kadan s.r.o.	Czech Republic	100%	100%	
EP Karvina s.r.o.	Czech Republic	100%	100%	
Hotel Operations Brno, spol. s.r.o.	Czech Republic	100%	100%	
Hotel Operations Plzeň s.r.o.	Czech Republic	100%	100%	
KOMERČNÍ ZÓNA NUPAKY, s.r.o.	Czech Republic	100%	100%	
LORNOKA REAL ESTATE, s.r.o.	Czech Republic	100%	100%	
Multidisplay s.r.o.	Czech Republic	100%	100%	
Spielberk Business Park II, spol. s.r.o. (formerly CTP INVEST V, spol. s.r.o.)	Czech Republic	100%	100%	
Spielberk Business Park, spol. s.r.o. (formerly Spielberk Office Center, spol. s.r.o.)	Czech Republic	100%	100%	
CTP Germany GmbH	Germany	100%	100%	
CTP Germany II GmbH (formerly Jade Dienst GmbH)	Germany	100%	100%	
DN Beteiligungs GmbH	Germany	100%	100%	
Jade-Shipping Betriebs GmbH & Co. KG	Germany	100%	100%	
Jade-Shipping I GmbH	Germany	100%	100%	
TGM GmbH	Germany	100%	100%	
CTP Invest Hungary Kft.	Hungary	100%	100%	
CTP Management Hungary Kft.	Hungary	100%	100%	
CTPark Alpha Kft.	Hungary	100%	100%	
CTPark Arrabona Kft.	Hungary	100%	100%	
CTPark Beta Kft.	Hungary	100%	100%	
CTPark Biatorbágy Kft.	Hungary	100%	100%	
CTPark Delta Kft.	Hungary	100%	100%	
CTPark Eight Kft.	Hungary	100%	100%	
CTPark Eleven Kft.	Hungary	100%	0%	1/
CTPark Gamma Kft.	Hungary	100%	100%	
CTPark Nine Kft.	Hungary	100%	100%	
CTPark Seven Kft.	Hungary	100%	100%	
CTPark Ten Kft.	Hungary	100%	100%	
CTPark Twelve Kft.	Hungary	100%	0%	1/
Mavo Lux S.à r.l.	Luxembourg	100%	100%	
CTP Alpha S.R.L.	Moldova	100%	100%	
CTP Invest S.R.L.	Moldova	100%	100%	
Multifin B.V.	Netherland	100%	100%	
CTP Property B.V (formerly CTP Invest B.V.)	Netherland	100%	100%	
BPROJECT 1 Sp. z o.o.	Poland	100%	0%	1/
CTP Alpha Poland Sp. Z.o.o.	Poland	100%	100%	
CTP Beta poland Sp. z o.o.	Poland	100%	0%	1/
CTP Delta Poland Sp. Z o. o.	Poland	100%	0%	1/
CTP Gamma Poland Sp. Z o. o.	Poland	100%	0%	1/
CTP Invest Poland Sp. z o.o.	Poland	100%	100%	
CTPark Iłowa Sp. z o.o.	Poland	100%	100%	
GreenPark Resi I Sp. z o.o.	Poland	100%	100%	
GreenPark Resi II Sp. z o.o.	Poland	100%	100%	
CTP CONTRACTORS SRL	Romania	100%	100%	
CENTURA PROPERTY HOLDINGS S.A.	Romania	100%	100%	
CTP INVEST BUCHAREST SRL	Romania	100%	100%	
CTPARK ALPHA SRL	Romania	100%	100%	
CTPARK BETA SRL	Romania	100%	100%	
CTPark Bucharest A1 SRL	Romania	100%	0%	1/
CTPARK BUCHAREST SRL	Romania	100%	100%	

Ownership

SUBSIDIARIES	COUNTRY	2019	2018	NOTE
CTPARK BUCHAREST WEST I SRL	Romania	100%	100%	
CTPARK DELTA SRL	Romania	100%	100%	
CTPARK EPSILON SRL	Romania	100%	100%	
CTPARK ETA SRL	Romania	100%	100%	
CTPARK GAMMA SRL	Romania	100%	100%	
CTPARK IOTA SRL	Romania	100%	100%	
CTPARK KAPPA SRL	Romania	100%	100%	
CTPARK KM23 NORTH SRL	Romania	100%	100%	
CTPARK KM23 SOUTH SRL	Romania	100%	100%	
CTPARK KM23 WEST SRL	Romania	100%	100%	
CTPARK LAMBDA SRL	Romania	100%	100%	
CTPARK MIU SRL	Romania	100%	100%	
CTPARK OMEGA SRL	Romania	100%	100%	
CTPARK OMICRON SRL	Romania	100%	100%	
CTPARK PHI SRL	Romania	100%	100%	
CTPARK PSI SRL	Romania	100%	100%	
CTPARK RHO SRL	Romania	100%	100%	
CTPARK SIGMA SRL	Romania	100%	100%	
CTPARK TAU SRL	Romania	100%	100%	
CTPARK THETA SRL	Romania	100%	100%	
CTPARK ZETA SRL	Romania	100%	100%	
DEVA LOGISTIC CENTER S.A.	Romania	100%	100%	
H.E.E. (MERCURY) PROPRIETATI SRL	Romania	100%	100%	
Universal Management SRL	Romania	75%	75%	
CTP Epsilon doo Beograd-Novi Beograd	Serbia	100%	0%	1/
CTP Alpha doo Beograd-Novi Beograd	Serbia	100%	100%	
CTP Beta doo Beograd-Novi Beograd	Serbia	100%	100%	
CTP Delta doo Beograd-Novi Beograd	Serbia	100%	100%	
CTP Gamma doo Beograd-Novi Beograd	Serbia	100%	100%	
CTP Invest doo Beograd-Novi Beograd	Serbia	100%	100%	
CTP Iota doo Beograd-Novi Beograd	Serbia	100%	0%	1/
CTP Kappa doo Beograd-Novi Beograd	Serbia	100%	0%	1/
CTP Zeta doo Beograd-Novi Beograd	Serbia	100%	0%	1/
Expo Site doo Beograd	Serbia	100%	0%	1/
ABL Slovakia s.r.o.	Slovakia	100%	0%	1/
AHT Slovakia, s.r.o.	Slovakia	100%	0%	1/
AZQ Slovakia s.r.o.	Slovakia	100%	0%	1/
CTP Alpha SK, spol. s.r.o.	Slovakia	100%	90%	2/
CTP Beta SK, spol. s.r.o.	Slovakia	100%	90%	2/
CTP Invest SK, spol. s.r.o.	Slovakia	90%	90%	
CTP Land SK, spol. s.r.o.	Slovakia	100%	0%	1/
CTP Slovakia, s.r.o.	Slovakia	100%	100%	
CTPark Bratislava, spol. s.r.o.	Slovakia	100%	100%	
CTPark Košice, spol. s.r.o.	Slovakia	100%	100%	
CTPark Nitra, s.r.o.	Slovakia	100%	100%	
CTPark Nove Mesto, spol. s.r.o.	Slovakia	100%	100%	
CTPark Žilina, spol. s.r.o.	Slovakia	100%	100%	
Nitra Park II, s.r.o.	Slovakia	100%	100%	
CTP Ljubljana, d.o.o.	Slovenia	100%	100%	
CTPark Alpha, d.o.o.	Slovenia	100%	100%	
CTPark Lviv LLC	Ukraine	100%	100%	
CTPark Ukraine LLC	Ukraine	100%	100%	
IQ Lviv LLC	Ukraine	100%	100%	

1/ Newly acquired or newly established subsidiaries in 2019

2/ Minority ownership bought from CTP Holding B.V.

Newly acquired or established subsidiaries create part of the Group since date of their acquisition or incorporation.

31. Related parties

CTP has a related party relationship with its directors and executive officers and other companies whose equity holders is Multivest B.V. This entity is theultimate parent of CTP.

In 2019 and 2018 CTP had the following revenues and expenses with related parties:

	2019		2018	
In EUR thousand	Revenues	Expenses	Revenues	Expenses
Multivest B.V. - interest	--	-2,478	--	-1,948
CTP Holding B.V.	--	-928	--	-27
CTP Energy TR, a.s.	70	--	--	-3
Finspel B.V. - interest (part of group until 28.06.2019)	--	--	628	--
MaVo Lux S.a.r.L.	10	--	8	--
CTP Solar, a.s.	--	-4	--	-4
Total	**80**	**-3,410**	**636**	**-1,982**

As at 31 December 2019 and 2018, CTP has the following current receivables and loans to and current liabilities and loans from related parties:

	2019		2018	
In EUR thousand	Receivables	Payables	Receivables	Payables
CTP Holding B.V.	13	-60,005	90	-131
Mavo Lux S.a r.l.	25	--	--	--
Multifin B.V. (in group from 31.12.2019)	--	--	199	--
Multivest B.V.	104	--	--	--
Other	1	--	7	-36
Total	**143**	**-60,005**	**296**	**-167**

As at 31 December 2019 and 2018, CTP has the following non-current receivables and loans provided to and non-current liabilities and loans received from related parties:

	2019		2018	
In EUR thousand	Receivables	Payables	Receivables	Payables
CTP Energy TR, a.s.	--	--	--	-74
CTP Germany II GmbH	7,037	--	--	--
CTP Holding B.V.	46,938	-31	6,657	-928,815
CTP Solar, a.s.	2	-78	4	-104
Jade-Shipping I GmbH	279	--	--	--
Mavo Lux S.a.r.l.	--	--	345	--
Multifin B.V.	--	--	8,461	--
Mutivest B.V.	--	-40,972	--	-38,190
Other	1	--	--	-16
Total	**54,257**	**-41,081**	**15,467**	**-967,199**

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% - 5% depending on the maturity, collateralisation, subordination, country risk and other specifics.

Executive management

The average number of executives and remuneration paid for the period ended 31 December 2019 and 31 December 2018 were as follows:

	2019	2018
Number of employees	18	18
Personnel expenses (in EUR thousand)	3,242	2,930

Personnel expenses of executive management include only short-term employee benefits.

32. 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 on-going 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 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	2019	2018
Amounts due from banks	75,180	69,518
Amounts due from financial derivatives	740	1,449
Amounts due from related parties	54,400	15,763
Amounts due from third parties	94,453	63,326
Amounts due from tax institutions	18,664	16,463
Total	**243,437**	**166,519**

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 maximising the return to shareholders through the optimisation of the debt and equity balance. CTP's overall strategy remains unchanged compared to 2018.

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 24.

Net gearing ratio:

The gearing ratio calculated below compares debt to equity, where debt is defined as the sum of long-term and short-term interest-bearing loans and borrowings from financial institutions and equity including all capital and reserves of the Group, including non-controlling interests.

In EUR thousand	2019	2018
Debt	2,695,186	2,131,342
Equity	2,035,163	953,079
Gearing ratio	**132%**	**224%**

The loan to value (value is the fair value of the properties) ratio of CTP properties (calculated as a share of interest-bearing loans from financial institutions and lease payables on investment property, investment property under construction and plant and equipment) is approximately 51 % at 31 December 2019 (2018 – 48 %) which is seen as appropriate within the financial markets where CTP is operates. As properties are leased for a long-term period and CTP has agreed with its financial institutions, 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 minimisations of these risks. During 2019, operational risk management activities concentrated on improving the management information systems containing information about individual projects and related legal documentation.

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

Market risk

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

Foreign currency risk

Currency risk is managed mainly by making, when possible, investments in the same currency as the financing sources utilised. The currency risk during the period of repayment of liabilities to third parties is usually offset by generating revenues denominated in the same underlying currency. CTP pays for construction of buildings in local currency 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 2019 CTP analyzed the impact of the foreign exchange rate variances on its assets and liabilities and on its statement of comprehensive income. The impact is not considered to be significant as a majority of financial instruments is denominated in EUR.

Foreign currency exchange risk is limited and arises from recognised monetary assets and liabilities. Below we disclose the currency risk based on the functional currency (EUR) of the operating subsidiaries of the Sub-groups.

In EUR thousand	CZK	RON	PLN	HUF	2019 Total
Trade and other receivables	18,797	24,036	1,605	5,958	**50,396**
Cash and cash equivalents	6,129	9,423	1,542	1,801	**18,895**
Total financial assets	**24,926**	**33,459**	**3,147**	**7,759**	**69,291**
Interest-bearing loans and borrowings incl. loans from related parties	-17,316	-2,030	--	--	**-19,346**
Trade and other payables	-109,192	-15,952	-326	-4,368	**-129,838**
Total financial liablities	**-126,508**	**-17,982**	**-326**	**-4,368**	**-149,184**
Net position	**-101,582**	**15,477**	**2,821**	**3,391**	**-79,893**

In EUR thousand	CZK	RON	PLN	HUF	2018 Total
Loans provided to related parties	768	--	--	--	768
Trade and other receivables	34,220	54,768	7,453	6,575	103,016
Cash and cash equivalents	8,301	8,458	1,410	1,225	19,394
Total financial assets	**43,289**	**63,226**	**8,863**	**7,800**	**123,178**
Interest-bearing loans and borrowings incl. loans from related parties	-69,503	-2,211	-85	--	-71,799
Trade and other payables	-91,173	-68,590	-1,294	-875	-161,932
Total financial liablities	**-160,676**	**-70,801**	**-1,379**	**-875**	**-233,731**
Net position	**-117,387**	**-7,575**	**7,484**	**6,925**	**-110,553**

Sensitivity analysis

A strengthening / weakening of EUR, as indicated below, against other currencies at the reporting date would have increased / decreased the equity by the amounts shown in the following table. This analysis is based on foreign currency exchange rate variances that the Sub-groups considered to be reasonably likely at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

In EUR thousand	2019	2018
Net position on financial assets and liabilities denominated in EUR	-79,893	-110,553
EFFECT ON PROFIT OR LOSS AND ON EQUITY OF:		
CZK strenghtening by 5%	-5,079	-5,869
CZK weakening by 5%	5,079	5,869
RON strenghtening by 5%	774	-379
RON weakening by 5%	-774	379

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 2019 and 2018, CTP entered into transactions with the financial institutions to hedge the interest rate risk (refer to note 28). CTP mitigated the interest rate risk by holding interest rate swaps, interest rate caps and interest rate collars.

The interest rate profile of the Sub-group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Fixed-rate instruments	2019	2018
Receivables from related parties	54,400	15,763
Loans from related parties	-101,470	-967,366
Notional amount of hedge	-2,168,504	-1,393,730

Variable- rate instruments	2019	2018
Non hedged part of bank loans	-526,682	-737,612

Sensitivity analysis

A reasonably possible change of 0.25% in the interest rates at the reporting date would have increased (decreased) profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

2019	INTEREST RATE SENSITIVITY ANALYSIS					
In EUR thousand	Bank loans	Notional amount hedged	% hedge	Loans with variable interest	Effect on result in case of interest rate increase by 25bp	Effect on result in case of interest rate decrease by 25bp
Interest-bearing loans and borrowings	2,695,186	2,168,504	80.5%	526,682	-1,317	1,317
Total	**2,695,186**	**2,168,504**	**80.5%**	**526,682**	**-1,317**	**1,317**

2018	INTEREST RATE SENSITIVITY ANALYSIS					
In EUR thousand	Bank loans	Notional amount hedged	% hedge	Loans with variable interest	Effect on result in case of interest rate increase by 25bp	Effect on result in case of interest rate decrease by 25bp
Interest-bearing loans and borrowings	2,131,342	1,393,730	65.4%	737,612	-1,844	1,844
Total	**2,131,342**	**1,393,730**	**65.4%**	**737,612**	**-1,844**	**1,844**

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 uses rent income to settle short-term liabilities.

The table below shows liabilities at 31 December 2019 and 31 December 2018 by their remaining contractual maturity. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

2019	CONTRACTUAL CASH FLOWS				
In EUR thousand	Until 3 months	3 - 12 Months	Between 1 -5 years	Over 5 years	Total
Interest-bearing loans and borrowings	24,206	165,565	912,632	1,810,093	2,912,496
Loans to related parties	--	61,431	49,276	--	110,707
Derivative financial liabilitites	881	2,629	10,465	2,310	16,285
Lease liabilities	125	378	1,142	4,487	6,132
Trade and other paybles	157,843	10,958	21,805	--	190,606
Total	**183,055**	**240,961**	**995,320**	**1,816,890**	**3,236,226**

2018	CONTRACTUAL CASH FLOWS				
In EUR thousand	Until 3 months	3 - 12 Months	Between 1 -5 years	Over 5 years	Total
Interest-bearing loans and borrowings	25,905	129,101	1,245,254	899,857	2,300,117
Loans to related parties	168	--	980,913	--	981,081
Derivative financial liabilitites	919	2,783	11,771	854	16,327
Trade and other paybles	133,655	9,778	22,233	--	165,666
Total	**160,647**	**139,833**	**2,260,171**	**900,711**	**3,463,191**

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).

33. Contingent liabilities

Issued guarantees

Under Guarantee agreements concluded following the sale of a portfolio of companies forming CTPark Plzeň, CTPark Teplice I & II and CTPark Prague North I, CTP Invest, spol. s r.o. and CTP CEE Properties, spol. s. r.o. provided specific guarantees to the buyer of the entities being the companies established by Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH.

The specific guarantees include (i) Rental Guarantee (Vacant Premises, Rent Shortfall, Outstanding Tenant Incentives) (ii) Tenant Guarantees (Default, Break Options, Non-Solicitation) and (iii) Technical Guarantee (for the quality of the buildings). The duration of the guarantees is until November 15, 2028, unless they terminate earlier pursuant to the agreement.

Contracted work

As at 31 December 2019, the Group has contracted work with external suppliers related to realisation of construction project, which is not performed at the year end of EUR 150,788 thousand (2018 – EUR 125,181 thousand).

34. Pledges

Shares, receivables, future receivables and other assets in some of the subsidiaries are pledged in favor of the financing institutions for securing the bank loans received by them. As at the date of these financial statements the assets in the following companies are pledged:

COMPANY	PLEDGE IN FAVOUR OF
Bohemia Pilz s.r.o.	Deutsche Pfandbriefbank AG
CENTURA PROPERTY HOLDINGS S.A.	Banca Transilvania SA
COPOK s.r.o.	Deutsche Pfandbriefbank AG
CTFinance s.r.o.	Deutsche Pfandbriefbank AG
CTP Alpha doo Beograd-Novi Beograd	OTP Bank Srbja AD Beograd
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 Alpha, spol. s.r.o. (formerly CTP Property XXII, spol. s.r.o.)	Deutsche Pfandbriefbank AG
CTP Beta SK, spol. s.r.o.	Oberbank AG pobočka Slovenská republika
CTP Bohemia South, spol. s.r.o. (formerly CTP Property XI, spol. s.r.o.)	Deutsche Pfandbriefbank AG
CTP Borská Pole, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Brno I, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Brno II, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Brno III, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Brno IV, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Brno V, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Divišov I, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Hotel operations Prague, spol. s.r.o. (formerly Hotel Operations EUROPORT s.r.o.)	Komerční banka, a.s.
CTP Hotel Pilsen, spol. s.r.o. (formerly 2P , s.r.o.)	Komerční banka, a.s.
CTP Hotel Prague, a.s. (formerly Europort Airport Center a.s.)	Komerční banka, a.s.
CTP Industrial Property CZ, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Invest IX, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Invest VII, spol. s.r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP Invest X, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Invest XVI, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Invest XVII, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Invest XX, spol. s.r.o.	Banka Creditas a.s.
CTP Invest XXX, spol. s.r.o.	Oberbank AG pobočka Česká republika
CTP Karviná, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Louny, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Pohořelice I, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Products I, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Property II, a.s.	Deutsche Pfandbriefbank AG
CTP Property IV s.r.o.	Deutsche Pfandbriefbank AG
CTP Property IX, a.s.	Deutsche Pfandbriefbank AG
CTP Property V, a.s.	Deutsche Pfandbriefbank AG
CTP Property XIV, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Property XIX, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Property XVI, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Property XVIII, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Property XX, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Property XXI, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Property XXX, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTP Slovakia, s.r.o.	Tatra banka, a.s.
CTP Solar I, a.s. (formerly CTP Property, a.s.)	Deutsche Pfandbriefbank AG
CTP Solar II, a.s. (formerly CTP Property VIII, a.s.)	Deutsche Pfandbriefbank AG
CTP Solar III, spol. s.r.o. (formerly CTP Invest VIII, spol. s.r.o.)	Deutsche Pfandbriefbank AG

COMPANY	PLEDGE IN FAVOUR OF
CTP Vlněna Business Park, spol. s.r.o. (formerly CTP Property XVII, spol. s.r.o.)	UniCredit Bank Czech Republic and Slovakia, a.s.
CTP, spol. s.r.o.	Deutsche Pfandbriefbank AG
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.	ERSTE Bank Hungary Zrt
CTPark Bor, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTPark Bratislava, spol. s.r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
CTPark Brno Campus s.r.o.	Deutsche Pfandbriefbank AG
CTPark Brno II, spol. s.r.o. (formerly CTP Property X, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTPark Bucharest A1 SRL	Alpha Bank SA
CTPARK BUCHAREST SRL	ING Bank N.V.
CTPARK BUCHAREST WEST I SRL	BRD-Groupe Société Générale S.A. (together with KB)
CTPark Delta Kft.	ERSTE Bank Hungary Zrt
CTPARK DELTA SRL	Banca Comerciala Romana SA
CTPARK ETA SRL	Raiffeisen Bank International AG
CTPark Gamma Kft.	RAIFFEISEN BANK ZRT.
CTPARK GAMMA SRL	ING Bank N.V.
CTPARK KAPPA SRL	Alpha Bank SA
CTPark Košice, spol. s.r.o.	Erste Group Bank AG
CTPARK LAMBDA SRL	Banca Transilvania SA
CTPark Mladá Boleslav II, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTPark Nine Kft.	ERSTE Bank Hungary Zrt
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 Airport. spol. s.r.o.	Deutsche Pfandbriefbank AG
CTPark Prague East, spol. s.r.o.	Deutsche Pfandbriefbank AG
CTPark Prague North III, a.s. (formerly DUNSTAR a.s.)	MONETA Money Bank, a.s.
CTPark Prague West, spol. s.r.o. (formerly CTP Invest XI, spol. s.r.o.)	Deutsche Pfandbriefbank AG
CTPARK SIGMA SRL	Banca Transilvania SA
CTPark Ten Kft.	ERSTE Bank Hungary Zrt (50%)
DEVA LOGISTIC CENTER S.A.	Banca Comerciala Romana SA
EP Kadan s.r.o.	Deutsche Pfandbriefbank AG
EP Karvina s.r.o.	Deutsche Pfandbriefbank AG
H.E.E. (MERCURY) PROPRIETATI SRL	Banca Transilvania SA
Hotel Operations Brno, spol. s.r.o.	Raiffeisenbank, a.s.
Hotel Operations Plzeň s.r.o.	Komerční banka, a.s.
KOMERČNÍ ZÓNA NUPAKY, s.r.o.	Deutsche Pfandbriefbank AG
LORNOKA REAL ESTATE, s.r.o.	Deutsche Pfandbriefbank AG
Nitra Park II, s.r.o.	Tatra banka, a.s.
Spielberg Business Park, spol. s.r.o. (formerly Spielberk Office Center, spol. s.r.o.)	Raiffeisenbank, a.s.
Spielberk Business Park II, spol. s.r.o. (formerly CTP INVEST V, spol. s.r.o.)	Raiffeisenbank, a.s.

Deutsche Pfandbriefbank AG holds the collateral on behalf of the lenders under the syndicated loan agreement financing the Czech Industrial Portfolio.

35. Subsequent events

Mergers

CTP initiated in 2019 a legal restructuring mainly of the companies which are part of the Czech Industrial Portfolio with the aim to simplify the company structure and decrease the administrative burden. The legal restructuring constitutes of several mergers, demergers and spin-offs of over 40 SPVs, all effective from 1 January 2020. As a consequence of the legal restructuring:

Following companies ceased to exist as per 1 January 2020:

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

All assets and liabilities of the dissolved companies were transferred to the respective successor company, being one of the following companies:

CTPark Modřice, spol. s r.o.
CTP Vysočina, spol. s r.o.
CTPark Bor, spol. s r.o.
CTPark Brno I, spol. s r.o.
CTPark Ostrava, spol. s r.o.
CTP Moravia South, spol. s r.o.
CTPark Hranice, spol. s r.o.
CTP Ponávka Business Park, spol. s r.o.
CTPark Mladá Boleslav, spol. s r.o.
CTP Bohemia West, spol. s r.o.
CTP Bohemia North, spol. s r.o.
CTPark Prague East, spol. s r.o.
CTP Moravia North, spol. s r.o.
CTPark České Velenice, spol. s r.o.
CTPark Lysá nad Labem, spol. s r.o.
CTP Barrandov, spol. s r.o.
CTP Pilsen Region, spol. s r.o.
CTP Domeq Brno, spol. s r.o.
CTP Property XXII, spol. s r.o.

Following companies were newly established as of 1 January 2020:

CTPark Modřice, spol. s r.o.
CTPark Bor, spol. s r.o.
CTP Bohemia North, spol. s r.o.
CTP Bohemia West, spol. s r.o.
CTPark Prague East, spol. s r.o.
CTP Moravia North, spol. s r.o.
CTPark České Velenice, spol. s r.o.
CTPark Lysá nad Labem, spol. s r.o.
CTP Barrandov, spol. s r.o.
CTP Pilsen Region, spol. s r.o.
CTP Ponávka Business Park, spol. s r.o.
CTPark Hranice, spol. s r.o.
CTP Domeq Brno, spol. s r.o.

Following companies were renamed as of 1 January 2020:

CTP Property X, spol. s r.o. into CTPark Brno II, spol. s r.o.
CTP Property XXII, spol. s r.o. into CTP Alpha, spol. s r.o.
CTP Property, a.s. into CTP Solar I, a.s.
CTP Property VIII, a.s. into CTP Solar II, a.s.
CTP Invest VIII, spol. s r.o. into CTP Solar III, spol. s r.o.

In 2020 the Group further established the following new subsidiaries:

Subsidiary	Country
CTPark GmbH	Austria
CTP Baltic Holding B.V.	The Netherlands
CTP Zeta Poland Sp. z o.o	Poland
CTP Epsilon Poland Sp. z o.o.	Poland

In 2020, the Group wound-up the below subsidiaries:

Subsidiary	Country
CTP Energy TR a.s.	Czech Republic
CTP Property III, a.s.	Czech Republic

In 2020, the Group also acquired existing property in Romania for EUR 25,350 thousand.

Covid-19

Covid-19 has led to a significant disruption in the lives of many people and companies. CTP is of course also impacted by this, although we believe that the impact on CTP will be limited.

Associated with the Covid-19 virus, we have considered possible events and conditions for the purpose of identifying whether these events and conditions affect, or may affect the future performance of the company. In making this assessment, we have considered for (i) the period up to 12 months after the end of the reporting period, as well as for (ii) the period up to 12 months after the date of this report, the following criteria:

- Changes in demand of the company's products / services
- Signals of deterioration of credit risk and payment behavior of debtors
- Disruptions in the (inter-) national supply chains
- Signals of change in payment terms required by creditors
- Disruptions in the company's core processes (construction/ property management / offices / work force etc.)
- Issues with providers of financing / loan covenants / credit facilities

We expect Covid-19 to have negative but also positive effects for CTP where we believe that the positive ones will prevail for CTP in the mid-term. Some of our tenants may face liquidity issues and may ask for delay of rent payments but CTP's business is a very diversified portfolio in respect of locations and tenants with over 1.000 leases. This provides us no dependence on any individual tenant and gives great resilience.

From a liquidity perspective our financing is mostly on a very long-term basis. The current feedback from our banks is that they will honour their existing financing commitments for our current development pipeline.

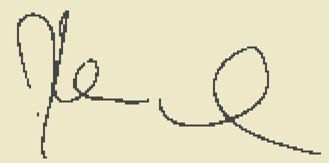
It is too early to anticipate what will happen with property valuations, but we expect that interest rates will stay at very low levels for an even more extended period, which will continue to support the current property valuations.

The management is convinced that the current uncertainties related to the Covid-19 virus do not impact the presented financial statements as per 31 December 2019 particularly also in regard of the going concern assumption covering the 12 months after the date of this report.

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 statements as at 31 December 2019.

11 September 2020

Remon L. Vos



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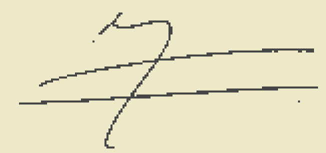


Appendix 1

CTP Group Structure

As at 31 December 2019

Remon Leonard Vos (Person with significant control) — 100% — Stichting Administratiekantoor Multivest — 100% — CTP Management B.V

Stichting Administratiekantoor Multivest — 100% — Multivest B.V.

Stichting Administratiekantoor Multivest — 98.89% — CTP Partners B.V.

Employees & Partners — 1.11% — CTP Partners B.V.

CTP Partners B.V. — 4.03% — CTP Holding B.V.

Multivest B.V. — 95.97% — CTP Holding B.V.

CTP Energy TR a.s., v likvidaci — 50%

Multivest B.V. — 100% — CTP Invest, spol. s r.o.

CTP Invest, spol. s r.o. — CTP CEE Properties, spol. s r.o. (CZ)

CTP Holding B.V. — 100% — CTP B.V. — 100% — CTP Property B.V.

CTP Invest, spol. s r.o.

Czech Republic

CTP Property Czech, spol. s r.o.
100%

CTP Invest 1, spol. s r.o.
100% L

CTP Invest III, spol. s r.o.
100% L

CTPark Brno Retail, spol. s r.o.
100% L

CTPark Brno III, spol. s r.o.
100% L

Multidisplay s.r.o.
100% E

CTP Invest XII, spol. s r.o.
100% L
→ Development OVA West, a.s.
100% L

CTPark Prague North II, spol. s r.o.
100% E

CTP Invest XIV, spol. s r.o.
100% E

CTP Invest XV, spol. s r.o.
100% L

CTP Vlněna Business Park, spol. s r.o.
100%

CTP Invest XIX, spol. s r.o.
100% E
→ CTP Invest XXX, spol. s r.o.
100%

CTP Property XXIII, spol. s r.o.
100% L

CTP Invest XX, spol. s r.o.
100%

CTPark Prague North III, a.s.
100%

CTP Property XXVI, spol. s r.o.
100% E

CTPark Stříbro, spol. s r.o.
100% L

CTPark České Budějovice, a.s.
100% L

CTP Invest XVIII, spol. s r.o.
100% E

CTP Invest XXI, spol. s r.o.
100% E

Serbia

→ RS11 Expo Site doo Beograd
100% L

CTP Invest XXII, spol. s r.o.
100% L

CTP Invest XXIII, spol. s r.o.
100% E

CTP Invest XXIV, spol. s r.o.
100%

CTP Invest XXV, spol. s r.o.
100% E

CTP Invest XXVI, spol. s r.o.
100% L

CTP Invest XXVII, spol. s r.o.
100% E

CTP Invest XXVIII, spol. s r.o.
100%

CTP Invest XIII, spol. s r.o.
100% E

CTPersonnel Bor, spol. s r.o.
100% E

CTP Hotel Pilsen, spol. s r.o.
100%
→ CTP Hotel Operations PIlsen, spol. s r.o.
90% (10% CTP Invest, spol. s r.o.)

CTP Hotel Prague, a.s.
100%
→ CTP Hotel Operations Prague, spol. s r.o.
90% (10% CTP Invest spol. s.r.o.)

CTP Beta, spol. s r.o. (CZ)
100%
→ CTP Omega, spol. s r.o. (CZ)
100% E

CTP Property Romania, spol. s r.o. (CZ)
100% E

CTP Property Bulgaria, spol. s r.o. (CZ)
100% E

Bulgaria

→ CTPark Beta EOOD
100% E
→ CTPark Gamma EOOD
100% E
→ CTPark Delta EOOD
100% E

Hungary

CTP Management Hungary Kft.
100% L

CTP Invest Hungary Kft.
100% E
→ CTPark Alpha Kft.
100%
→ CTPark Beta Kft.
100%
→ CTPark Gamma Kft.
100%

CTPark Arrabona Kft.
100%

CTPark Seven Kft.
100% L

CTPark Eight Kft.
100% E

CTPark Eleven Kft.
100% E

HU25 CTPark Twelve Kft.
100% E

Poland

CTP Invest Poland Sp. z o.o.
100% E

GreenPark Resi I Sp. z o.o.
100% L

GreenPark Resi II Sp. z o.o.
100% E

CTPark Iłowa Sp. z o.o.
100% L

BPROJECT 1 Sp. z o.o.
100% L

CTP Beta Poland Sp. z o.o.
99% (1% CTP Invest Poland Sp z .o.o.) E

CTP Gamma Poland Sp. z o.o.
100% E

CTP Delta Poland Sp. z o.o.
100% E

Serbia

CTP Invest doo Beograd-Novi Beograd
100% E

CTP Property Serbia, spol. s r.o. (CZ)
100% E
→ CTP Epsilon doo Beograd-Novi Beograd
100% E
→ CTP Zeta doo Beograd-Novi Beograd
100% E
→ CTP Iota doo Beograd-Novi Beograd
100% E
→ CTP Kappa doo Beograd-Novi Beograd
100% E

Moldova

CTP INVEST S.R.L.
100% E

Slovakia

ABL Slovakia s.r.o.
90% (10% CTP Property Czech, spol. s r.o.) E

AZQ Slovakia, s.r.o.
90% (10% CTP Property Czech, spol. s r.o.) E

CTP Land SK, spol. s r.o.
90% (10% CTP Property Czech, spol. s r.o.) E

ATH Slovakia, s.r.o.
90% (10% CTP Property Czech, spol. s r.o.) E

Ukraine

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

CTP CEE Properties, spol. s r.o. (CZ)

Czech Republic

CTP Property XXVIII, spol. s r.o.
100% L

CTP Property III, a.s., v likvidaci
100% E

CTP Invest VII, spol. s r.o.
100%

CTP Finance, a.s.
100% E

CTP Infrastructure, a.s.
100% E

CTP Invest IV, spol. s r.o.
100% E

CTP Property XXVII spol. s r.o.
100% L

CTP Property XXIX, spol. s r.o.
100% E

Spielberk Business Park, spol. s r.o.
100%

CTZone Ostrava, a.s.
100%

CTP Property XXXI, spol. s r.o.
100% E

CTP Property XXXII, spol. s r.o.
100% E

Spielberk Business Park II, spol. s r.o.
100%
→ CTP Hotel Operations Brno, spol. s r.o.
100% (RB 98.94%)

Moldova

CTP Alpha S.R.L.
100% E

Netherlands

Multifin B.V.
100%

Luxembourg

→ MaVo LUX S.a r.l.
100% E

Czech Republic

→ CTP Solar, a.s.
100% E

Germany

→ CTP Germany II GmbH
100%
→ Jade-Shipping Betriebs GmbH & Co. KG
100%
→ Jade-Shipping I GmbH
100%

Romania

CTP INVEST BUCHAREST SRL
98.94% (1.06% Spielberk Business Park, spol. s r.o.) L
→ 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
75.25% E

CTP CONTRACTORS SRL
99.9%
(0.1% CTP Invest, spol. s r.o.) L

CTPARK BETA SRL
99.99796%
(0.00204% Spielberk Business Park, spol. s r.o.)

CTPARK BUCHAREST SRL
93.09779111%
(6.90220889% CTP Invest, spol. s r.o.)

CTPARK KAPPA SRL
99.9%
(0.1% 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
99.9%
(0.1% CTP Invest, spol. s r.o.) E

CTPARK PSI SRL
99.9%
(0.1% CTP Invest, spol. s r.o.) L

CTPARK TAU SRL
99.9%
(0.1% CTP Invest, spol. s r.o.) L

CTPARK ZETA SRL
99.9%
(0.1% CTP Invest, spol. s r.o.) L

CTPARK ETA SRL
99.9%
(0.1% CTP Invest, spol. s r.o.)

CTPARK EPSILON SRL90%
(10% CTP Invest, spol. s r.o.) E

CTPARK IOTA SRL
99.9% (0.1% CTP Invest, spol. s r.o.) E

CTPARK MIU SRL
90% (10% CTP Invest, spol. s r.o.) E

CTPARK OMICRON SRL
99.9%
(0.1% CTP Invest, spol. s r.o.) E

CTPARK RHO SRL
90% (10% CTP Property Czech, spol. s r.o.) E

R037 CTPARK KM23 NORTH SR
99.9%
(0.1% CTP Invest, spol. s r.o.) E

CTPARK KM23 SOUTH SRL
99.9%
(0.1% CTP Invest, spol. s r.o.) E

CTPARK KM23 WEST SRL
99.9%
(0.1% CTP Invest, spol. s r.o.) E

Germany

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

Slovenia

CTP Ljubljana, d.o.o.
100% L

CTPark Alpha, d.o.o.
100% E

Austria

CTP Immobilienverwaltung GmbH
99.9% (0.1% CTP Invest, spol. s r.o.)

Bulgaria

CTP Invest EOOD
100% E

Poland

CTP Alpha Poland Sp. z o.o.
100%

Slovakia

CTP Invest SK, spol. s r.o.
90% (10% CTP Holding B.V.) L

CTP Alpha SK, spol. s r.o.
90% (10% CTP Holding B.V.)

CTP Beta SK, spol. s r.o.
90% (10% CTP CEE Sub Holding, spol. s r.o.)

CTP Slovakia, s. r. o.
90% (10% CTP CEE Sub Holding, spol. s r.o.)
→ Nitra Park II, s.r.o.
90% (10% CTP CEE Sub Holding, spol. s r.o.)

CTPark Bratislava, spol. s r.o.
85% (5% CTP Property B.V., 5% CTP CEE Sub Holding, spol. s r.o.*)

CTPark Nitra, s.r.o.
90% (10% CTP CEE Sub Holding, spol. s r.o.)

CTPark Nove Mesto, spol. s r.o.
90% (5% CTP Property B.V., 5% CTP CEE Sub Holding, spol. s r.o.**)

CTPark Košice, spol. s r.o.
90% (5% CTP Property B.V., 5% CTP CEE Sub Holding, spol. s r.o.**)

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

Profit stake differs from capital stake and is as follows:

*	**
99% LU01	90% LU01
0.33% NL02	3.33% NL02
0.67% C144	6.67% C144

CTP Property B.V.

Czech Republic

CTP CEE Sub Holding, spol. s r.o.
100% E

CTP Portfolio Finance CZ, spol. s r.o.
100% E
→ CTP Industrial Property CZ, spol. s r.o.
100%, Synd

Industrial Portfolio

CTP Products I, spol. s r.o.
100%

COPOK s.r.o.
100%

CTP Property XVI, spol. s r.o.
100%

Bohemia Pilz s.r.o.
100%

CTP Invest X, spol. s r.o.
100%

CTPark Prague West, spol. s r.o.
100%

CTP Invest XVI, 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%

CTPark Karviná, spol. s r.o.
100%

CTP Invest XVII, spol. s r.o.
100%

CTP Borská Pole, spol. s r.o..
100%

CTP Vysočina, spol. s r.o.
100% E

CTPark Brno I, spol. s r.o.
100% E

CTPark Ostrava, spol. s r.o.
100% E

CTP Moravia South, spol. s r.o.
100% E

CTPark Mladá Boleslav, spol. s r.o.
100% E

CTPark Prague Airport, spol. s r.o.
100%

CTP Solar I, a.s.
100%

CTP Property II, a.s.
100%

CTP Property IV s.r.o.
100%

CTP Property V, a.s.
100%

CTP Property IX, a.s.
100% C

CTPark Brno II, spol. s r.o.
100%

CTP Bohemia South, 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 Alpha, 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.1
00%

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.
100%

CTPark ladá Boleslav II, spol. s r.o.
100%

EP Karvina s.r.o.
100%

EP Kadan s.r.o.
100%

CTP Solar II, a.s.
100%

CTP Solar III, spol. s r.o.
100%

Hungary

CTPark Ten Kft.
100%

CTPark Nine Kft.
100%

CTPark Delta Kft.
100%

CTPark Biatorbágy Kft.
100%

Serbia

CTP Alpha doo Beograd-Novi Beograd
100%

CTP Beta doo Beograd-Novi Beograd
100% L

CTP Gamma doo Beograd-Novi Beograd
100% L

CTP Delta doo Beograd-Novi Beograd
100% L

Romania

CTPARK BUCHAREST WEST I SRL
85.714286%
(14.285714% CTP CEE Sub Holding, spol. s r.o.)

DEVA LOGISTIC CENTER S.A.
89.91009%
(10.08991% CTP CEE Sub Holding, spol. s r.o.)

H.E.E. (MERCURY) PROPRIETATI SRL
89.999994%
(10.000006% CTP CEE Sub Holding, spol. s r.o.)

CENTURA PROPERTY HOLDINGS S.A.
90%
(10% CTP CEE Sub Holding, spol. s r.o.)

CTPARK PHI SRL
90%
(10% CTP CEE Sub Holding, spol. s r.o.)

CTPARK SIGMA SRL
90%
(10% CTP CEE Sub Holding, spol. s r.o.)

CTPark Bucharest A1 SRL
90%
(10% CTP CEE Sub Holding, spol. s r.o.)

Empty Shell
Landbank

Financial results 1H 2020

Condensed consolidated interim financial statements
for the six-month period ended 30 June 2020

Condensed consolidated interim financial statements

Condensed consolidated interim statement of profit and loss and other comprehensive income

Condensed consolidated interim statement of financial position

Condensed consolidated interim statement of changes in equity

Condensed consolidated statement of cash flow

Notes to the condensed consolidated interim financial statements

1. General information
2. Going concern
3. Basis of preparation
4. Significant accounting policies
5. Segment reporting
6. Changes in the Group
7. Gross rental income and service charge income
8. Net finance costs
9. Income tax expense
10. Investment property
11. Investment property under development
12. Equity
13. Interest-bearing loans and borrowings from financial institutions
14. Financial derivatives
15. Deferred tax liability
16. Related parties
17. Risk policies
18. Contingent liabilities
19. Subsequent events

Other information

Appendix 1 – Group structure

Condensed consolidated interim statement of profit and loss and other comprehensive income

For the six-month period ended

In EUR thousand	Note	2020 Revenues	2020 Attributable external expenses	2020	2019 Revenues	2019 Attributable external expenses	2019
Rental income	7	140,587			122,901		
Service charge income	7	12,159			10,916		
Property operating expenses			-16,256			-21,254	
Net rental income				136,490			112,563
Hotel operating revenues		3,274			8,679		
Hotel operating expenses			-3,240			-5,605	
Net operating income from hotel operations				34			3,074
Income from development activities		43,576			6,059		
Expenses from development activities			-20,019			-4,838	
Net income from development activities				23,557			1,221
Total revenues		199,596			148,555		
Total attributable expenses			-39,515			-31,697	
				160,081			116,858
Net valuation result on investment property				29,960			145,243
Other income				3,871			14,528
Amortization and depreciation				-4,317			-3,456
Employee benefits				-9,321			-8,221
Other expenses				-12,225			-17,315
Net other income/expenses				-21,992			-14,464
Net profit/loss before finance costs				168,049			247,637
Interest income	8			411			298
Interest expense	8			-30,877			-25,962
Other financial expenses	8			-2,495			-15,790
Other financial gains/losses	8			-8,146			-32,136
Net finance costs				-41,107			-73,590
Profit/loss before income tax				126,942			174,047
Income tax expense	9			-27,659			-33,794
Profit for the period				99,283			140,253
OTHER COMPREHENSIVE INCOME							
Items that will never be reclassified to profit and loss							
Revaluation of PPE				-153			-64
Items that are or may be reclassified subsequently to profit or loss							
Foreign currency translation differences net of tax				-12,835			1,692
Total other comprehensive income				-12,988			1,628
Total comprehensive income for the year				86,295			141,881
PROFIT ATTRIBUTABLE TO:							
Non-controlling interests				-40			1,550
Equity holders of the Company				99,323			138,703
Total comprehensive income attributable to:							
Non-controlling interests				--			--
Equity holders of the Company				86,335			140,331

The notes on pages 230–257 are an integral part of this condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

In EUR thousand	Note	30 June 2020	31 December 2019
ASSETS			
Investment property	10	4,996,237	4,794,732
Investment property under development	11	462,143	440,727
Property, plant and equipment		45,322	47,021
Contract assets		33,785	32,343
Trade and other receivables		15,128	11,755
Financial derivatives	14	710	403
Financial investments		808	1,280
Receivables from related parties	16	14,709	54,257
Deferred tax assets	15	7,481	9,119
Total non-current assets		5,576,323	5,391,637
Trade and other receivables		105,110	113,117
Short-term receivables due from related parties	16	188	143
Financial derivatives		626	337
Inventories		8,351	8,461
Cash and cash equivalents		78,692	63,821
Total current assets		192,967	185,879
Total assets		5,769,290	5,577,516
EQUITY			
Issued capital	12	200	74,019
Translation reserve	12	-6,850	5,985
Reserves	12	890,743	828,682
Retained earnings	12	1,112,721	717,047
Revaluation reserve	12	12,433	12,586
Net result for the year		99,323	396,219
Total equity attributable to owners of the Company		2,108,570	2,034,538
Non-controlling interest		585	625
Total equity		2,109,155	2,035,163
LIABILITIES			
Interest-bearing loans and borrowings from financial institutions	13	2,577,867	2,507,777
Trade and other payables		10,709	21,672
Contract liabilities		35,908	34,200
Long-term payables to related parties	16	39,701	41,081
Financial derivatives	14	35,472	11,013
Deferred tax liabilities	15	495,712	491,356
Total non-current liabilities		3,175,415	3,107,099
Interest-bearing loans and borrowings from financial institutions	13	232,977	187,409
Trade and other payables		206,998	175,098
Contract liabilities		7,796	7,630
Short-term payables to related parties	16	7,809	60,005
Financial derivatives	14	9,186	5,112
Total current liabilities		484,720	435,254
Total liabilities		3,660,135	3,542,353
Total equity and liabilities		5,769,290	5,577,516

The notes on pages 230–257 are an integral part of this condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

In EUR thousand	Issued capital	Translation reserve	Reserves	Revaluation reserve	Retained earnings	Net result for the year	Total equity attributable to equity holders	Non controlling interest	Total equity
Balance at 1 January 2020	**74,019**	**5,985**	**828,682**	**12,586**	**717,047**	**396,219**	**2,034,538**	**625**	**2,035,163**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Profit for period	-	-	-	-	-	99,323	99,323	-40	99,283
OTHER COMPREHENSIVE INCOME									
Revaluation of Property, plant and equipment	-	-	-	-153	-	-	-153	-	-153
Foreign currency translation differences	-	-12,835	-	-	-	-	-12,835	-	-12,835
Total comprehensive income for the period	**-**	**-12,835**	**-**	**-153**	**-**	**99,323**	**86,335**	**-40**	**86,295**
OTHER MOVEMENTS									
Transfer of profit 2019	-	-	-	-	396,219	-396,219	-	-	-
Transfer within equity	-74,019	-	74,019	-	-	-	-	-	-
Decrease of reserves	-	-	-11,958	-	-	-	-11,958	-	-11,958
Addition to share capital	200	-	-	-	-	-	200	-	200
Common Control transactions	-	-	-	-	-545	-	-545	-	-545
Total other movements	**-73,819**	**-**	**62,061**	**-**	**395,674**	**-396,219**	**-12,303**	**-**	**-12,303**
Balance at 30 June 2020	**200**	**-6,850**	**890,743**	**12,433**	**1,112,721**	**99,323**	**2,108,570**	**585**	**2,109,155**

In EUR thousand	Issued capital	Translation reserve	Reserves	Revaluation reserve	Retained earnings	Net result for the year	Total equity attributable to equity holders	Non controlling interest	Total equity
Balance at 1 January 2019	**74,019**	**4,293**	**138,921**	**12,650**	**356,282**	**366,275**	**952,440**	**639**	**953,079**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Profit for period	-	-	-	-	-	138,703	138,703	1,550	140,253
OTHER COMPREHENSIVE INCOME									
Revaluation of Property, plant and equipment	-	-	-	-32	-	-	-32	-	-32
Foreign currency translation differences	-	-5,570	-	-	-	-	-5,570	-	-5,570
Total comprehensive income for the period	**-**	**-5,570**	**-**	**-32**	**-**	**138,703**	**133,101**	**1,550**	**134,651**
OTHER MOVEMENTS									
Transfer of profit 2018	-	-	-	-	366,275	-366,275	-	-	-
Transfer within equity		-	-	-	-	-	-	-	-
Decrease of reserves	-	-	-	-	-	-	-	-	-
Addition to share capital		-	-	-	-	-	-	-	-
Common Control transactions	-	-	-	-	-	-	-	-	-
Total other movements	**-**	**-**	**-**	**-**	**366,275**	**-366,275**	**-**	**-**	**-**
Balance at 30 June 2019	**74,019**	**-1,277**	**138,921**	**12,618**	**722,557**	**138,703**	**1,085,541**	**2,189**	**1,087,730**

The notes on pages 230–257 are an integral part of this condensed consolidated interim financial statements.

Condensed consolidated statement of cash flow

For the six-month period ended

In EUR thousand	30 June 2020	30 June 2019
OPERATING ACTIVITIES		
Profit for the period	99,283	140,253
Net valuation result on investment property	-29,960	-145,243
Amortisation and depreciation	4,317	3,456
Net interest expense and expenses from derivatives	30,466	25,664
Change in fair value of derivatives and other financial losses	29,314	32,785
Other changes	-18,726	13,562
Income from non-controlling interest	-40	1,550
Gain from sale of Investment property and subsidiaries	--	--
Income tax expense	27,659	33,794
Operating profit before changes in working capital	**142,313**	**105,821**
Decrease/(increase) in trade and other receivables	8,232	-11,212
Increase/(decrease) in trade and other payables	4,818	-17,504
Decrease/increase in inventory	110	-2,048
Changes in net working capital	**13,160**	**-30,764**
Interest paid	-31,535	-25,962
Interest received	382	298
Income taxes paid	-3,827	-10,375
Cash flows from operating activities	**120,493**	**39,018**
INVESTMENT ACTIVITIES		
Acquisition of investment property	--	-761
Acquisition of property, plant and equipment	-489	--
Proceeds from disposal of investment property and PPE	--	14,490
Acquisition of subsidiaries, net of cash acquired	-5,207	-13,220
Proceeds from disposal of subsidiaries, net of cash disposed	--	--
Additions due to development of investment property	-166,927	-145,597
Cash flows used in investing activities	**-172,623**	**-145,088**
FINANCING ACTIVITIES		
Repayment of borrowings	-105,387	-1,443,246
Proceeds from interest-bearing loans and borrowings	201,539	1,824,639
Loan and borrowings received from related companies	629	--
Repayment of loans to related companies	-15,981	-225,000
Transaction costs related to loans and borrowings	-1,376	-59,621
Proceeds from the issue of share capital	200	--
Distribution of funds to shareholder	-12,500	--
Payment of lease liabilities	-123	-200
Cash flows from financing activities	**67,001**	**96,572**
Cash and cash equivalents at 1 January	63,821	69,518
Net increase in cash and cash equivalents	14,871	-9,498
Cash and cash equivalents at the end of six-month period	**78,692**	**60,020**

The notes on pages 230–257 are an integral part of this condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. General information

The CTP Group (hereinafter referred to as "CTP" or "Group") is a Dutch based real estate developer developing and leasing a portfolio of properties in Central and Eastern Europe (CEE). CTP comprised of following sub-Groups (hereinafter referred to as "the Sub-groups") until 27 January 2020:

(a) CTP B.V. domiciled in the Netherlands (hereinafter referred to as "the Sub-Group CTP BV"),

(b) CTP Invest, spol. s r.o. domiciled in the Czech Republic (hereinafter referred to as "the Sub-Group CTP Invest") including CTP CEE Properties, spol. s r.o.

The Sub-Groups each represented a legal Group and were under the common control of their ultimate shareholder **Multivest B.V.** (the Netherlands).

On 27 January 2020 CTP B.V. acquired CTP Invest, spol. s r.o. and became the sole shareholder of the Sub-Group CTP Invest. This change has been registered in the commercial register as at 10 February 2020.

For the structure of CTP as at 30 June 2020 see Appendix 1.

Registered office:

The operating headquarter of CTP B.V., being the holding company, is located at Groeneweg 11, 4197 HD Buurmalsen, The Netherlands.

RSIN number: 860528091

Registration number: 76518233

CTP B.V. was incorporated on 21 October 2019, for an unlimited period of time.

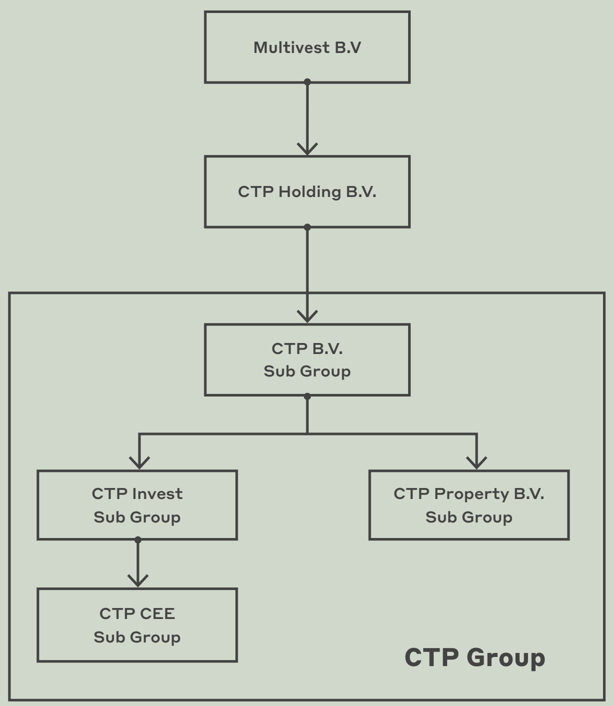
The sole shareholder as at 30 June 2020 is CTP Holding B.V.

Management as at 30 June 2020: CTP Management B.V.

Principal activities:

The principal operation of the CTP is the development and lease of investment property in the Czech Republic, Slovakia, Hungary, Romania, Poland and Serbia.
The Group leases property to its tenants under operating leases. As at 30 June 2020, the investment property portfolio and development platform is held by the CTP BV.

These condensed consolidated interim financial statements cover the six-month period of the year 2020, which ended at the balance sheet date of 30 June 2020.



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 30 June 2020 during the year 2020 and 2021 as follows:

In EUR thousand	2020
Current liabilities as at 30 June 2020	484,720
Current assets excluding cash and cash equivalents as at 30 June 2020	114,274
Funds required in 2020 to cover the short-term liquidity need	370,446
Available cash as at 30 June 2020	78,692
Expected net rental income available for repayment current Interest-bearing loans and borrowings to be received in 2020	306,431
Interest-bearing loans and borrowings from financial institutions to be renegotiated to a long-term basis	121,724
Short-term payables to be renegotiated to a long-term basis	7,809
Expected drawdowns of loans and borrowings from financial institutions under existing loan facilities	250,697
Recurring overdraft	4,024
Expected funds to be received in 2020 to cover the short-term liquidity need	**769,377**

Expected drawdowns of bank loans represent committed credit lines. Actual drawdowns are subject to particular conditions defined in respective loan agreements which management expects will be fulfilled.

Based on the cash-flow projections prepared for the year 2020, other actual development up to the date of approval of these condensed consolidated interim financial statements and results of management assessment as described above, the directors and management of the Group believe that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis as at 30 June 2020 and no material uncertainty exists with respect to going concern of the Group as at 30 June 2020.

The Group has secured bank loans that contain loan covenants. Under the agreements, the covenants are monitored on a regular basis to ensure compliance with these agreements.

3. Basis of preparation

a) Basis of preparation

In 2019, the financial statements were prepared by aggregating the separate consolidated interim financial statements of the CTP B.V. and CTP Invest, spol. s r.o. sub-Groups. The Sub-Groups, that did not constitute one legal Group as of 31 December 2019, were consolidated in one set of financial statements by adding together their assets, liabilities, equity accounts as well as income and expenses.

The following adaptations were carried out to the aggregation of the separate consolidated financial statements in order to establish the consolidated financial statements of the Group in 2019:

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.

Following the common control transaction described in note 1, the condensed consolidated interim financial statements for the six-month period ended 30 June 2020 have been prepared in accordance with IAS 34, 'Interim Financial Reporting'.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual combined financial statements as at 31 December 2019.

They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

The Group's operations are not subject to any significant seasonal fluctuations.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 11 September 2020.

b) CTP has considered the following new and amended standards in 2020

For the preparation of the condensed consolidated interim financial statements, the following new or amended standards and interpretations were considered for the first time for the financial year beginning 1 January 2020. The Group believes that they do not have material impact on the condensed consolidated interim financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards - the amendment reflect the changes in Framework's principles, which have implications for how and when assets and liabilities are recognised and derecognised in the consolidated financial statements.
- Definition of a Business (Amendment to IFRS 3) - the amendments narrowed and clarified the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a Group of assets rather than a business
- Definition of Material (Amendments to IAS 1 and IAS 8) - the amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
- Interest rate benchmark reform (Amendments to IFRS 9, IAS 39 and IFRS 7) - the amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform..

c) Standards issued but not yet effective

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

d) Functional and presentation currency

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 and concluded on following:

- Group's 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's 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 CTP there are following Invest 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,
- CTP Invest Bucharest SRL with functional currency RON,
- CTP Invest SK, spol. s r.o. with functional currency EUR.

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

e) Basis of measurement

The condensed consolidated interim financial statements of the Group are prepared on a historical cost basis, apart from investment property, investment property under development, part of property plant and equipment (solar plants) and financial derivatives, which are stated at fair value.

f) Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements 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 estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 recognized in the financial statements are described in note 4b) Investment property and note 4c) Investment property under development.

g) Measurement of fair values

A number of 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 Group uses market observable data as far as possible. Fair values are categorized 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 categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized 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 Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. Significant accounting policies

The accounting policies set out below are derived from the combined financial statements prepared as at 31 December 2019 and have been consistently applied to all periods presented in the condensed consolidated interim financial statements and have been applied consistently by CTP entities except when otherwise indicated.

a) Basis of consolidation

a) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the 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 these consolidated financial statements 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.

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 under IFRS 3, when an integrated set of activities is acquired in addition to the property. More specifically, consideration is made to 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 and deferred tax is recognised.

b) 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 recognized at the carrying amounts recognized 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 recognized directly in the equity. In the absence of more specific guidance, the Group consistently applied the book value method to account for all common control transactions.

c) Business combinations

Business combinations, excluding those commenced between parties under common control, are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net amount of the identifiable assets acquired and liabilities stated at fair value.

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 recognized immediately in the consolidated statement of profit and loss and other comprehensive income.

d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

e) Changes in the ownership interests in existing subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries

f) Asset acquisition

Asset acquisitions is an acquisition of an asset or a Group of assets (and liabilities) that does not constitute a business. The Group identifies and recognises the individual identifiable assets acquired and liabilities assumed and allocate the cost of the Group to the individual identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

g) Intra-group transactions

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

b) Investment property

Investment properties are those which are held to earn rental income, for capital appreciation, or for both. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. An external, independent valuator having appropriately recognized professional qualifications and recent experience in the location and category of property being valued, values the portfolio of investment property at least annually.

For portion of investment property the independent valuation report was obtained as at 30 June 2020 and was incorporated into the consolidated financial statements of the Group.

For investment property where an independent valuation report was not obtained as at 30 June 2020, the Group has performed an internal valuation. The Group concluded that yields remained stable within the industrial and office segments for the six-month period ended 30 June 2020. The Group reviewed changes in the tenant rents as at 30 June 2020 comparing to 31 December 2019 and noted none with significant impact on fair value of properties. Therefore, for projects which were completed prior to 1 January 2020 and have not been covered by an independent valuation report, no valuation gains or losses have been recognized. For projects completed within the six-month period ended 30 June 2020 and which have not been covered by an independent valuation report, the fair value stated is equivalent to their fair value after completion, based on the independent valuation report obtained as at 31 December 2019.

For valuation of the hotel portfolio for period ended 30 June 2020, CTP has taken into consideration the impact of Covid-19, resulting in a decrease of its fair value by 14% since 31 December 2019.

As at 31 December 2019 all investment properties were valued using external valuation report.

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 categorized as a Level 3 fair value.

Buildings and land

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 and in the internal valuations were as follows:

Yield	30 June 2020	31 December 2019
Initial yield	4.25% - 8.79%	4.25% - 8.79%
Exit yield		
Industrial premises	5.50% - 9.50%	5.50% - 9.50%
Office properties	6.00% - 9.00%	6.00% - 9.00%
Retail	7.50%	7.50%
On-going Vacancy	0.00% - 2.00%	0.00% - 2.00%
ERV per sqm		
Industrial premises	2.75 - 9.50 EUR	2.75 - 9.50 EUR
Office properties	3.90 - 9.50 EUR	3.90 - 9.50 EUR
Retail	7.30 EUR	7.30 EUR

Fair value as of 30 June 2019:

For valuation of investment property in Poland, Hungary, Romania, Serbia and Slovakia for the period ended 30 June 2019, an independent valuation report was obtained. In instances where the investment property was extended by more than 1,000 square meters of lettable area in six-month period ended 30 June 2019, the change in fair value was split between additions at cost and valuation gain. Other additions to projects completed prior to 1 January 2019 were deemed insignificant, therefore the overall change in their fair value was recognized as valuation gain or loss.

The valuation of investment property in Czech Republic for the period ended 30 June 2019, was performed through an internal valuation. The internal valuation was based upon an external independent analysis of the real estate market in the Czech Republic as at 30 June 2019, whereby it was concluded that the Czech Republic is deemed the most stable country with the lowest investment risk within the CEE region, indicating strong fundamentals of the real estate investment market.

For projects completed prior to 1 January 2019, in case the property was extended by more than 1 000 sqm of lettable area in six-month period ended 30 June 2019, the change in fair value between 31 December 2019 and 31 December 2018 was split between additions (at cost) and valuation gain. Other additions to projects completed before 1 January 2019 were deemed insignificant and therefore the overall change in fair value between 31 December 2019 and 31 December 2018 was recognised as valuation gain or loss.

Based upon an internal yield analysis for industrial properties:

- the full amount of the valuation gain was assigned to the second half of the year 2019 due to decrease of the yields in second half of the year 2019 for the properties in the following locations: CTPark Modřice, CTPark Brno I and II, CTPark Brno South, CTPark Prague East, CTPark Bor, CTPark Planá nad Lužnicí, CTPark Žatec, CTPark Kadaň, CTPark Karviná, CTPark Lipník nad Bečvou, Ponávka Business Park – buildings B1-B8,
- the valuation gain on the remaining industrial properties held was split equally between the first six month-period ended 30 June 2019 and the second six-month period ended 31 December 2019 as the yields remained unchanged in other locations.

Based upon an internal yield analysis for office facilities:

- the full amount of the valuation gain was assigned to the first half of the year 2019 for the following locations Spielberk Office Center, Spielberk Office Center Tower I, Ponávka Business Park C1, C2, C4, IQ Ostrava, CTOffice Ponávka Business Park and Vlněná FGH due to decrease of the yields in first half of the year 2019.
- the valuation gain of the offices in the remaining locations was split equally between the first six month-period ended 30 June 2019, and the second six-month period ended 31 December 2019 as the yields remained unchanged in other locations.

For hotel investment properties, no significant yield changes occurred throughout the year 2019 and bearing in mind the insignificant value of the hotel portfolio, the valuation gain was split equally between the first six month-period ended 30 June 2019, and the second six-month period ended 31 December 2019.

Lastly, the fair value of the sole retail facility Polyfunkční dům Barrandov remained unchanged as at 30 June 2019. For any new projects completed within the six month period ended 30 June 2019, the Group has decided to state their fair value as at 30 June 2019 in the same amount as their future fair value after completion, which was stated in the Pipeline valuation report as at 31 December 2018.

With respect to the standing investment property portfolio located in Germany, given its insignificant value, the Group recognized no change in its fair value and any decrease in value in 2019 reflected the sale of part of the German portfolio. Similarly, for the Austrian standing investment property portfolio no changes in fair value were recognized as at 30 June 2019.

Any gain or loss arising from a change in fair value is recognized in the statement of profit and loss.

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

Hotel portfolio of the Group is classified as investment property as the hotels were acquired and are held by the Group for the capital appreciation. Fair value of hotel portfolio was valued by external valuator and fair value is calculated based on discounted cash flow method; yields used in valuation for the year 2020 is in range from 7,85% - 8,28%. (2019 – yield range 6,5% – 6,75%)

Land bank

The land bank comprises the plots of land in CTP's ownership, on which development projects are to be carried out.

For six-month period ended 30 June 2020, CTP performed only internal valuation and it has concluded that no significant changes occurred in the market value of land in the respective locations since 31 December 2019.

For land acquired prior to 1 January 2020, no valuation gains and losses have been recognised during the six-month period ended 30 June 2020.

New land acquired in new locations has been valued at acquisition cost as at 30 June 2020.

New land acquired in existing locations during the six-month period ended 30 June 2020 was revalued to fair value using a fair value per square meter for the respective location, based upon the independent valuation report obtained as at 31 December 2019 as summarized below:

Fair value per square meter:	30 June 2020	31 December 2019
Czech Republic	54 EUR	54 EUR
Slovak Republic	43 EUR	43 EUR
Hungary	28 EUR	28 EUR
Serbia	28 EUR	28 EUR
Romania	25 EUR	25 EUR
Poland	25 EUR	25 EUR

The same approach has been applied for internal valuation of land bank as at 30 June 2019.

For valuation of land bank acquired prior to 1 January 2019, the Group assumed there were no significant changes in market value in comparison to 31 December 2018 and therefore no valuation gains or losses had been recognized for period ended 30 June 2019.

New additions to new locations were valued at acquisition cost as at 30 June 2019 and new additions to existing locations during the six-month period ended 30 June 2019 were valued based on the fair values per square meter in respective locations as at 31 December 2018. The valuation gains and losses on such additions were fully recognized in the statement of comprehensive income.

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. Investment property under development is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. When construction or development is completed, property is reclassified and subsequently accounted for as investment property.

For new projects classified as investment property under development during the six-month period ended June 2020 an independent valuation report as at 30 June 2020 was obtained. Value of investment property under development was determined by external, independent property valuators, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

For investment property under development that has already been held by the Group as at 31 December 2019 and has not yet been completed till 30 June 2020, the Group has assumed that no significant change in the fair value has occurred since 31 December 2019. Increases in residual value for the six-month period to 30 June 2020 were primarily caused by capitalised costs to the project.

As at 31 December 2019 all investment properties under development were valued using external valuation report.

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 categorized 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 development.

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.

At initial stage, the investment property under development is valued at cost.

The assumptions used in external and internal valuations were as follows:

	30 June 2020	31 December 2019
Capitalisation rates	5.25% - 9.00%	5.25% - 9.00%
On-going Vacancy	0.00% - 2.00%	0.00% - 2.00%
ERV per sqm		
Industrial premises	3.50 – 6.00 EUR	3.50 – 6.00 EUR
Office properties	13.75 EUR	13.75 EUR
Soft costs	8.00% - 10.00%	8.00% - 10.00%
Finance costs	4.00% - 8.00%	4.00% - 8.00%
Profit allowance	20.00% - 25.00%	20.00% - 25.00%

Fair value as at 30 June 2019:

For valuation of projects under development as at 30 June 2019 CTP has performed only internal valuation.

For investment property under development which was classified as such as at 31 December 2018 as well as at 30 June 2019, the Group has concluded no significant changes and evaluated the project as at 30 June 2019 in the fair value as at 31 December 2018 increased by capitalized cost of the projects incurred during the six-month period ended 30 June 2019.

With respect to new projects classified as investment property under development as at 30 June 2019, the Group assumed that the most significant increase in fair value occurred at construction start of the building, i.e. when the building permit is obtained. Therefore, the full valuation gain 2019 of new projects as determined by independent valuator was allocated to first six-month period ended 30 June 2019. The fair value of such projects was stated as the total of land value, capitalized costs for the six-month period ended 30 June 2019 and the valuation gain 2019.

Projects which were classified as investment property under development as at 31 December 2018 and were subsequently completed in the first half of 2019, were recognized as part of the standing investment property portfolio as at 30 June 2019.

d) Property, plant and equipment

(i) Revaluation model

Solar plants which are completed and generating income are classified under Property, plant and equipment at revaluated amounts, being the fair value at the reporting date. Any gain or loss arising on re-measurement of the solar plants is treated as a revaluation 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. A loss is an expense in profit or loss to the extent at which it is higher than previously recognized revaluation surplus.

An external, independent valuator having appropriately recognized 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. Such valuation was not done as of 30 June 2020.

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.

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

For the calculation of the market value of solar energy power panels the discount rate of 9% was used.

(ii) Cost model

All other buildings, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (note 4i). 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 and an appropriate proportion of production overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

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.

The Group recognizes 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 Group and the cost of the item can be measured reliably. The carrying amount of the replace item is derecognised. All other costs are recognized in the statement of comprehensive income as incurred.

Depreciation is recognized 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.

(iii) Reclassification to Investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in OCI and presented in the revaluation reserve. A loss is an expense in profit or loss to the extend at which it is higher than previously recognized revaluation surplus.

e) Contract assets and contract liabilities

Contract assets represent the cost of development extras, specific fit-outs, which are paid upfront by tenants but are not capable of being distinct from leased premises. These capitalized development extras costs are depreciated evenly over the leasing period.

Contract liabilities primarily relate to the upfront consideration received from tenants for construction of development extras, specific fit-outs, for which revenue is recognised over time, over the leasing period.

f) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- **As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of an asset leased.

Lease payments included in the measurement of the lease liability comprise of following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price under a purchase option that the Group is reasonably certain to exercise;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Subsequently, the lease liability is measured at amortized cost using effective interest method. It is remeasured when there is change in any of above-mentioned lease liability components. In such case the corresponding adjustment is made to the carrying amount of the right-of-use asset or is posted in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in the property, plant and equipment and lease liabilities in trade and other payables in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

- **As a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of rental income.

Property held under finance leases and leased out under operating leases was classified as investment property and stated at fair value as described in note 4b).

g) Financial instruments

(i) Financial assets

Initial recognition and measurement

The financial assets are classified at initial recognition at amortized 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 collecting contractual cash flows and selling financial assets; 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 if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise..

Subsequent measurement

For 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.

(ii) Non-derivative financial assets

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

The Group derecognises 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 Group is recognised as a separate asset.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has 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 Group classifies 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 Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash-flow statement.

The Group treats 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.

(iii) Financial liabilities

Financial liabilities are classified as measured at amortised cost or at fait value through the statement of profit and loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for trading, it is a derivative or it is designed as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) Non-derivative financial liabilities

The Group initially recognises 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 recognized initially on the trade date at which the Group becomes party to the contractual provisions of the instrument. The Group derecognizes 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 recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized 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 Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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

(v) 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 recognized at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss.

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

The principal types of derivative instruments used by the Group are interest rate swaps. Swaps are agreements between the Group and other parties to exchange future cashflows based upon agreed notional amounts.

Under interest rate swaps, CTP agrees with other parties to exchange, at specific interval, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional amount.

h) Inventories

Inventories represents mainly work in progress, which relates to the cost of development extras and specific fit outs for the tenants. .

i) Impairment

(i) Non-financial assets

The carrying amounts of the 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 recognized 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 recognized in profit or loss. An impairment loss in respect of a Property, plant and equipment measured at fair value is reversed through profit and loss to the extent that it reverses an impairment loss on the same asset that was previously recognized in profit and loss.

Impairment losses recognized 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.

(ii) Financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is credit-impaired.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor will enter bankruptcy, the disappearance of an active market for a security and observable data indicating that there is a measurable decrease in the expected cash flows from a Group of financial assets.

The Group considers evidence of impairment for financial assets at both specific asset and collective level. All individually significant financial assets are assessed for specific impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by Grouping together receivables with similar risk characteristics.

CTP uses for the recognition and measurement of impairment losses the "expected credit loss" model (ECLs). The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- provided loans and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition;
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to the lifetime ECLs.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through the statement of other comprehensive income (FVOCI) are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

  or
- the disappearance of an active market for a security because of financial difficulties.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If CTP determines that no objective evidence of credit impairment exists for an individually assessed financial assets, whether significant or not, it includes the assets in a Group of financial assets with similar risk characteristics and collectively assesses them for credit impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

A significant increase in credit risk (SICR) represents a significant increase in the risk of default in respect of a financial assets as at the reporting date compared with the risk as at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, CTP considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group´s historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the trade or other receivable is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that CTP expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

In some cases the observable data required to estimate the amount of an impairment loss on a financial asset may be limited or no longer fully relevant to current circumstances. This may be the case when a borrower is in financial difficulties and there is little available historical data relating to similar borrowers. In such cases, the Group uses its experience and judgement to estimate the amount of any credit impairment loss.

All impairment losses in respect of financial assets are recognised in profit or loss and are only reversed if a subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount of the asset that would have been determined, net of amortisation, if no impairment loss had been recognised.

The write-off policy of the Group requires that the outstanding amount of a loan shall be written off if there is any instalment overdue for 730 or more days. However, the loan shall remain in the Company's statement of financial position even after 730 days of non-payment if it is probable that the loan will be sold in a near future, or significant recoveries are expected. In such case, the loan outstanding amount shall be derecognised at the moment of the sale or later as soon as no significant recoveries are expected.

j) Reversals of impairment

An impairment loss of non-financial assets 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 recognized.

Reversal of an impairment loss for goodwill is prohibited.

k) Equity

Share capital

Share capital represents the amount of capital registered in the Commercial Register 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.

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 note 3d).

Reserves

Reserves include Other capital funds, which represent contribution outside the registered capital and are created based on decision of Board of directors.

Revaluation reserve

Revaluation reserve comprise revaluation of solar plants, which are classified under property, plant and equipment at revaluated amounts, being the fair value at the reporting date (refer to note 4d).

Retained earnings

Retained earnings arises from accumulation of profits and losses and are subject of dividend distribution after approval of the Board of directors.

l) Provisions

A provision is recognized in the statement of financial position when the Group has 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.

m) Rental income and service charge income

Rental income from leases is recognized as income in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income.

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

Service and management charges are included in net rental income gross of the related costs. The Group determined that it does control the services before they are transferred to tenants and therefore that the Group acts rather as a principal in these arrangements.

n) Income from development activities

Revenues from customer specific fit-outs of rented facilities (development extras) are presented separately in statement of comprehensive income. Income from development activities 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. It is recognized on a straight-line basis per duration of respective rental contract.

Development Expenses represents internal and external expenses incurred that are reasonably or directly allocable to the performance of development activities in accordance with the agreed budget or contract.

o) Revenues from sale of properties

Revenue from sale of properties is recognised when the control has passed to the buyer at the amount to which the Group expects to be entitled, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably, i.e. on the date on which the application is submitted to the Land Registry for transfer of legal ownership title. Revenue is measured net of returns, trade discounts and volume rebates. When appropriate, revenue from such sales are deferred until the property is completed and the properties are ready for sale, including the necessary regulatory permissions.

p) Hotel revenues

Revenues from hotel operations represents room rental and sale of food and beverages. Hotel revenues are recognised in profit and loss at the moment, when customer obtains control over the services provided.

q) 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 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.

r) Income tax

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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.

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate derived from prior year effective tax rate.

Deferred tax is provided using the liability method, on temporary differences arising 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 recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The corporate income tax rate for the period ended 30 June 2020 and 2019 was:

Country	2020	2019
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%

Deferred tax is not recognised from temporary differences on the initial recognition of assets and/or liabilities in transaction which is not a business combination under IFRS 3 (asset deal).

s) 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.

t) Segment reporting

The Group has applied the criteria of IFRS 8, 'Operating Segments' to determine the number and type of operating segments. According to this standard an operating segment is component carrying out business operations whose operating income is evaluated regularly by the Group's highest executive decision maker and about which separate financial information is available. The Group's Operating segments were determined in connection with the nature of the business and how the operations are managed by the Group's operating decisionmaker. The Group reports four operating segments based on geographical segmentation: Czech Republic, Romania, Hungary and Other. Segment results that are reported to the Board of Directors include items directly attributable to a segment.

The operating segments are determined based on the Group's management and internal reporting structure. As required by IFRS 8, the Group provides information on the business activities in which, the Group engages including split of revenue and investment property.

5. Segment reporting

The principal operation of the Group is the lease of investment property in the Czech Republic, Slovakia, Hungary, Romania, Poland and Serbia and development in these countries. The Group manages its activities based on geographical segmentation as the substance of the business activities is the same in all regions, where the Group operates.

The Group' s principal activities are performed in the following main business geographical segments: Czech Republic, Romania, Hungary and Other.

Results of the segments as at 30 June 2020 is as follows:

In thousand of EUR	Czech Republic	Romania	Hungary	Other	Eliminations in consolidation	Total
Investment property	3,415,543	792,524	308,875	479,295		**4,996,237**
Investment property under development	292,516	70,817	70,766	28,044		**462,143**
Interest-bearing loans and borrowings from financial institutions	-2,014,592	-431,525	-153,292	-211,435		**-2,810,844**
Net rental Income	89,906	23,512	9,766	13,306		**136,490**
Net valuation result on IP	-6,350	20,721	19,417	-3,828		**29,960**
Interest expense	-21,150	-17,169	-8,675	-6,551	22,668	**-30,877**
Profit/loss before tax	56,837	42,733	21,088	6,284		126,942

Results of the segments as at 30 June 2019 is as follows:

In thousand of EUR	Czech Republic	Romania	Hungary	Other	Eliminations in consolidation	Total
Investment property	3,192,542	654,865	241,918	304,613		**4,393,938**
Investment property under development	216,546	47,511	39,566	52,553		**356,176**
Interest-bearing loans and borrowings from financial institutions	-1,943,595	-353,681	-101,310	-145,600		**-2,544,186**
Net rental Income	78,898	16,231	7,402	10,032		**112,563**
Net valuation result on IP	69,839	46,687	22,415	6,302		**145,243**
Interest expense	-18,703	-11,424	-5,200	-3,542	12,907	**-25,962**
Profit/loss before tax	82,532	53,935	24,956	12,624		174,047

6. Changes in the Group

CTP has acquired the below mentioned subsidiary:

Subsidiary	Acquisition date
CTPARK BUCHAREST UPSILON SRL	16 March 2020

with the effect on the financial statement of the Group as follows:

In EUR thousand	Acquisitions 2020
Investment property	26,032
Other assets	487
Cash and cash equivalents	153
Deferred tax assets	2
Trade receivables	727
Total assets	**27,401**
Trade liabilities	-129
Other liabilities	-462
Bank loans	-18 867
Other loans	-2,583
Total liabilities	**-22,041**
Net assets acquired	**-5,360**
Consideration paid	5,360
Net cash outflow	**5,207**

The acquisition was recognized as a property asset acquisition as acquired company does not represent a business as defined by IFRS 3.

In period January – June 2019, the Group has acquired the below mentioned subsidiaries:

Subsidiary	Acquisition date
Development OVA West a.s.	30 April 2019
CTP Invest XXX, spol. s r.o.	18 June 2019
CTP Bucharest A1 SRL	30 June 2019
CTP Borská Pole, spol. s r.o.	3 September 2019

with the effect on the financial statement of the Group as follows:

In EUR thousand	Portfolio A
Investment property	54,548
Investment property under development	427
Cash and cash equivalents	301
Trade and other receivables	1,008
Total assets	**56,284**
Trade and other liabilities	-4,414
Interest bearing loans	-31,191
Total liabilities	**-35,605**
Net assets acquired	**20,679**
Consideration paid	20,679
Net cash outflow	**20,378**

The acquisition was recognized as a property asset acquisition as acquired companies does not represent a business as defined by IFRS 3.

7. Gross rental income and service charge income

In EUR thousand	30 June 2020	30 June 2019
Industrial	118,218	102,843
Office	15,604	12,977
Retail	432	504
Other	6,333	6,577
Total rental income	**140,587**	**122,901**
Service charge income	12,159	10,916
Total gross rental income and service charge income	**152,746**	**133,817**

CTP leases out its investment property under operating leases. The operating leases are generally for terms of 5 - 15 years.

Service charge income represents fixed contractual income receivable from tenants for maintenance, cleaning, security, garbage management and usage of infrastructure.

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

In EUR thousand	30 June 2020	30 June 2019
Czech Republic	97,496	88,815
Romania	26,814	22,483
Hungary	12,686	10,928
Slovakia	12,427	9,529
Germany	757	679
Poland	1,019	957
Serbia	1,461	342
Austria	86	84
Total gross rental income	**152,746**	**133,817**

8. Net finance costs

In EUR thousand	30 June 2020	30 June 2019
Interest income	411	298
Interest expense	-30,877	-25,962
Other financial expenses	-2,495	-15,790
Other financial gains/losses	-8,146	-32,136
Net finance costs	**-41,107**	**-73,590**

The Interest expenses consist of interest from loans and borrowings and further from paid interest on financial derivatives. Other financial expenses comprise primarily of standard bank fees and arrangement fees for making available new loan facilities and other financial expenses. In 2019 the financial expenses also included prepayment fee in the amount of EUR 8,569 thousand for premature loan repayments enabling the syndicate refinancing of the Czech industrial Portfolio.

Other financial gains/losses comprise the change of the market value of the derivatives and foreign currency differences. Due to the premature termination of the derivatives related to the refinancing of the Czech industrial Portfolio an amount of EUR 31,705 thousand was paid in June 2019.

9. Income tax expense

In EUR thousand	30 June 2020	30 June 2019
Effective tax rate	21%	21%
Tax income / (expense) calculated using the effective tax rate	-27,659	-33,794
Total income tax expense in income statement	**-27,659**	**-33,794**

CTP 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 2020 and is as well valid for the future periods when the Group expects to utilize the tax impacts from previous years.

10. Investment property

In EUR thousand	30 June 2020	31 December 2019
BUILDINGS AND LAND	**4,706,023**	**4,499,496**
industrial	4,047,650	3,828,858
office	575,889	576,252
hotels	74,191	86,092
retail	4,200	4,200
other	4,094	4,094
LAND BANK	**290,214**	**295,236**
Total	**4,996,237**	**4,794,732**

In EUR thousand	Owned buildings and land	Land Bank	Leased Assets	Total Investment Property
BALANCE AT 1 JANUARY 2019	**3,811,474**	**277,082**	**5,492**	**4,094,048**
Transfer from/to investment property under development	100,037	22,384	--	122,421
Transfer from/to owned buildings and land	5,927	-5,927	--	--
Acquisitions	99,940	3,156	--	103,096
Additions / Disposals	207,705	705	--	208,410
Valuation gains	291,506	9,975	--	301,481
Valuation losses	-22,585	-12,139	--	-34,724
BALANCE AT 31 DECEMBER 2019	**4,494,004**	**295,236**	**5,492**	**4,794,732**
BALANCE AT 1 JANUARY 2020	**4,494,004**	**295,236**	**5,492**	**4,794,732**
Transfer from/to investment property under development	134,903	-3,934	--	130,969
Transfer from/to owned buildings and land	-3,473	3,473	--	--
Acquisitions	26,032	--	--	26,032
Additions / Disposals	38,410	-56	--	38,354
Valuation gains	45,831	111	--	45,942
Valuation losses	-35,176	-4,616	--	-39,792
BALANCE AT 30 JUNE 2020	**4,700,531**	**290,214**	**5,492**	**4,996,237**

Valuation of standing portfolio as at 30 June 2020.

In EUR thousand	Internal valuation	External valuator	Total
Czech Republic	1,533,597	1,705,948	3,239,545
Romania	748,674	-	748,674
Slovakia	-	309,300	309,300
Hungary	-	297,880	297,880
Serbia	55,190	-	55,190
Poland	31,300	-	31,300
Germany	15,862	-	15,862
Austria	2,780	-	2,780
Total	**2,387,403**	**2,313,128**	**4,700,531**

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.

Investment property comprises a number of commercial properties that are leased to third parties.

Nearly all owned buildings and land in the standing portfolio are subject to bank collateral.

The most significant investment property additions in 2020 relate to completed construction of several warehouse facilities in Budapest, Cluj and Sibiu in Romania, Budapest in Hungary, Trnava in Slovakia, and industrial properties in Nitra in Slovakia and Novi Sad in Serbia.

The most significant investment property additions in 2019 relate to completed construction of office facility in Brno, industrial properties in Žatec, Cerhovice, Mladá Boleslav and Plzeň in the Czech Republic and in Kragujevac in Serbia.

Disposal of investment property in 2019 relate to sale of industrial property and land to external partners.

Acquisitions of investment property include property asset acquisitions described in note 6, and acquisitions of operating property from third parties.

The most significant investment property addition as at 30 June 2019 represent extension of industrial properties in Romania and in Czech Republic in Bor and Cerhovice. Valuation gains related to standing portfolio and land bank recognized in the statement of profit and loss is EUR 124,443 thousand as at 30 June 2019. Valuation losses were in amount of EUR 23,530 thousands.

Fair value hierarchy

The fair value measurement for investment property has been categorized 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.

The investment property is located in the following countries where CTP operates

In EUR thousand	30 June 2020	31 December 2019
Czech Republic	3,415,543	3,388,338
Romania	792,524	695,729
Slovakia	346,214	314,620
Hungary	308,875	281,300
Serbia	60,358	43,562
Poland	47,860	46,320
Germany	15,862	15,862
Slovenia	4,588	4,588
Austria	2,780	2,780
Ukraine	1,633	1,633
Total	**4,996,237**	**4,794,732**

11. Investment property under development

In EUR thousand	30 June 2020	31 December 2019
Balance at 1 January	440,727	315,357
Additions/disposals	128,335	105,613
Acquisitions	240	--
Transfer from/to Investment property	-130,968	-122,422
Valuation gains	29,669	145,079
Valuation losses	-5,860	-3,480
Acquisition of subsidiaries	--	580
Balance at 30 June / 31 December	**462,143**	**440,727**

Valuation of investment property under development as at 30 June 2020

In EUR thousand	Internal valuation	External valuator	Total
Czech Republic	244,770	23,200	267,970
Romania	19,810	46,800	66,610
Slovakia	18,410	2,100	20,510
Hungary	37,590	25,700	63,290
Serbia	-	4,400	4,400
Total	**320,580**	**102,200**	**422,780**

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.

Investment property under development is transferred to Investment property after final building approval (occupancy permit) has been obtained by the Group.

Valuation gains related to investment property under development recognized in the statement of profit and loss as at 30 June 2019 is EUR 45,779 thousand. Valuation losses were in amount of EUR 1,449 thousands.

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

In EUR thousand	30 June 2020	31 December 2019
Czech Republic	292,516	243,901
Romania	70,817	78,190
Hungary	70,766	60,167
Slovakia	22,757	48,107
Serbia	4,408	8,162
Poland	879	2,200
Total	**462,143**	**440,727**

Fair value hierarchy

The fair value measurement for investment property under development has been categorized 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.

12. Equity

Interest CTP B.V.

Share capital

The issued capital of EUR 200 thousand consist of 20,000,000 shares with nominal value of 0,01 EUR per share.

On 20 April 2020 the sole shareholder, CTP Holding B.V., decided to increase the share capital from 1 EUR to EUR 200 thousand. Increase has been fully paid in cash.

Following common control transaction dated 27 January 2020 and particularly the acquisition of CTP Invest, spol. s r.o. described in note 1, there was transfer of its share capital of EUR 74 019 thousand to reserves.

Reserves

On 10 January 2020 the Sole Shareholder of CTP Invest spol. s r.o., Multivest B.V., decided to decrease other capital funds by EUR 12 500 thousand and such decrease was paid in cash.

Further, on 27 January 2020 CTP B.V. acquired CTP Invest, spol. s r.o. and its subsidiaries for EUR 908 383 thousand from the Sole shareholder, Multivest B.V.

This liability to the Sole shareholder was settled with receivable from increase of share premium of EUR 960 217 thousand following particular restructuring steps besides which also liability for final purchase price of CTP CEE Properties, spol. s r.o. of EUR 51 292 thousand was settled with sole shareholder, CTP Holding, B.V.

13. Interest-bearing loans and borrowings from financial institutions

In EUR thousand	30 June 2020	31 December 2019
Non-current loans and borrowings from financial institutions	2,577,867	2,507,777
Current loans and borrowings from financial institutions	232,977	187,409
Balance at 30 June / 31 December	**2,810,844**	**2,695,186**

Residual maturity of loans and borrowings from financial institutions as at 30 June 2020 and 31 December 2019 is as follows:

	Balance as at 30 June 2020				
	Due within			Due in follow. years	
In EUR thousand	1 year	2 years	3-5 years		Total
Interest-bearing loans and borrowings from financial institutions	**232,977**	**209,343**	**663,447**	**1,705,077**	**2,810,844**

	Balance as at 31 December 2019				
	Due within			Due in follow. years	
In EUR thousand	1 year	2 years	3-5 years		Total
Interest-bearing loans and borrowings from financial institutions	187,409	204,495	645,599	1,657,683	2,695,186

Interest rates for loans and borrowings are based on EURIBOR, PRIBOR or ROBOR plus margins that vary from 1.55% to 3.90%.

Some of the Group's borrowings have, among others, loan-to-value and debt service coverage ratio covenants. As at 30 June 2020 there were no breach of covenant conditions. Bank loans are secured by pledges of shares, real estate, receivables and cash at bank accounts.

In 2019, the Group secured the refinancing of the complete Czech Industrial portfolio by a syndicate 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 Este Bank Group (Erste Bank Group AG and Česká spořitelna a.s.) together with 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.).

Reconciliation of movements of liabilities to cash flows arising from financing activities

Interest bearing loans from financial institutions

In EUR thousand	30 June 2020	31 December 2019
Balance as at 1 January	2 695 186	2 131 342
CHANGES FROM FINANCING CASH FLOWS		
Drawing of loans and borrowings	201 539	2 042 082
Repayment of the loans and borrowings	-105 387	-1 508 800
Acquisition through business combination	18 867	31 191
Disposal through sale of subsidiaries	--	--
Other adjustment	--	-629
Interest expense	25 679	45 444
Interest paid	-25 040	-45 444
Balance at 30 June	**2 810 844**	**2 695 186**

14. Financial derivatives

In EUR thousand	30 June 2020	31 Decemebr 2019
Receivables	1,336	740
Payables	-44,658	-15,951
Total	**-43,322**	**-15,211**
Accrued interest on derivatives	--	-174
Total derivatives	**-43,322**	**-15,385**

All financial derivatives were stated at fair value as at 30 June 2020 and 31 December 2019 and categorised to Level 3 in the fair value hierarchy. For fair value determination, a market comparison technique was used.

As at 30 June 2020 CTP held the following financial instruments:

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2020 (in EUR thousand)
Interest rate swaps	2020-2026	3M Euribor	from-0.025% to 0.432%	EUR	120,788 EUR	947
Foreign exchange swaps	2020	N/A	N/A	CZK/EUR	15,000 EUR	389
Total receivables from derivatives						**1,336**

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2020 (in EUR thousand)
Interest rate swaps	2020-2026	3M Euribor	from -0.34% to 0.8%	EUR	2,030,674 EUR	-43,106
Interest rate swaps	2020-2026	3M Euribor	from-0.241% to-0.140%	EUR	65,892 EUR	-721
Interest rate swap	2020-2023	N/A	0.636%	EUR	10,672 EUR	-203
Foreign exchange swaps	2020	N/A	N/A	CZK/EUR	10,000 EUR	-628
Total liabilities from derivatives						**-44,658**

As at 31 December 2019 CTP held the following financial instruments:

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2019 (in EUR thousand)
Interest rate swaps	2020 - 2026	3M Euribor	from -0.241% to -0.140%	EUR	112,320 EUR	420
Foreign exchange swaps	2020	N/A	N/A	EUR	25,000 EUR	320
Total receivables from derivatives						**740**

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Currency	Nominal amount in thousand	Fair value 2019 (in EUR thousand)
Interest rate swaps	2020 - 2027	3M Euribor	from -0.34% to 0.8%	EUR	2,045,280 EUR	-15,722
Interest rate swap	2020 - 2023	N/A	0.636%	EUR	10,904 EUR	-229
Total liabilities from derivatives						**-15,951**

15. Deferred tax liability

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The recognised deferred tax assets and liabilities are attributable to the following:

In EUR thousand	30 June 2020			31 December 2019		
	Deferred tax asset	Deferred tax liability	Total	Deferred tax asset	Deferred tax liability	Total
Temporary differences						
Investment property	7,480	-2,612,991	-2,605,511	23,878	-2,622,192	-2,598,314
Tax losses	20,119	8,121	28,240	8,862	7,915	16,777
Property, plant and equipment	6,285	2,891	9,176	13,875	3,888	17,763
Other (receivables, hedge accounting etc.)	5,862	-31,541	-25,679	1,830	--	1,830
Total temporary differences	**39,746**	**-2,633,520**	**-2,593,774**	**48,445**	**-2,610,389**	**-2,561,944**
Average tax rate (majority arises in the Czech Republic)	18.8%			18.8%		
Deferred tax liability	**7,481**	**-495,712**	**-488,230**	**9,119**	**-491,357**	**-482,239**

Change of deferred tax as at 30 June			**-5,991**			**-26,958**
Deferred tax recorded in statement of comprehensive income			-12,714			-25,417
Deferred tax related to disposals			--			--
Deferred tax recorded in translation reserve			6,723			-1,541
Deferred tax from asset held for sale			--			--
Deffered tax from new IFRS implementation			--			--

16. Related parties

CTP has a related party relationship with its directors and executive officers and other companies which equity holders is Multivest B.V. This entity is ultimate parent of CTP.

In six-month period ended 30 June 2020 and 2019 respectively, CTP had the following revenues and expenses with related parties:

In EUR thousand	30 June 2020		30 June 2019	
	Revenues	Expenses	Revenues	Expenses
CTP Energy TR, a.s.	--	--	--	-1
CTP Germany II GmbH	100	--	--	--
CTP Holding B.V.	92	-163	87	-229
CTP Solar, a.s.	--	-1	--	-1
CTP Germany III GmbH	17	--	--	--
Multivest B.V.	--	-1,013	--	-1,662
Total	**209**	**-1,177**	**87**	**-1,893**

As at 30 June 2020 and 31 December 2019, CTP had the following current receivables and loans to and current liabilities and loans from related parties:

In EUR thousand	30 June 2020		31 December 2019	
	Receivables	Payables	Receivables	Payables
CTP Holding B.V.	13	-7,772	13	-60,005
CTP I, spol. s r.o.	29	--	25	--
Multivest B.V.	104	--	104	--
Other	41	-37	1	--
Total	187	-7,809	143	-60,005

As at 30 June 2020 and 31 December 2019, CTP has the following non-current receivables and loans provided to and non-current liabilities and loans received from related parties:

In EUR thousand	30 June 2020		31 December 2019	
	Receivables	Payables	Receivables	Payables
CTP Germany II GmbH	6,426	--	7,037	--
CTP Holding B.V.	7,983	-200	46,938	-31
CTP Solar, a.s.	4	-105	2	-78
CTP Germany III GmbH	296	--	279	--
Multivest B.V.	--	-39,369	--	-40,972
Other	--	-27	1	--
Total	**14,709**	**-39,701**	**54,257**	**-41,081**

Other non-current non-trade receivables from and non-trade liabilities to related parties bear interest in a range of 1.82% - 5% depending on the maturity, collateralization, subordination, country risk and other specifics.

17. 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.

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 2019.

CTP as property investor is primarily 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 the note 13.

Net 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 interest-bearing loans and borrowings from financial institutions and equity includes all capital and reserves of the Group including non-controlling interests.

In EUR thousand	30 June 2020	31 December 2019
Debt	2,810,844	2,695,186
Equity	2,109,155	2,035,163
Gearing ratio	**133%**	**132%**

The loan to value (value is the fair value of the properties) ratio of CTP properties (calculated as a share of interest bearing loans from financial institutions and lease payables on investment property, investment property under construction and plant and equipment) is approximately 51 % at 30 June 2020 (31 December 2019 – 51 %) 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 2020, 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 utilized. 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 construction of buildings in local currency 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 30 June 2020 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 2019 and 2020, CTP entered into transactions with the financial institutions to hedge the interest rate risk. 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.

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 4b).

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 4c).

18. Contingent liabilities

Issued guarantees

Under Guarantee agreements concluded following the sale of a portfolio of companies forming CTPark Plzeň, CTPark Teplice I & II and CTPark Prague North I, CTP Invest, spol. s r.o. and CTP CEE Properties, spol. s. r.o. provided specific guarantees to the buyer of the entities being the companies established by Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH.

The specific guarantees include (i) Rental Guarantee (Vacant Premises, Rent Shortfall, Outstanding Tenant Incentives) (ii) Tenant Guarantees (Default, Break Options, Non-Solicitation) and (iii) Technical Guarantee (for the quality of the buildings). The duration of the guarantees is until November 15, 2028, unless they terminate earlier pursuant to the agreement.

Contracted work

As at 30 June 2020, the Group has contracted work with external suppliers related to realization of construction project, which is not performed at the period ends of EUR 143,131 thousand (31 December 2019 – EUR 150,788 thousand).

19. Subsequent events

Mergers

In period ended 30 June 2020 CTP successfully completed the legal restructuring primarily of the companies which were part of the Czech Industrial Portfolio with the aim to simplify the company structure and decrease the administrative burden. The legal restructuring constituted of several mergers, demergers and spin-offs of over 40 SPVs, all effective from 1 January 2020.

On 3 August 2020, the merger of the following subsidiaries was registered in the commercial register with effective date as of 1 January 2020 and establishment of new company CTPark Ostrava Poruba, spol. s r.o.:

- Development OVA West, a.s.
- CTP Invest XII, spol. s r.o.

The Group founded the following new subsidiaries:

Subsidiary	Country
CTP Alpha GmbH	Austria
CTPark Zeta EOOD	Bulgaria
CTPark Epsilon EOOD	Bulgaria
Vojtova SIA	Latvia
Zemankova SIA	Latvia
Samesova SIA	Latvia
CTP Gamma GmbH	Austria
CTP Portfolio Finance Czech B.V.	The Nethelands

Covid-19

Covid-19 has led to a significant disruption in the lives of many people and companies. CTP is of course also impacted by this.

Although the impact of the Covid-19 is incorporated in the figures as at and for the period ended 30 June 2020. Covid-19 can have impact as well in the period after 30 June 2020. Based on the current assessment we believe that the impact on CTP will be limited.

Associated with the Covid-19 virus, we have considered possible events and conditions for the purpose of identifying whether these events and conditions affect, or may affect the future performance of the company. In making this assessment, we have considered for (i) the period up to 12 months after the end of the reporting period, as well as for (ii) the period up to 12 months after the date of this report, the following criteria:

- Changes in demand of the company's products / services
- Signals of deterioration of credit risk and payment behavior of debtors
- Disruptions in the (inter-) national supply chains
- Signals of change in payment terms required by creditors
- Disruptions in the company's core processes (construction/ property management / offices / work force etc.)
- Issues with providers of financing / loan covenants / credit facilities

We expect Covid-19 to have negative but also positive effects for CTP where we believe that the positive ones will prevail for CTP in the mid-term. Some of our tenants may face liquidity issues and may ask for delay of rent payments but CTP's business is a very diversified portfolio in respect of locations and tenants with over 1.000 leases. This provides us no dependence on any individual tenant and gives great resilience.

From a liquidity perspective our financing is mostly on a very long-term basis. The current feedback from our banks is that they will honour their existing financing commitments for our current development pipeline which also has been confirmed in the first months after the Covid-19 virus outbreak.

Property valuations are expected to be stable in the CTP portfolio which actually has been confirmed by the fact that the valuator does not include a material valuation uncertainty statement in the valuations as per 30 June 2020. Further we expect that interest rates will stay at very low levels for an even more extended period, which as well will continue to support the current property valuations.

The management is convinced that the current uncertainties related to the Covid-19 virus do not impact the presented condensed consolidated interim financial statements as per 30 June 2020 particularly also in regard of the going concern assumption covering the 12 months after the date of this report.

Change in management

On 1 July 2020, there is a change in management of the CTP B.V. Group. CTP Management B.V. was replaced by Remon L. Vos and Jan-Evert Post.

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 these condensed consolidated interim financial statements as at 30 June 2020.

11 September 2020

Remon L. Vos

Jan - Evert Post

Appendix 1

CTP Group Structure

As at 30 June 2020

- Remon Leonard Vos (Person with significant control) — 100% — Stichting Administratiekantoor Multivest
- Stichting Administratiekantoor Multivest — 100% — CTP Management B.V
- Stichting Administratiekantoor Multivest — 100% — Multivest B.V.
- Stichting Administratiekantoor Multivest — 98.89% — CTP Partners B.V.
- Employees & Partners — 1.11% — CTP Partners B.V.
- CTP Partners B.V. — 4.03% — CTP Holding B.V.
- Multivest B.V. — 95.97% — CTP Holding B.V.
- CTP Holding B.V. — 100% — CTP B.V.
- CTP B.V. — 100% — CTP Invest, spol. s r.o.
- CTP Invest, spol. s r.o. — 100% — CTP CEE Properties, spol. s r.o. (CZ)
- CTP B.V. — 100% — CTP Property B.V.

CTP Invest, spol. s r.o.

Czech Republic

- CTP Property Czech, spol. s r.o. 100%
- CTP X, spol. s r.o. 100% L
- CTPark České Budějovice II, spol. s r.o. 100% L
- CTPark Brno Retail, spol. s r.o. 100% L
- CTPark Brno III, spol. s r.o. 100% L
- Multidisplay s.r.o. 100% E
- CTP Invest XII, spol. s r.o. 100% L
  - → Development OVA West, a.s. 100% L
- CTPark Prague North II, spol. s r.o. 100% E
- CTP XIII, spol. s r.o. 100% E
- CTP Vlněna Business Park, spol. s r.o. 100%
- CTP XIV, spol. s r.o. 100% L
- CTPark Plzeň, spol. s r.o. 100%
- CTP II, spol. s r.o. 100% L
- CTPark Brno Líšeň East, spol. s r.o. 100%
- CTPark Prague North III, spol. s r.o. 100%
- CTP III, spol. s r.o. 100% E
- CTPark Stříbro, spol. s r.o. 100% L
- CTPark České Budějovice, spol. s r.o. 100% L
- CTP XV, spol. s r.o. 100% E
- CTP XVI, spol. s r.o. 100% E

Serbia

- → CTP Lambda doo Beograd 100% L

- CTP XVII, spol. s r.o. 100% L
- CTP XVIII, spol. s r.o. 100% E
- CTPark Brno Líšeň II, spol. s r.o. 100%
- CTP Forest, spol. s r.o. 100%, F
- CTP Property Romania, spol. s r.o. 100%, E
- CTP Property Bulgaria, spol. s r.o. (CZ) 100% E

Bulgaria

- → CTPark Beta EOOD 100% E
- → CTPark Gamma EOOD 100% E
- → CTPark Delta EOOD 100% E

- CTP XX, spol. s r.o. 100% E
- CTP XXI, spol. s r.o. 100% E
- CTP Barrandov, spol. s r.o. 100%
- CTPark Brno Líšeň West, spol. s r.o. 100%
- CTP XXII, spol. s r.o. 100% E
- CTPark Lysá nad Labem, spol. s r.o. 100%
- CTP XXIII, spol. s r.o. 100% E
- CTP Domeq Brno, spol. s r.o. 100%
- CTP XII, spol. s r.o. 100% E
- CTP Alpha, spol. s r.o. 100% L
- CTP XXIV, spol. s r.o. 100% E
- TP Hotel Pilsen, spol. s r.o. 100%
  - → CTP Hotel Operations Pilsen, spol. s r.o. 90%, 10% CTP Invest, spol. s r.o.
- CTP Hotel Prague, spol. s r.o. 100%
  - → CTP Hotel Operations Prague, spol.s r.o. 90%, 10% CTP Invest spol. s.r.o.
- CTPersonnel Bor, spol. s r.o. 100% E
- CTP Beta, spol. s r.o. (CZ) 100%
  - → CTP Omega, spol. s r.o. (CZ) 100% E

Hungary

- CTP Management Hungary Kft. 100% L
- CTPark Eight Kft. 100% E
- HU24 CTPark Eleven Kft. 100% L
- HU25 CTPark Twelve Kft. 100% E

Ukraine

- CTPark Ukraine LLC 100% E
  - → CTPark Lviv LLC 99%, 1%
  - → IQ Lviv LLC L 99%, 1% IQ Lviv LLC

Serbia

- CTP Invest doo Beograd-Novi Beograd 100% E
- CTP Property Serbia, spol. s r.o. (CZ) 100% E
  - → CTP Zeta doo Beograd-Novi Beograd 100% E
  - → CTP Iota doo Beograd-Novi Beograd 100% E
  - → CTP Kappa doo Beograd-Novi Beograd 100% L

Moldova

- CTP INVEST S.R.L. 100% E

Slovakia

- CTPark Prešov s.r.o. 90%, 10% CTP Property Czech, spol. s r.o. E
- CTP Gama s. r. o. 90%, 10% CTP Property Czech, spol. s r.o. E
- CTP Land SK, s.r.o. 90%, 10% CTP Property Czech, spol. s r.o.
- CTP Dunaj s.r.o. 90%, 10% CTP Property Czech, spol. s r.o. E
- CTPark Žilina Airport, spol. s r.o. 85%, 15% CTP Property Czech, spol. s r.o. E
- CTPark Žilina Airport II, spol. s r.o. 85%, 15% CTP Property Czech, spol. s r.o. E

Poland

- CTP Invest Poland Sp. z o.o. 100% E
- CTP Eta Poland Sp. z o.o. 100% L
- CTP Theta Poland Sp. z o.o. 100% E
- CTPark Iłowa Sp. z o.o. 100% L
- CTPark Zabrze Sp. z o.o. 100% L
- CTP Beta Poland Sp. z o.o. 99%, 1% CTP Invest Poland Sp z .o.o. L
- CTP Delta Poland Sp. z o.o. 100% E
- CTP Gamma Poland Sp. z o.o. 100% E
- CTP Zeta Poland Sp. z o.o. 100% E
- CTP Epsilon Poland Sp. z o.o. 100% E

Austria

- CTPark GmbH 100% E
- CTP INVEST IMMOBILIEN GMBH 100% E

Netherlands

- CTP Baltic Holding B.V. 100% E

CTP CEE Properties, spol. s r.o. (CZ)

Czech Republic

- CTP V, spol. s r.o. 100% L
- CTP IQ Ostrava, spol. s r.o. 100%
- CTP Finance, spol. s r.o. 100% E
- CTP Infrastructure, spol. s r.o. 100% E
- CTP XI, spol. s r.o. 100% E
- CTP IV, spol. s r.o. 100% L
- CTP VI, spol. s r.o. 100% E
- Spielberk Business Park, spol. s r.o. 100%
- CTZone Ostrava, spol. s r.o. 100%
- CTP VII, spol. s r.o. 100% E
- CTP VIII, spol. s r.o. 100% E
- Spielberk Business Park II, spol. s r.o. 100%
  - → CTP Hotel Operations Brno, spol. s r.o. 100%

Moldova

- CTP Alpha S.R.L. 100% E

Netherlands

- Multifin B.V. 100%

Czech Republic

- → CTP I, spol. s r.o. 100% E
  - → CTP Solar, a.s. 100% E

Germany

- → CTP Germany II GmbH 100%
- → CTP Germany IV GmbH & Co. KG 100%
- → CTP Germany III GmbH 100%

Austria

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

Poland

- CTPark Opole Sp. z o.o. 100%

Romania

- CTP INVEST BUCHAREST SRL 98.94%, 1.06% Spielberk Business Park,spol. s r.o. L
  - → Universal Management SRL 75.25% E
- CTPARK THETA SRL 99.9%, 0.1% CTP Invest, spol. s r. o. L
- CTPARK PSI SRL 99.9%, 0.1% CTP Invest, spol. s r. o. L
- CTPARK ZETA SRL 99.9%, 0.1% CTP Invest, spol. s r. o. L
- CTPARK EPSILON SRL 90%, 10% CTP Invest, spol. s r. o. L
- CTPARK IOTA SRL 90%, 10% CTP Invest, spol. s r. o. E
- CTPARK MIU SRL 90%, 10% CTP Invest, spol. s r. o. E
- CTPARK OMICRON SRL 90%, 10% CTP Invest, spol. s r. o. E
- CTPARK RHO SRL 90%, 10% CTP Property Czech, spol. s r.o. E
- CTPARK KM23 NORTH SRL 90%, 10% CTP Invest, spol. s r. o. E
- CTPARK KM23 SOUTH SRL 90%, 10% CTP Invest, spol. s r. o. E
- CTPARK KM23 WEST SRL 90%, 10% CTP Invest, spol. s r. o. E

Germany

- CTP Germany GmbH 100% E
  - → CTP Germany V GmbH 90%, 10% CTP Invest, spol. s r.o.
  - → CTP Germany VI GmbH 90%, 10% CTP Invest, spol. s r.o. E

Slovenia

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

Slovakia

- CTP Invest SK, spol. s r.o. 90%, 10% CTP Holding B.V. L
- CTPark Čierny Les, spol. s r.o. 90%, 10% CTP Invest, spol. s r.o.

Bulgaria

- CTP Invest EOOD 100% E

CTP Property B.V.

Czech Republic

- CTP CEE Sub Holding, spol. s r.o. 100% E
- CTPark České Velenice, spol. s r.o. 100%
- CTP XIX, spol. s r.o. 100% E

Czech Industrial Portfolio

- CTP Portfolio Finance CZ, spol. s r.o. 100%
  - → CTP Industrial Property CZ, spol. s r.o. 100%
- CTPark Prague West, spol. s r.o. 100%
- CTP Borská Pole, spol. s r.o.. 100%
- CTP Vysočina, spol. s r.o. 100%
- CTPark Brno I, spol. s r.o. 100%
- CTPark Ostrava, spol. s r.o. 100%,
- CTP Moravia South, spol. s r.o. 100%
- CTPark Mladá Boleslav, spol. s r.o. 100%
- CTP Bohemia North, spol. s r.o. 100%
- CTP Moravia North, spol. s r.o. 100%
- CTP Pilsen Region, spol. s r.o. 100%
- CTP Bohemia West, spol. s r.o. 100%
- CTPark Bor, spol. s r.o. 100%
- CTPark Hranice, spol. s r.o. 100%
- CTPark Modřice, spol. s r.o. 100%
- CTPark Prague Airport, spol. s r.o. 100%;
- CTPark Prague East, spol. s r.o. 100%
- CTP Ponávka Business Park, spol. s r.o. 100%
- CTP Solar I, a.s. 100%
- CTPark Brno II, spol. s r.o. 100%
- CTP Bohemia South, spol. s r.o. 100%
- CTP Solar II, a.s. 100%
- CTP Solar III, spol. s r.o. 100%

Romania

- CTP CONTRACTORS SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK ALPHA SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK BETA SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK GAMMA SRL 90%,10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK DELTA SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK BUCHAREST SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- R016 CTPARK BUCHAREST WEST I SRL 85.71%, 14.28% CTP CEE Sub Holding, spol. s r.o., SG
- DEVA LOGISTIC CENTER S.A. 89.91%, 10.09% CTP CEE Sub Holding, spol. s r.o.
- CTPARK BUCHAREST WEST II SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK KAPPA SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CENTURA PROPERTY HOLDINGS S.A. 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK LAMBDA SRL 90%,10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK OMEGA SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK PHI SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK SIGMA SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK TAU SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o. L
- CTPARK ETA SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPark Bucharest A1 SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPARK BUCHAREST UPSILON SRL 90%, 10% CTP CEE Sub Holding, spol. s r.o.

Slovakia

- CTP Alpha SK, spol. s r.o. 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPark Krásno nad Kysucou, spol. s r.o. 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTP Slovakia, s. r. o. 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPark Bratislava, spol. s r.o. 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPark Hlohovec, spol. s r.o. 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPark Nitra, spol. s r.o. 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPark Nove Mesto, spol. s.r.o. 90%, 10% CTP CEE Sub Holding, spol. s r.o.
- CTPark Košice, spol. s r.o. 90%, 10% CTP CEE Sub Holding, spol. s r.o.

Serbia

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

Hungary

- CTP Invest Hungary Kft. 100% E
  - → 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. 100%
- CTPark Ten Kft. 100%
- CTPark Nine Kft. 100%

Empty Shell
Land bank
Forest

CTP Regional Offices

CZ Corporate Seat
CTP Invest, spol. s r.o.
Central Trade Park D1 1571
396 01 Humpolec
Czech Republic
(+420) 565 535 565

CZ HQ
Purkyňova 2121/3
110 00 Prague
Czech Republic
(+420) 222 390 942

RO
CTP Invest Bucharest SRL
Dragomiresti Deal Commune
Plot 76-78, Building B,
Ground Floor Office no.2
Ilfov County 077096
Romania
(+40) 759 035 560

HU
Verebély László utca 2.
2051 Biatorbágy
Hungary
(+36) 30 222 2775

SK
Námestie SNP 488/30
811 01, Bratislava
Slovakia
(+421) 903 112 788

PL
Al. Korfantego 2
40-004 Katowice
Poland
(+48) 600 037 740

RS
Starine Novaka 23
11000 Belgrade
Serbia
(+381) 66 877 28 60

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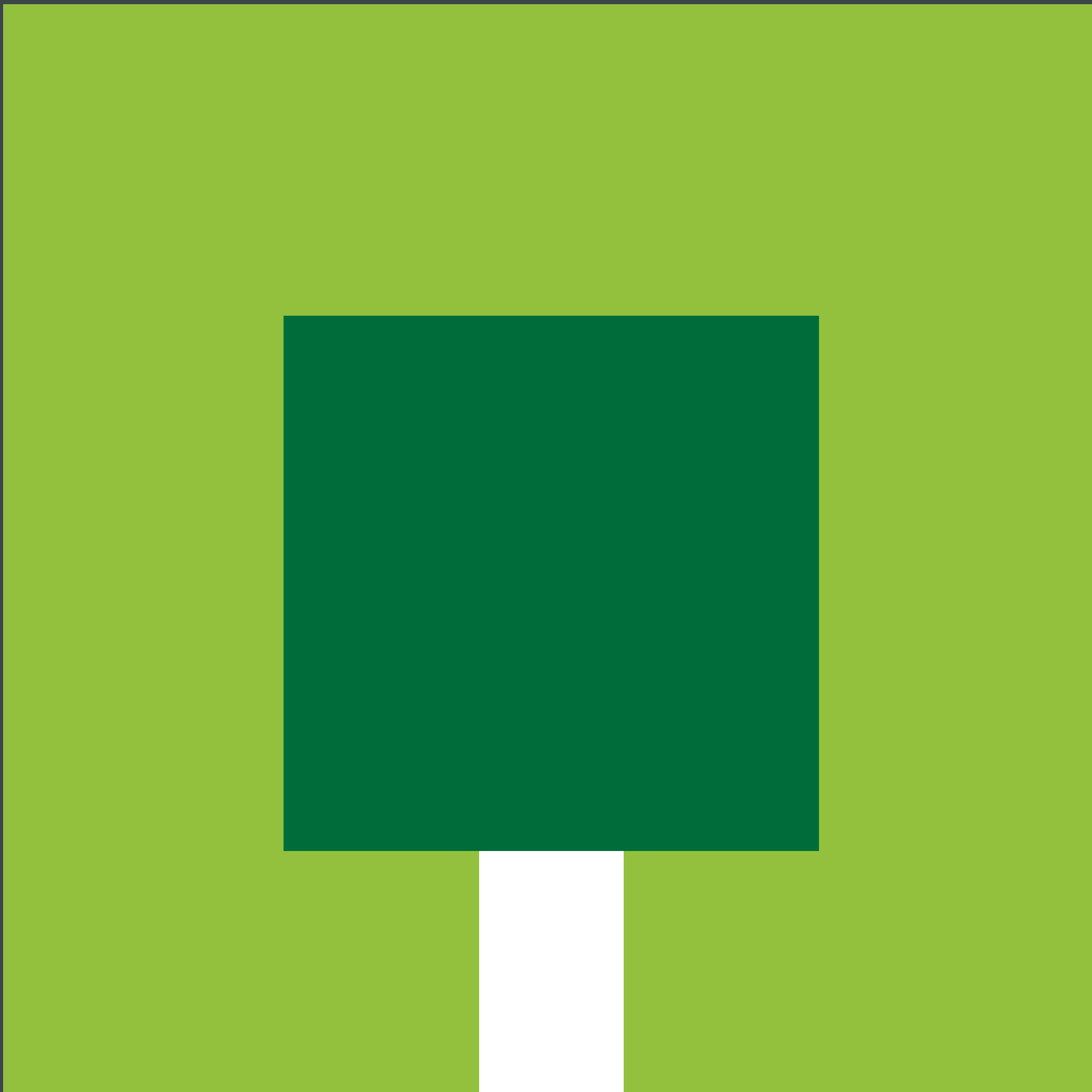

CTP
Central Trade Park D1 1571
396 01 Humpolec
Czech Republic
+420 222 390 942
ctp.eu

Parkmakers

by
CTP.