FIDUROCK Nemovitosti a.s.

Consolidated Statement of Financial Position as at 31 December 2017

(all figures presented in CZK)

	Notes	31.12.2017	31.12.2016	1.1.2016
Non-current assets		**648 205 200**	**626 323 600**	**288 090 754**
Investment properties	3.1	648 205 200	626 323 600	286 248 599
Deferred tax assets	3.10	-	-	1 842 155
Current assets		**37 783 437**	**33 562 906**	**11 033 421**
Trade and other receivables	3.2	10 518 991	6 926 545	8 110 125
Prepayments and other assets	3.3	592 348	479 484	-
Cash and cash equivalents	3.4	26 672 098	26 156 877	2 923 296
TOTAL ASSETS		**685 988 637**	**659 886 506**	**299 124 175**
Equity		**208 868 878**	**173 147 168**	**30 940 118**
Share capital	3.5	2 040 000	2 040 000	2 040 000
Capital reserves	3.5	32 319 526	41 038 526	25 624 521
Cash flow hedge reserve	3.5	13 905 295	-	-
Retained earnings		160 604 057	130 068 642	3 275 597
Equity attributable to equity holders of the parent		**208 868 878**	**173 147 168**	**30 940 118**
Non-current liabilities		**317 264 559**	**343 884 304**	**200 663 328**
Loans and borrowings	3.6	278 121 085	312 390 194	195 372 946
Deferred tax liabilities	3.10	35 287 873	26 509 573	-
Deferred income	3.7	1 982 962	3 316 295	4 666 670
Other non-current liabilities	3.8	1 872 639	1 668 242	623 712
Current liabilities		**159 855 200**	**142 855 034**	**67 520 729**
Loans and borrowings	3.6	154 088 603	132 717 904	53 710 708
Trade, other payables and accruals	3.9	4 433 264	8 786 755	12 414 201
Deferred income	3.7	1 333 333	1 350 375	1 395 820
TOTAL EQUITY AND LIABILITIES		**685 988 637**	**659 886 506**	**299 124 175**

FIDUROCK Nemovitosti a.s.
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2017

(all figures presented in CZK)

	Notes	01.01.2017 - 31.12.2017	01.01.2016 - 31.12.2016
Rental income	4.1	49 963 378	43 606 087
Net service charge expenses	4.2	(744 937)	(1 369 003)
Asset management fees	4.3	(5 236 197)	(4 172 014)
Other operating income	4.4	6 215 908	1 201 407
Net Operating Income		**50 198 152**	**39 266 477**
Other corporate expenses	4.5	(923 117)	(6 131 390)
Net unrealised gain on revaluation of investment properties	3.1	10 241 086	142 450 895
Operating profit		**59 516 121**	**175 585 981**
Finance income	4.6	53	(85)
Finance costs	4.7	(21 823 617)	(18 407 079)
Profit before income tax		**37 692 557**	**157 178 817**
Taxation expense	3.10	(7 157 142)	(30 385 772)
Net profit for the period		**30 535 415**	**126 793 045**
Items that may or are reclassified subsequently to profit or loss			
Effective portion of changes in fair value of cash flow hedges		17 166 914	-
Related tax		(3 261 619)	-
Other comprehensive income for the period, net of tax		**13 905 295**	**-**
Total comprehensive income for the period		**44 440 710**	**126 793 045**
Attributable to:			
Profit for the period			
Equity holders of the parent		30 535 415	126 793 045
Other comprehensive income			
Equity holders of the parent		13 905 295	-

FIDUROCK Nemovitosti a.s.

Consolidated Statement of Changes in Equity for the year ended 31 December 2017

(all figures presented in CZK)

	Share capital	Retained earnings attributable to holders of the parent	Capital Reserves	Cash flow hedge reserve	TOTAL attributable to holders of the parent	Non-controlling interests (NCI)	Total equity
Balance as at 01.01.2016	**2 040 000**	**3 275 597**	**25 624 521**	**-**	**30 940 118**	**-**	**30 940 118**
Changes in ownership interests							
Total comprehensive income	**-**	**126 793 045**	**-**		**126 793 045**		**126 793 045**
Net profit for the period		126 793 045					
Contributions and distributions in the period			**15 414 005**		**15 414 005**		**15 414 005**
Capital reserves paid in			15 414 005				
Balance as at 31.12.2016	**2 040 000**	**130 068 642**	**41 038 526**	**-**	**173 147 168**	**-**	**173 147 168**
Balance as at 01.01.2017	**2 040 000**	**130 068 642**	**41 038 526**	**-**	**173 147 168**	**-**	**173 147 168**
Changes in ownership interests	**-**				**-**		**-**
Total comprehensive income	**-**	**30 535 415**	**-**	**13 905 295**	**44 440 710**	**-**	**44 440 710**
Net profit for the period		30 535 415	-		30 535 415		30 535 415
Other comprehensive income, net of tax	-			13 905 295	13 905 295		13 905 295
Contributions and distributions in the period		**-**	**(8 719 000)**		**(8 719 000)**	**-**	**(8 719 000)**
Redemption of capital contributions		-	(8 719 000)		(8 719 000)	-	(8 719 000)
Balance as at 31.12.2017	**2 040 000**	**160 604 057**	**32 319 526**	**13 905 295**	**208 868 878**	**-**	**208 868 878**

FIDUROCK Nemovitosti a.s.

Consolidated Statement of Cash Flows for the year ended 31 December 2017

(all figures presented in CZK)

		01.01.2017 - 31.12.2017	01.01.2016 - 31.12.2016
Cash flows from operating activities			
Net profit for the period		**30 535 415**	**126 793 045**
Taxation expense	3.14	(7 157 142)	(30 385 772)
Profit before income tax		**37 692 557**	**157 178 817**
Adjustments to reconcile profit before tax to cash flows		11 582 478	(124 043 731)
Unrealized gain on revaluation of investment properties	3.1	(10 241 086)	(142 450 895)
Finance costs, net		21 823 564	18 407 164
Working capital adjustments		(10 753 355)	1 285 011
Decrease/(increase) in trade and other receivables		(5 141 022)	1 649 161
Decrease/(increase) in prepayments and other assets		(112 864)	(479 484)
(Decrease)/increase in other non-current liabilities		204 397	1 044 530
(Decrease)/increase in trade and other payables		(4 353 491)	466 624
(Decrease)/increase in deferred income		(1 350 375)	(1 395 820)
Tax paid		-	(6 413 419)
Net cash inflow from operating activities		**38 521 680**	**28 006 678**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		-	(49 439 194)
Capital expenditure on investment property		(11 640 514)	-
Interest received		55	(86)
Net cash outflow from investing activities		**(11 640 459)**	**(49 439 280)**
Cash flows from financing activities			
Capital contributions paid in		-	15 414 005
Redemption of capital contributions		(8 719 000)	-
Proceeds from loans and borrowings	3.6	9 048 000	200 500 004
Repayment of loans and borrowings	3.6	(17 230 338)	(162 494 263)
Interest paid	3.6	(8 408 016)	(8 753 225)
Net cash inflow / (outflow) from financing activities		**(25 309 354)**	**44 666 521**
Net inrease / (decrease) in cash and cash equivalents		**1 571 867**	**23 233 919**
Cash and cash equivalents at the beginning of the year		26 156 877	2 923 296
Effect of movements in exchange rates on cash held		(1 056 644)	(338)
Cash and cash equivalents at the end of the year		**26 672 099**	**26 156 877**

1. General information on the Company and the Group

1. 1 Company's name

FIDUROCK Nemovitosti a.s. (hereinafter also the „Company") is a joint-stock company incorporated under the laws of the Czech Republic. The Company was established on 14 November 2015.

The Company together with its subsidiaries is referred to as the "Group".

1. 2 Registered office

Nekázanka 883/8
Nové Město
110 00 Praha 1

1. 3 Commercial registration

Municipal Court in Prague
Registration number: B 21110

1. 4 Shareholder of the Company as at 31 December 2017

FIDUROCK Private Equity Participations B.V. 1077XX Amsterdam, Strawinskylaan 937 Netherlands	100%

1. 5 Management of the Company as at 31 December 2017

<u>Member of the Board of Directors</u>
David Hauerland, since 14 November 2015

<u>Member of the Supervisory Board</u>
Laurens Gerard Rinkes, since 14 November 2015

1. 6 Group's objective

The investment objective of the Group is to make value-added and opportunistic investments in real estate assets and investments located in Central and Eastern Europe (the Geographic Focus) including, but not limited to, the territories of the Czech Republic and Slovakia.

1. 7 Primary business activities

The Group may carry out, in the Czech Republic or abroad all transactions pertaining directly or indirectly to the acquisitions and the holding of real estate properties and the acquisitions and holding of participating interests in enterprises (in whatever form) which may, pursuant to their constitutional documents, acquire and hold real estate property and other assets necessary for the management of such real estate property, as well as the administration, management, control, development and disposal of such real estate properties and interests in real estate companies and real estate holding companies.

The Group may also use its funds for the organisation, management, development and disposal of a portfolio consisting of any securities and intellectual property rights of whatever origin and participate in the creation, the development and the control of any enterprise consistent with the Investment objective. It may also acquire by way of contribution, subscription, underwriting or by option to purchase and by any other means, any type of securities and intellectual property rights for development, and realise such assets by way of sale, transfer, exchange or otherwise.

The Group and its shareholder may grant assistance (by way of loans, advances, guarantees or securities or otherwise) to companies or other enterprises in which the Group has an interest.

1. 8 Period covered by the financial statements

The consolidated financial statements were prepared for the period from 1 January 2017 to 31 December 2017.

1. 9 Going concern assumption

The consolidated financial statements have been prepared under the going concern basis of accounting as the sole shareholder expect the Group will be able to meet its liabilities as they fall due for the foreseeable future. There is no evidence indicating that the Group will not be able to continue its activities as a going concern during at least the next 12 months.

The consolidated financial statements were authorised for issue by the Board of Directors on xxx 2018.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the full period, unless otherwise stated.

2. 1 Basis for preparation

The consolidated financial statements are not statutory financial statements and are not intended for statutory filing purposes. The Company and all its subsidiaries has prepared statutory accounts as at 31.12.2017 under Czech GAAP that were filed during 2018.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention with the exception of investment properties which are measured at fair value.

The consolidated financial statements are adjusted to reflect events that occur after the end of the reporting period, but before the consolidated financial statements are authorized for issue, if either they provide evidence of conditions that existed at the end of the reporting period (adjusting events) or they indicate that the going concern basis of preparation is inappropriate. The consolidated financial statements are not adjusted for non-adjusting events. Non-adjusting events are events that result from conditions arising after the end of the reporting period.

First time adoption of IFRS

These financial statements are the Group's first consolidated financial statements that comply with IFRS as adopted by the European Union. The Group's IFRS transition date is 1 January 2016. Subject to certain exceptions, IFRS 1 requires retrospective application of the version of standards and interpretations effective in European Union as of 31 December 2017 in preparing the opening IFRS statement of financial position as at 1 January 2016 and in subsequent periods up to the end of the first IFRS reporting period. The Group has decided not to early adopt any standard which was issued but it not yet effective for the year ended 31 December 2017. In preparing of these financial statements, the Group has applied the mandatory exceptions.

Exceptions from retrospective application, which are mandatory under IFRS 1 and are relevant for the Group are:
a) Derecognition of financial assets and liabilities exception. Financial assets and liabilities derecognised before the transition to IFRS are not re-recognised under IFRS. Management did not choose to apply the IAS 39 derecognition criteria from an earlier date.
b) Estimates exception. Estimates under IFRS should be consistent with estimates made for the same dates under the previous GAAP, unless there is evidence that those estimates were an error.

Notes to the Consolidated Financial Statements

The Group has prepared its last statutory financial statement in accordance with Czech Accounting Principles as at 31 December 2017.

The following reconciliations provide a quantification of the effect of the transition from Czech Accounting Principles ("CZ GAAP") to IFRSs as at 1 January 2016 and for the year ended 31 December 2017:

	CZ GAAP	Effect of transition to IFRSs 1 January 2016	IFRSs
Non-current assets			
Investment properties	-	286 248 599	286 248 599
Property, plant and equipment	286 248 599	(286 248 599)	-
Deferred tax assets	1 842 155	-	1 842 155
Current assets			
Trade and other receivables	8 110 125	-	8 110 125
Prepayments and other assets	-	-	-
Cash and cash equivalents	2 923 296	-	2 923 296
TOTAL ASSETS	**299 124 175**	**-**	**299 124 175**
Equity			
Share capital	2 040 000	-	2 040 000
Capital reserves	25 624 521	-	25 624 521
Cash flow hedge reserve	-	-	-
Retained earnings	3 275 597	-	3 275 597
TOTAL EQUITY	**30 940 118**	-	**30 940 118**
Non-current liabilities			
Loans and borrowings	195 372 946	-	195 372 946
Deferred tax liabilities	-	-	-
Deferred income	4 666 670	-	4 666 670
Other non-current liabilities	623 712	-	623 712
Current liabilities			
Loans and borrowings	53 710 708	-	53 710 708
Trade, other payables and accruals	12 414 201	-	12 414 201
Deferred income	1 395 820	-	1 395 820
TOTAL LIABILITIES	**268 184 057**	**-**	**268 184 057**
TOTAL EQUITY AND LIABILITIES	**299 124 175**	-	**299 124 175**

	CZ GAAP	Effect of transition to IFRSs 31 December 2017	IFRSs
Non-current assets			
Investment properties	-	648 205 200	648 205 200
Property, plant and equipment	492 298 739	(492 298 739)	-
Deferred tax assets	-	-	-
Current assets			
Trade and other receivables	10 518 991	-	10 518 991
Prepayments and other assets	592 348	-	592 348
Cash and cash equivalents	26 672 098	-	26 672 098
TOTAL ASSETS	**530 082 176**	**155 906 461**	**685 988 637**
Equity			
Share capital	2 040 000	-	2 040 000
Capital reserves	32 319 526		32 319 526
Cash flow hedge reserve	13 905 295	-	13 905 295
Retained earnings	25 126 048	135 478 009	160 604 057
TOTAL EQUITY	**73 390 869**	**135 478 009**	**208 868 878**
Non-current liabilities			
Loans and borrowings	278 121 085	-	278 121 085
Deferred tax liabilities	14 859 420	20 428 453	35 287 873
Deferred income	1 982 962	-	1 982 962
Other non-current liabilities	1 872 639	-	1 872 639
Current liabilities			
Loans and borrowings	154 088 603	-	154 088 603
Trade, other payables and accruals	4 433 264	-	4 433 264
Deferred income	1 333 333	-	1 333 333
TOTAL LIABILITIES	**456 691 306**	**20 428 453**	**477 119 759**
TOTAL EQUITY AND LIABILITIES	**530 082 176**	**155 906 461**	**685 988 637**

Reconciliation of comprehensive income for the year ended 31 December 2017

	CZ GAAP	Effect of transition to IFRSs	IFRSs
Rental income	49 963 378	-	49 963 378
Net service charge expenses	(744 937)	-	(744 937)
Asset management fees	(5 236 197)	-	(5 236 197)
Other property operating income / (expenses)	6 215 908	-	6 215 908
Net Operating Income	**50 198 152**	**-**	**50 198 152**
Other corporate expenses	(923 117)	-	(923 117)
Depreciation charges	(18 018 171)	18 018 171	-
Net unrealised gain on revaluation of investment properties	-	10 241 086	10 241 086
Operating profit	**31 256 864**	**28 259 257**	**59 516 121**
Finance income	53	-	53
Finance costs	(21 823 617)	-	(21 823 617)
Profit before income tax	**9 433 300**	**28 259 257**	**37 692 557**
Taxation expense	(1 568 284)	(5 588 858)	(7 157 142)
Net profit for the period	**7 865 015**	**22 670 400**	**30 535 415**
Other comprehensive income according to IFRSs	-	13 905 295	13 905 295
Total comprehensive income according to IFRSs	**7 865 015**	**36 575 695**	**44 440 710**

There is no statement of other comprehensive income under CZ GAAP. The effective portion of changes in fair value of cash flow hedges is under CZ GAAP recognized in equity.

	31 Dec 2017	1 Jan 2016
Total equity according to CZ GAAP	**73 390 869**	**30 940 118**
Effect from transition:		
Elimination of accumulated depreciation	33 242 007	-
Investment property revaluation	152 691 981	-
Elimination of revaluation arising from legal merger	-30 027 527	-
Deferred tax	-20 428 453	-
Total equity according to IFRSs	**208 868 878**	**30 940 118**

The Group does not present total comprehensive income under the previous GAAP. The Group has only one item recognised under IFRS in other comprehensive income (i.e. cash flow hedge reserve based on hedge accounting).

Under CZ GAAP, the land, buildings and other equipment that represent an investment property in accordance with IAS 40 are recognized as property, plant and equipment and measured at cost less accumulated depreciation less impairment losses, if applicable. The depreciation charges are recognized to profit or loss. There is no revaluation of property, plant and equipment to fair value in CZ GAAP, unless it is specifically permitted by the Czech legislation.

Use of estimates and judgements

The preparation of the consolidated financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue, expenses and unrealised gains or losses during the reporting period. Actual results could differ from these estimates. The information about judgements made in applying the accounting policies that have the most significant effects in the amounts recognised in the consolidated financial statements is included in the following Notes:

3.1 – Investment properties

Assumptions and estimations of uncertainty

(i) Measurement of fair values

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

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

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the 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 or 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).

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

Further information about the assumptions made in measuring fair values is included in the following note:
• Note 3.1 – investment properties, and
• Note 5 – determination of fair values

(ii) Estimation uncertainty

Except for the fair value of investment properties, there is no other key assumption considering the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(iii) New Accounting Standards not yet effective and have not been early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial instruments*
IFRS 15	Revenue from Contracts with Customers*
Amendments to IAS 40	Investment Property *
Amendments to IFRS 2	Share-based Payment *
Annual improvements to IFRS 1	First-time Adoption of International Financial Reporting Standards*
Annual improvements to IAS 28	Investments in Associates and Joint Ventures (2011)**
IFRIC 22	Foreign currency Transactions and Advance Consideration*
IFRS 16	Leases**
IFRIC 23	Uncertainty over Income Tax Treatments**
Annual Improvements to IFRS 3	Business Combinations**
Annual Improvements to IFRS 11	Joint Arrangements**

* Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
** Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted

(iv) IFRS 9, Financial Instruments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

v) IFRS 15, Revenue from Contracts with Customers

IFRS 15, 'Revenue from contracts with customers' provides a framework that replaces existing revenue recognition guidance in IFRS. Entities will adopt a five-step model to determine when to recognise revenue, and at what amount. The new model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

Depending on whether certain criteria are met, revenue is recognised:
- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the goods or services is transferred to the customer.

IFRS 15 also establishes the principles that an entity shall apply to provide qualitative and quantitative disclosures which provide useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The clarifications to IFRS 15 clarify some of the standard's requirements and provide additional transitional relief for companies that are implementing the new standard. The Group will adopt the standard in the annual period beginning 1 January 2018 and will use the cumulative effect method. Under this method the Group will record the cumulative effect of initially applying the new standard, if any, as an adjustment to the opening balance of equity at the date of initial application. The comparative period amounts will not be restated and will continue to be reported under the accounting standards in effect for that period.

vi) IAS 40, Investment Property

The amendments provide clarification on transfers to, or from, investment properties.

vii) IFRS 2, Share-based Payment

The amendments clarify how to account for certain types of share-based payment transactions.

viii) IFRS 1, First-time Adoption of International Financial Reporting Standards

The annual improvements delete short-term exemptions for first-time adopters.

ix) IAS 28, Investments in Associates and Joint Ventures

The annual improvements clarify that election of exemption from applying the equity method shall be made separately for each associate or joint venture, and to clarify the date of such an election.

x) IFRIC 22, Foreign currency Transactions and Advance Consideration

IFRIC provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance and clarifies that the transaction date is the date on which the company initially recognizes the prepayment or deferred income arising from the advance consideration.

xi) IFRS 16, Leases

IFRS 16, 'Leases' effective for reporting periods beginning on or after 1 January 2019 will replace the actual IAS 17 'Leases'. Under IFRS 16, companies will recognise new assets and liabilities, bringing added transparency to the balance sheet. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. There will be a single, on-balance model for both finance and operating leases.

xii) IFRIC 23, Uncertainty over Income Tax Treatments

IFRIC clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities, whilst also aiming to enhance transparency.

xiii) IFRS 3, Business Combinations

The main changes were to clarify that the entity remeasures its previously held interest in a joint operation when it obtains control of the business in accordance with IFRS 3.

xiv) IFRS 11, Joint Arrangements

The main changes were to clarify that the entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the joint operation in accordance with IFRS 11.

The Group is in the process of analyzing the likely impact of these standards. However, the management does not expect that the impact of the application of the changed standards or improvements will have material impact on amounts reported in the Group's Consolidated Financial Statements.

2. 2 Basis for consolidation

(i) Business combination

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 where 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 (e.g., maintenance, cleaning, security, bookkeeping, etc.).

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

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Consolidation

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and other components of equity. Any retained interest in the former subsidiary is re-measured to its fair value at the date when control is lost. Any resulting gain or loss is recognized in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are reclassified to profit or loss.

Non-controlling interests, if any, are recognized in equity with the proportionate share in the recognized amounts as well as the proportionate share in the profit or loss realized of the entities in which the interests are held if the interests qualify as equity as per IAS 32.16.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration includes also the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On and acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at the non-controlling interest’s proportionate share of the acquirer’s net assets.

Transactions that are not in scope of IFRS 3 Business combinations due to the fact that the acquired company does not constitute of the business in accordance with the IFRS are accounted for as assets acquisition.

The Group's consolidated subsidiaries, together with information related to the ownership interest, are presented below:

Company	Ownership	Effective ownership as at 31 December 2017	Country of formation
FIDUROCK Nemovitosti a.s.			Czech Republic
Retai Park Tábor s.r.o.	Direct	100,0%	Czech Republic
Retail Park Severka Liberec s.r.o.	Direct	100,0%	Czech Republic

FIDUROCK Nemovitosti a.s. is the Group's parent. During 2016, the Group has acquired 100% stake in Retail Park Severka Liberec s.r.o. (acquisition date 4 May 2016). This acquisition was recognized as a property asset acquisition as the company does not constitute business as defined by IFRS. No entity was acquired in 2017.

The carrying value of the identifiable assets and liabilities at the date of acquisition was as follows:

	Retail Park Severka Liberec s.r.o.
Investment property	197 624 106
Deferred tax asset from tax losses	1 857 294
Trade receivables	2 497 788
Other current assets	45 573
Cash and cash equivalents	4 222 086
Identifiable acquired assets	**206 246 847**
Borrowings	148 665 027
Trade payables	677 156
Deferred income	1 693 132
Other liabilities	1 550 252
Identifiable acquired liabilities	**152 585 566**

Net identifiable assets of subsidiary acquired at the date of acquisition amounted to CZK 53.7 million. Due to the acquisition, the Group acquired cash and cash equivalents in the amount of CZK 4.2 million. The net cash outflow connected with the acquisition amounted to CZK 49.4 million.

No entity was disposed/liquidated in 2017 or 2016.

2. 3 Foreign currency translation

Functional currency

Based on the factors described in IAS 21, the effects of changes in foreign exchange rates and based on analysis of the primary economic environment in which the Group operates, the functional currency of the underlying Czech Republic subsidiaries has been determined to be the Czech Crown ("CZK"), since whilst some of their transactions are denominated in the euro, it is in fact the local markets and competitive forces which determine the magnitude of these transactions.

The functional currency of the Company has been assessed as being Czech Crown ("CZK").

Presentation currency

These consolidated financial statements are presented in CZK which is the Group's presentation currency.

The foreign currency gain of loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated to the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Consolidated Statement of Profit and Loss and other Comprehensive Income.

	31.12.2017	**Average for the period**
Czech Crown (CZK) / EUR	25.5400	26.3257

	31.12.2016	**Average for the year**
Czech Crown (CZK) / EUR	27.020	27.033

2. 4 *Investment properties*

Investment properties that are held for long-term rental yields or for capital appreciation or both (including the land bank), and that is not occupied by the Group, are classified as investment properties.

Investment properties are comprised of buildings and land plots owned or held under perpetual usufruct.

Investment properties are measured initially at cost, including transaction costs directly attributable to the acquisitions. After initial recognition, investment properties are carried at fair value. Fair value is based on discounted cash flow projections. These valuations are performed annually by independent experts who hold recognized and relevant professional qualifications and have the necessary knowledge and experience. Investment properties that are being redeveloped for continuing use as an investment property or for which the market has become less active continue to be measured at fair value. Fair value as determined as at 31 December 2017 and 31 December 2016 is based on valuation provided by Jones Lang LaSalle, chartered surveyors using recognised valuation techniques.

The fair value of investment properties reflect, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the properties.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Changes in fair values are recorded in the consolidated statement of profit or loss and other comprehensive income.

On derecognition, realised gains and losses on disposal of investment properties are recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

2. 5 Leases

a) Operating lease
Properties leased out under operating leases are included in investment property in the consolidated statement of financial position. Lease income is recognized over the term of the lease on a straight-line basis.

b) Finance lease
When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return. The Group currently has not entered into any finance leases.

2. 6 Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of profit or loss and other comprehensive income.

2. 7 Cash and cash equivalents

Cash at bank and short term deposits that are held to maturity are carried at their amortised cost. Cash and cash equivalents comprise cash in hand and deposits held with banks, available within 3 months.

2. 8 Equity

Equity comprises instruments which do not include a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer (IAS 32 § 16 (a)). This includes share capital, the profit and loss of the reporting period, retained earnings and other reserves.

2. 9 Loans and borrowings

Loans and borrowings are recognized initially at fair value less any direct attributable transaction costs. Borrowings are subsequently stated at amortized cost; any difference between the initially recognized amount and the redemption value is recognized in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

2. 10 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized directly in other comprehensive income or in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deferred income tax asset can be utilized.

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 tax assets and liabilities relate to income taxes levied by the same taxation authority of either the taxable entity or different taxable entities where there is the intention to settle the balances on a net basis.

Deferred income tax on investments in subsidiaries

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax on investment properties

Deferred income tax is provided on all temporary differences arising on the fair value of buildings and land held by the Group as investment properties even when they are located in special purpose entities except for, as described above, on initial recognition.

2. 11 *Trade and other payables*

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2. 12 *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2. 13 *Hedge accounting - cash flow hedge*

The Group is exposed to currency risk as most of rental income is denominated in EUR. The currency risk is being naturally hedged by EUR denominated loans, which are used for financing of activities. The current accounting treatment requires that these loans are revaluated using spot CNB FX rates into the profit and loss account. Therefore FX differences are recognised throughout the whole life of the EUR denominated loan whereas FX differences on rental income are recognised only in the period when the rental income is recorded. This is creating an accounting mismatch. The Group´s management has decided to employ hedge accounting 1 January 2017 to overcome this accounting mismatch.

The Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect reported profit or loss.

The Group designated received EUR denominated bank loans as hedging instruments. The hedged item is represented by the future lease payments that are considered to be highly probable. The cash flows from future lease payments are expected to occur and impact profit or loss in periods of 2017 to 2034, 2035 respectively.

2. 14 *Revenue recognition*

Rental revenue from investment property is recognised as revenue on a straight-line basis over the term of the operating lease. Lease incentives granted are recognised as an integral part of the total rental revenue, over the term of the lease. When the Group provides incentives to its customers, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.
The term of the lease is the non-cancellable period of the lease. Any further term for which the tenant has the option to continue the lease is not considered.

Service charges and expenses are presented net in the consolidated statement of profit or loss and other comprehensive income and disclosed separately in the notes to the consolidated financial statements. They are recorded based on issued invoices and accruals.

2. 15 *Expenses*

Expenses are recognised on an accrual basis, i.e. independent from payment.

2. 16 *Finance income and finance costs*

Finance income comprises interest income on funds invested and foreign exchange gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Foreign exchange gains comprise gains from translation of monetary assets and liabilities denominated in foreign currencies to the functional currency of the subsidiaries.

Finance costs comprise interest expenses on loans and borrowings and foreign exchange losses. Loans and borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign exchange losses comprise losses from translation of transactions in foreign currencies to the functional currency of the subsidiaries.

2. 17 *Segment reporting*

An operating segment is a component of the Group:
• that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Group's other components
• whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
• for which discrete financial information is available.

Segment information is presented in respect of the Group's operating and geographical segments. The Group's primary format for segment reporting is based on operating segments. The operating segments are determined based on the Group's management and internal reporting structure.

2. 18 *Subsequent events*

Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the Notes to the consolidated financial statements when material.

(all figures presented in CZK)

3. Notes to the Consolidated Statement of Financial Position

3. 1 Investment properties

	31.12.2017	31.12.2016	1.1.2016
Investment property at cost brought forward	**483 872 705**	**286 248 599**	**286 248 599**
Additions			
Investment property acquired through asset purchase	-	197 624 106	-
Capital expenditures	11 640 514		-
Investment property at cost	**495 513 219**	**483 872 705**	**286 248 599**
Unrealised change in fair value of current year	10 241 086	142 450 895	-
Unrealised change in fair value of prior years	142 450 895	-	-
Total accumulated unrealised change in fair value	**152 691 981**	**142 450 895**	**-**
Investment properties at fair value	**648 205 200**	**626 323 600**	**286 248 599**

Investment properties consist of:

- Retail Park Tábor (former Fidurock SPV1) - retail park in Tábor, Soběslavská 3046.

- Retail Park Severka Liberec (former Fidurock Liberec) - retail park in Liberec, Sousedská 607, Liberec XI - Růžodol I

The capital expenditures represent costs incurred to increase the general standard of the property are are not attributable to the specific tenant.

Pledges

Both investment properties serve as a pledge on the bank loans.

Valuation process

The valuation process is performed at least once a year, at year end. In 2017 the management has mandated Jones Lang LaSalle as external independent appraisers which hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

Appraisers have access to documents to support their review including details of the properties, actual figures and budgets. The results of the review are then discussed with the management to ensure that the highest and best use assumption is respected and that the fair values reflect the latest update on the projects. Material valuation changes, assumptions and inputs are systematically reviewed and challenged by the controlling department and management.

(all figures presented in CZK)

Valuation techniques

The best evidence of fair value is current prices in an active market for similar assets. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. To determine the fair value as at 31 December 2017 and 31 December 2016 the Group applied the following valuation technique:

(i) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The fair value of properties is based on the highest and best use of the investment properties as described by IFRS 13. It takes into account the use of the asset that is physically possible, legally permissible and financially feasible. On a general basis the current use of the asset has been considered as the highest and best use, but the possibility of a full redevelopment has been systematically tested and carefully evaluated.

Investment properties have been classified according to the nature and risks of the properties. The following factors have basically been taken into consideration:
- location,
- nature (office, retail, warehouse, etc.)
- added value potential,
- condition and state of repair.

Investment property is classified as being held under operating leases. The lease agreements contain provisions according to which the rent is increased progressively in accordance with the consumer price index. Leases are payable monthly in advance. The lease income is recognized on a straight-line basis. Some lease agreements contain provisions regarding lease improvements and landlord restructuring compensation payments.

Portfolio summary

	31.12.2017		**31.12.2016**	
	Value at cost	**Fair value**	**Value at cost**	**Fair value**
Retail Park Tábor	286 248 599	332 020 000	286 248 599	310 730 000
Retail Park Severka Liberec	209 264 620	316 185 200	197 624 106	315 593 600
	495 513 219	**648 205 200**	**483 872 705**	**626 323 600**

	1.1.2016	
	Value at cost	**Fair value**
Retail Park Tábor	286 248 599	286 248 599
Retail Park Severka Liberec	-	-
	286 248 599	**286 248 599**

(all figures presented in CZK)

3. 2 Trade and other receivables

	31.12.2017	31.12.2016	1.1.2016
Trade receivables (gross)	7 745 747	2 465 007	5 887 726
Allowance for doubtful debts	(367 962)	(367 962)	-
Trade receivables (net)	**7 377 785**	**2 097 045**	**5 887 726**

Rents receivable, which are generally due for settlement at the relevant month end, are recognised and carried at the original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer possible.

	31.12.2017	31.12.2016	1.1.2016
Income tax advances and receivables	684 538	2 324 998	182 399
Receivables from shareholder (refer to note 8.1)	2 040 000	2 040 000	2 040 000
Other receivables	416 668	464 502	-
TOTAL other receivables	**3 141 206**	**4 829 500**	**2 222 399**
TOTAL trade and other receivables	**10 518 991**	**6 926 545**	**8 110 125**

All trade and other receivables are expected to be recovered within 12 months after reporting period.

3. 3 Prepayments and other assets

	31.12.2017	31.12.2016	1.1.2016
Prepaid services	224 252	43 058	-
Other	368 096	436 426	-
TOTAL prepayments	**592 348**	**479 484**	**-**
TOTAL prepayments and other assets	**11 793 193**	**479 484**	**-**

3. 4 Cash and cash equivalents

	31.12.2017	31.12.2016	1.1.2016
Cash in hand	298 438	298 438	198 438
Cash at bank - unrestricted	15 172 815	25 858 439	2 724 858
Cash in bank - restricted - other (refer to Note 6.3)	11 200 845	-	-
TOTAL cash and cash equivalents	**26 672 098**	**26 156 877**	**2 923 296**

(all figures presented in CZK)

3. 5 Equity

a) Share capital

31.12.2017

	FIDUROCK Private Equity Participations B.V.	TOTAL
Number of shares authorised	300	300
Registered capital	2 040 000	2 040 000
% OF OWNERSHIP	**100%**	**100%**

31.12.2016

	FIDUROCK Private Equity Participations B.V.	Star Capital Investments s.r.o.	TOTAL
Number of shares authorised	200	100	300
Registered capital	1 360 000	680 000	2 040 000
% OF OWNERSHIP	**67%**	**33%**	**100%**

The share issued has not been fully paid as at 31 December 2017 and 31 December 2016. The unpaid share capital as at 31 December 2017 and 31 December 2016 was CZK 2 040 000. The nominal value of 1 share is 6 800 CZK. There are no specific rights, preferences and restrictions attached to the shares.

As at 19 June 2017 the company FIDUROCK Private Equity Participations B.V. purchased 100 shares from the minority shareholder Star Capital Investments s.r.o and became the sole shareholder of the Company.

b) Capital reserves

Capital reserves represent the paid capital contributions provided by the sole shareholder that do not form a part of the share capital.
During 2016 the sole shareholder paid capital contributions amounting to 15 414 005 CZK. In 2017, the Group redeemed to sole shareholder capital contributions of CZK 8 719 000.

c) Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

d) Dividends

No dividends were paid to owner in 2016 and 2017. No dividends have been proposed or declared to be distributed to the owner as at the date of an authorization of these consolidated financial statements.

(all figures presented in CZK)

3. 6 Loans and borrowings

	Due within 1 year	More than 1 year	31.12.2017	31.12.2016	1.1.2016
Third-party loans					
Bank loans	16 914 396	278 121 085	295 035 481	329 724 358	205 018 406
TOTAL third-party loans	**16 914 396**	**278 121 085**	**295 035 481**	**329 724 358**	**205 018 406**
Related-party loans					
FIDUROCK CAPITAL CZ	136 839 006	-	136 839 006	73 181 352	29 627 782
David Hauerland	335 201	-	335 201	-	-
Star Capital MezzFin s.r.o.	-	-	-	42 202 388	14 437 466
TOTAL related-party loans	**137 174 207**	**-**	**137 174 207**	**115 383 740**	**44 065 248**
TOTAL loans and borrowings	**154 088 603**	**278 121 085**	**432 209 688**	**445 108 098**	**249 083 654**

Bank loans consist of loans from Oberbank. Loan for RP Tábor is repayable in 2021 (the Group expects the loan to be prolonged or refinanced). Loan for RP Severka Liberec is repayable in 2032. Both investment properties serve as a pledge on the bank loans. The bank loans are further collateralised by the pledge on 100% stake in both subsidiaries.

Reconciliation of movements of loans and borrowings to cash flows arising from financing activities

	Third-party loans	*Related-party loans*	*Total*
Balance at 1 January 2016	205 018 406	44 065 248	249 083 654
Changes from financing cash flows			
Proceeds from loans and borrowings	139 204 500	61 295 504	200 500 004
Repayment of loans and borrowings	(13 829 236)	-	(13 829 236)
Repayment of loan acquired through property asset acquisition	(148 665 027)	-	(148 665 027)
Interest paid (incl. arrangement fee)	(8 753 225)	-	(8 753 225)
	(32 042 988)	61 295 504	29 252 516
Other changes			
Effect of movements in exchange rates	(79 978)	-	(79 978)
Other changes	-	-	-
Acquisition of loan through property asset acquisition	148 665 027	-	148 665 027
Interest expense	8 163 891	10 022 988	18 186 879
	156 748 940	10 022 988	166 771 928
Balance at 31 December 2016	**329 724 358**	**115 383 740**	**445 108 098**
Balance at 1 January 2017	329 724 358	115 383 740	445 108 098
Changes from financing cash flows			
Proceeds from loans and borrowings	-	9 048 000	9 048 000
Repayment of loans and borrowings	(17 230 338)	-	(17 230 338)
Interest paid (incl. arrangement fee)	(8 408 016)	-	(8 408 016)
	(25 638 354)	9 048 000	(16 590 354)
Other changes			
Effect of movements in exchange rates	(17 657 469)	-	(17 657 469)
Interest expense	8 606 947	12 742 467	21 349 414
	(9 050 522)	12 742 467	3 691 945
Balance at 31 December 2017	**295 035 481**	**137 174 207**	**432 209 688**

3. 7 Deferred income

	31.12.2017	31.12.2016	1.1.2016
Prepaid rent, thereof:			
long-term portion	1 982 962	3 316 295	4 666 670
short-term portion	1 333 333	1 350 375	1 395 820
TOTAL deferred income	**3 316 295**	**4 666 670**	**6 062 490**

3. 8 Other non-current liabilities

	31.12.2017	31.12.2016	1.1.2016
Related party liabilities	9 292	103 000	100 000
Tenants' security deposits - long term	1 863 347	1 565 242	523 712
Suppliers' warranty retentions - long term	-		
TOTAL other non-current liabilities	**1 872 639**	**1 668 242**	**623 712**

(all figures presented in CZK)

3. 9 Trade, other payables and accruals

	31.12.2017	31.12.2016	1.1.2016
Trade payables	2 446 162	6 945 330	5 177 104
TOTAL trade payables	**2 446 162**	**6 945 330**	**5 177 104**
VAT due	816 248	667 005	1 156 569
Corporate income tax due	-	-	4 094 070
Other payables	1 170 854	1 174 420	1 986 458
TOTAL other payables	**1 987 102**	**1 841 425**	**7 237 097**
TOTAL trade, other payables and accruals	**4 433 264**	**8 786 755**	**12 414 201**

3. 10 Income tax

Tax recognized in Consolidated Statement of Financial Position

Deferred income tax assets	31.12.2017	31.12.2016	1.1.2016
Unused tax losses	1 364 758	2 723 748	1 842 155
TOTAL deferred income tax assets	**1 364 758**	**2 723 748**	**1 842 155**
Deferred income tax liabilities			
Investment property	33 391 012	29 233 321	-
Cash flow hedge reserve	3 261 619	-	-
TOTAL deferred income tax liabilities	**36 652 631**	**29 233 321**	**-**
TOTAL deferred income tax assets / (liabilities)	**(35 287 873)**	**(26 509 573)**	**1 842 155**

A deferred tax liability on the difference between the accounting value and the tax value of the properties is recorded against income statement, deferred tax on hedge accounting reserve is recorded against equity.

Tax recognized in Consolidated Statement of Profit and Loss and Other Comprehensive Income

	2017	2016
Current tax expense	1 640 460	176 750
Deferred tax expense	5 516 682	30 209 022
TOTAL income tax expenses	**7 157 142**	**30 385 772**
Effective tax rate	19,0%	19,3%

Reconciliation of effective tax rate

	2017	2016
Profit/(Loss) before tax	37 692 557	157 178 817
Current income tax rate	19%	19%
Tax using the Company's domestic tax rate	**7 161 586**	**29 863 975**
Tax non-deductible expenses	173 989	696 493
Tax-exempt income	(178 433)	(174 696)
TOTAL	**7 157 142**	**30 385 772**

(all figures presented in CZK)

4. Notes to the Consolidated Statement of Profit or Loss and Other Comprehensive Income

4. 1 Rental income

	2017	2016
Rental income	49 963 378	43 606 087
TOTAL rental income	**49 963 378**	**43 606 087**

4. 2 Net service charge expenses

	2017	2016
Service charge expenses	(9 192 834)	(8 433 158)
Service charge income	8 447 897	7 064 155
TOTAL net service charge expense	**(744 937)**	**(1 369 003)**

Significant increase in volume of service charge income and expenses reflects increase in rental activity which contains service charge element.

4. 3 Asset management fees

	2017	2016
Asset management fees	(5 219 718)	(4 160 912)
Letting fees	(16 479)	(11 102)
TOTAL asset management fees	**(5 236 197)**	**(4 172 014)**

Asset management is provided by Star Capital Finance, s.r.o. and VASSET REAL s.r.o

Based on the agreements the Asset Managers provide such advice and assistance as the owners may require to enable it to formulate and implement the business plan and any changes thereto, and shall use all reasonable endeavours within the agreed services to procure that the goals and targets set out in the business plan are achieved, all for the purpose of enabling the owners to enhance the income yield and the investment value of the assets and maximise the return on investment in the Group while minimising the risks (to the extent possible) associated therewith and to provide other advice in regard thereto.
Asset management fees are charged as flat fees plus additional costs (if relevant) by the asset managers.

4. 4 Other operating income

	2017	2016
Other income from properties	1 610 980	427 407
Income from early termination of lease contracts	3 982 393	774 000
Other operating income	622 535	0
TOTAL other operating income	**6 215 908**	**1 201 407**

Increase in other operating income in 2017 compared to 2016 is primarily attributable to early termination of lease contract from one tenant.

4. 5 Other corporate expenses

	2017	2016
Audit, legal and other professional fees	(362 593)	(4 976 342)
Administrative and accounting fees	(541 034)	(1 114 170)
Bank charges	(19 490)	(40 878)
TOTAL other corporate expenses	**(923 117)**	**(6 131 390)**

A drop in other corporate expenses in 2017 compared to 2016 is attributable to acquisition of Retail Park Severka Liberec in 2016 where significant legal, professional, administrative and other fees were incurred.

(all figures presented in CZK)

4. 6 Finance income

	2017	2016
Interest and similar income from third-parties	51	(85)
TOTAL finance income	**49**	**(85)**

4. 7 Finance costs

	2017	2016
Interest and similar expense from related-parties	(12 742 467)	(10 022 988)
Interest and similar expense from third-parties	(8 606 947)	(8 163 891)
Foreign currency exchange loss, net	(432 251)	(160 904)
Other financial expenses	(41 952)	(59 470)
TOTAL finance costs	**(21 823 617)**	**(18 407 253)**

The amount reclassified from other comprehensive income to profit or loss due to applied cash flow hedge is for 2017 a gain of CZK 491 055 and is reported under Foreign currency exchange loss, net.

(all figures presented in CZK)

5. Fair value measurements, financial instruments

5. 1 Fair value hierarchy

	Fair value hierarchy	Fair value	Total gains / losses 01.01.2017 - 31.12.2017
Investment properties			
Retail Park Tabor	Level 3	332 020 000	21 290 000
Retail Park Severka Liberec	Level 3	316 185 200	(11 048 914)
As at 31 December 2017		**648 205 200**	**10 241 086**

	Fair value hierarchy	Fair value	Total gains / losses 01.01.2016 - 31.12.2016
Investment properties			
Retail Park Tabor	Level 3	310 730 000	24 481 401
Retail Park Severka Liberec	Level 3	315 593 600	117 969 494
As at 31 December 2016		**626 323 600**	**142 450 895**

Due to the significance of the contractual leases for the valuation of the investment properties, the management has categorised the property assets as Level 3.

There was significant impact of FX rates development on change in fair value of properties in 2017. As a result of CZK appreciation against EUR a FX loss was on revaluation was incurred and the FX loss was recognized under Net unrealised gain on revaluation of investment properties. The FX loss for RP Tabor and RP Liberec was CZK 19.5 mil., CZK 18.6 mil. respectively.

Main observable, non-observable inputs and sensitivity

There are a number of factors that determine the value of properties. These can include national and local economic conditions, demand created by investors and occupiers and interest rates. Whilst changes in the fair value of the property portfolio have an effect on the profits for the year, they do not have an immediate impact on cash flow. Significant increases or decreases in rental growth in isolation would result in a significantly higher or lower fair value measurement. Significant increases or decreases in long term vacancy rate and capitalisation (exit) rate/yield in isolation would also result in significantly higher or lower fair value measurement.

The table below presents the fair value hierarchy of the valuation, the valuation method, the key observable and unobservable inputs for investment properties owned by the Group, used by the valuators as at the end of 31 December 2017 and 31 December 2016 respectively.

Main inputs

31.12.2017

Valuation Method	Significant inputs	Min	Max	Weighted Average
Income DCF	Estimated rental value per sqm per month	6,54 EUR	8,53 EUR	7,62 EUR
	Exit yield	7,50%	7,75%	7,61%
	Discount rate	7,75%	8,25%	7,98%

31.12.2016

Valuation Method	Significant inputs	Min	Max	Weighted Average
Income DCF	Estimated rental value per sqm per month	7,05 EUR	8,53 EUR	7,84 EUR
	Exit yield	8,50%	8,75%	8,62%
	Discount rate	8,75%	9,50%	9,10%

(all figures presented in CZK)

Sensitivity analyses - change in rental income vs. change in Discount Rate / Exit Yield

The Group has performed a sensitivity analysis on changes in assumptions of property valuation.
Change of the valuation rates would result in the following fair values:

Liberec

31.12.2017

		Change in rental income		
		-5,00%	0,00%	5,00%
Change in Discount Rate and Exit Yield	-0,50%	321 293 200	336 617 200	351 941 200
	0,00%	303 415 200	316 185 200	331 509 200
	0,50%	285 537 200	300 861 200	313 631 200

31.12.2016

		Change in rental income		
		-5,00%	0,00%	5,00%
Change in Discount Rate and Exit Yield	-0,50%	315 593 600	331 805 600	345 315 600
	0,00%	302 083 600	315 593 600	329 103 600
	0,50%	285 871 600	299 381 600	312 891 600

Tábor

31.12.2017

		Change in rental income		
		-5,00%	0,00%	5,00%
Change in Discount Rate and Exit Yield	-0,50%	337 128 000	355 006 000	372 884 000
	0,00%	314 142 000	332 020 000	347 344 000
	0,50%	296 264 000	311 588 000	326 912 000

31.12.2016

		Change in rental income		
		-5,00%	0,00%	5,00%
Change in Discount Rate and Exit Yield	-0,50%	313 432 000	329 644 000	345 856 000
	0,00%	294 518 000	310 730 000	326 942 000
	0,50%	281 008 000	294 518 000	308 028 000

6. Financial risk management policies and objectives

The operating activities of the Group are exposed to credit risk, liquidity risk, interest rate risk and foreign currency rate risk. The management has established risk management policies to identify, monitor, analyse and minimise risk exposure to the Group This note presents information about the Group's exposure to each of the above risks and its risk management policies and procedures. Further quantitative disclosures are included to illustrate the exposure and its sensitivity.

The financial risk management of the Group is monitored on the basis of the loan to value ratio and other methods. This ratio is calculated as the outstanding financial debt divided by the total value of investment properties, being financed from external sources.

The loan to value ratio was:

	31.12.2017	**31.12.2016**
Bank loans	295 035 481	329 724 358
Investment properties financed by the loans	648 205 200	626 323 600
	46%	**53%**

Borrowings from related party are excluded from the loan to value ratio.

6. 1 Capital risk management

The Group's objectives when managing capital (Share Capital, Retained earnings, Capital reserves) are to safeguard the Group's ability to continue as a going concern in order to provide returns for its owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of distributions paid to the partners, return capital to its owners, issue new capital or sell assets to reduce debt.

(all figures presented in CZK)

6. 2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions.

Credit risk arises from the Company’s contracts with banks and tenants and their possible failure to pay rent or advance loans.

The maximum exposure to credit risk for trade and other receivables was as follows:

	31.12.2017	31.12.2016
Maximum credit risk exposure		
Trade receivables (gross)	7 745 747	2 465 007
Allowance for doubtful debts	(367 962)	(367 962)
Trade receivables, net	**7 377 785**	**2 097 045**

The aging of gross trade receivables invoiced as at the reporting date and previous reporting date was:

	Trade receivables (gross)	Allowance for doubtful debts	Total 31.12.2017	Total 31.12.2016
Not due	7 377 785		7 377 785	2 097 045
Less than 1 month			-	
1 to 3 months			-	
3 to 6 months			-	
More than 6 months	367 962	(367 962)	-	367 962
	7 745 747	**(367 962)**	**7 377 785**	**2 465 007**

Tenants are subject to, where available, credit rating to assess tenant financial risk. Receivable balances are monitored on an ongoing basis. If receivables are overdue, calls of payment are issued to tenants.

There are two signifcant tenants which make more than 10% of total annual revenue - AHOLD Czech Republic, a.s., who represents 37% of annual turnover, and ASKO - NÁBYTEK, spol. s.r.o., who represents 12% of annual turnover.

(all figures presented in CZK)

6. 3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Group 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

The following table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments including accrued interest. The table reflects the earliest settlement of Group's liabilities based on contractual maturity and includes non-derivative financial liabilities. The Group has no derivative financial liabilities.

	due <3 months	due 3 months - 1 year	due 1 - 5 years	due after 5 years	Total 31.12.2017
Bank loans *excl. arrangement fees*	6 238 145	18 714 435	217 022 932	90 745 152	332 720 664
Intercompany loans	137 174 207				137 174 207
Other non-current liabilities *excl.security deposits*			9 292		9 292
Security deposits			1 863 347		1 863 347
Trade and other payables	4 433 264				4 433 264
TOTAL	**147 845 616**	**18 714 435**	**218 895 571**	**90 745 152**	**476 200 775**

	due <3 months	due 3 months - 1 year	due 1 - 5 years	due after 5 years	Total 31.12.2016
Loans and borrowings *excl. arrangement fees*	6 599 635	19 798 905	244 649 185	107 352 081	378 399 807
Intercompany loans	115 383 740				115 383 740
Other non-current liabilities *excl.security deposits*			103 000		103 000
Security deposits			1 565 242		1 565 242
Trade and other payables	8 786 755				8 786 755
TOTAL	**130 770 130**	**19 798 905**	**246 317 427**	**107 352 081**	**504 238 543**

The intercompany loans do not have the specified maturity dates. According to the loan agreements they are repayable immediately based on lender's request or within 5 days from the Group's notification on repayment to the lender. The intercompany loans are therefore reported as due up to 3 months and at their carrying amounts.

The Group maintains a sufficient level of cash and cash equivalents which enables it to meet its debt servicing requirements for the next three months. Further, the Group is required to maintain additional debt service reserves in separate restricted bank accounts. Additionally, the loan covenants under each Facility Agreement are monitored on an ongoing basis. The Group is obliged to report covenant compliance and financial condition to the lending institution.

The majority of trade and other payables relate to day to day management of properties. These costs are then invoiced to tenants as rental reimbursements and service charges. The standard credit period applied in relation to trade receivables is 14 days and timely receipt of these receivables enables the Partnership to pay the related trade and other liabilities on time.

6. 4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Group is exposed to property market risks. These risks include adverse investment and occupier markets which could cause the value of the investment properties or rental income streams to reduce.

These factors are beyond the Group's control.

The Group's asset managers are in regular contact with tenants in order to gain knowledge about development of their turnover, market situation, etc. Further, they analyse market reprots prepared by propery managers (CBRE, C&W, JLL, Knight Frank, BNP Paribas, Colliers...).

(all figures presented in CZK)

6. 5 Interest rate risk

The Group's income and operating cash inflows are substantially independent of changes in market interest rates. All Group's loans bear fixed interest rates.

	31.12.2017 Carrying amount	Variable rate	Fixed rate	Non interest bearing
Monetary assets				
Cash and cash equivalents	26 672 098		-	26 672 098
TOTAL	**26 672 098**	**-**	**-**	**26 672 098**
Monetary liabilities				
Loans and borrowings				
fixed rate	(432 209 688)	-	(432 209 688)	-
TOTAL	**(432 209 688)**	**-**	**(432 209 688)**	**-**
NET POSITION	**(405 537 590)**	**-**	**(432 209 688)**	**26 672 098**

	31.12.2016 Carrying amount	Variable rate	Fixed rate	Non interest bearing
Monetary assets				
Cash and cash equivalents	26 156 877		-	26 156 877
TOTAL	**26 156 877**	**-**	**-**	**26 156 877**
Monetary liabilities				
Loans and borrowings				
fixed rate	(445 108 098)	-	(445 108 098)	-
TOTAL	**(445 108 098)**	**-**	**(445 108 098)**	**-**
NET POSITION	**(418 951 221)**	**-**	**(445 108 098)**	**26 156 877**

The effective interest rate of bank loans as at 31 December 2017 and 31 December 2016 was 2.77%. The effective interest rate of borrowings from related parties as at 31 December 2017 and 31 December 2016 was 11.66%, 11.82% respectively.

6. 6 Foreign currency risk

The Group is exposed to currency risk through transactions in foreign currencies. As the functional currency of the group is CZK, and the financing and rental contracts are denominated in EUR, the consolidated financial statements are affected by the movements in the exchange rates of euro against CZK.

The summary of Group's exposure to currency risk is as follows:

	31.12.2017 Carrying amount	EUR	CZK
Monetary assets			
Trade and other receivables	10 518 991	2 717 728	7 801 263
Prepayments and other assets	592 348	-	592 348
Cash and cash equivalents	26 672 098	18 234 253	8 437 845
TOTAL	**37 783 437**	**20 951 981**	**16 831 456**
Monetary liabilities			
Loans and borrowings	432 209 688	295 035 481	137 174 207
Trade and other payables	4 433 264	-	4 433 264
Other non-current liabilities	1 872 639	-	1 872 639
TOTAL	**438 515 591**	**295 035 481**	**143 480 110**
NET POSITION	**(400 732 154)**	**(274 083 500)**	**(126 648 654)**

	31.12.2016 Carrying amount	EUR	CZK
Monetary assets			
Trade and other receivables	6 926 545	-	6 926 545
Prepayments and other assets	479 484	-	479 484
Cash and cash equivalents	26 156 877	11 657 506	14 499 371
TOTAL	**33 562 906**	**11 657 506**	**21 905 400**
Monetary liabilities			
Loans and borrowings	432 209 688	316 825 948	115 383 740
Trade and other payables	8 786 755	-	8 786 755
Other non-current liabilities	1 668 242	-	1 668 242
TOTAL	**442 664 685**	**316 825 948**	**125 838 737**
NET POSITION	**(409 101 779)**	**(305 168 442)**	**(103 933 336)**

(all figures presented in CZK)

	31.12.2017 spot rate	2017 average rate
CZK / 1 EUR	25,5400	26,3257

A strengthening of EUR, as indicated below, against the CZK at 31 December 2017, would have increased (decreased) equity and profit and loss by the amounts shown below. Due to aplication of hedge accounting most of the increase/decrease would impact equity. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular rates, remain constant and ignores any impact of forecasted sales and purchases.

The movements in EUR taken into consideration were:

	31.12.2017
CZK / 1 EUR	5.0%

	Carrying amount	Strengthening	Weakening
Monetary assets and liabilities			
EUR	(274 083 500)	(260 379 325)	(287 787 675)
Impact on monetary assets and liabilities		**(260 379 325)**	**(287 787 675)**

	31.12.2016 spot rate	2016 average rate
CZK / 1 EUR	27,02	27,03

A strengthening of EUR, as indicated below, against the CZK at 31 December 2016, would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular rates, remain constant and ignores any impact of forecasted sales and purchases.

The movements in EUR taken into consideration were:

	31.12.2016
CZK / 1 EUR	5.0%

	amount	Strengthening	Weakening
Monetary assets and liabilities			
EUR	(305 168 442)	(289 910 020)	(320 426 865)
Impact on monetary assets and liabilities		**(289 910 020)**	**(320 426 865)**

(all figures presented in CZK)

6. 7 Operating segments

All revenues and expenses are realised in Czech real estate market. Most of the revenues are generated from lease of commercial premises and recharge of service charges. The Group considers each subsidiary as one reportable segment.

2017	Reportable segments			
	RP Severka Liberec	RP Tábor	Other	Total
Rental income	20 321 236	29 642 142	0	49 963 378
Asset management fees	(2 473 479)	(2 762 718)	-	(5 236 197)
Other property related income	6 102 530	-	113 378	6 215 908
Net unrealised gain/loss on revaluation of IP	(11 048 914)	21 290 000	-	10 241 086
Interest and similar expense	(10 334 256)	(11 008 956)	-	(21 343 213)
Segment profit or loss before tax	**1 665 584**	**36 001 135**	**25 839**	**37 692 557**

2016	Reportable segments			
	RP Severka Liberec	RP Tábor	Other	Total
Rental income	14 793 020	28 813 067	(0)	43 606 087
Asset management fees	(1 287 135)	(2 884 879)	-	(4 172 014)
Other property related income	1 638 941	-	(437 534)	1 201 407
Net unrealised gain/loss on revaluation of IP	117 969 494	24 481 401	-	142 450 895
Interest and similar expense	(6 346 281)	(11 840 598)	-	(18 186 880)
Segment profit or loss before tax	**120 950 591**	**36 741 878**	**(513 652)**	**157 178 817**

7. Other notes and disclosures

7. 1 Minimum future lease receivables

The total minimum future lease payments due, analysed by the year in which they fall due, were as follows:

Future minimum rentals receivable:	**31.12.2017**	**31.12.2016**
Within one year	34 054 613	34 917 632
Between one year and five years	75 620 778	104 245 127
Above five years	30 790 219	36 220 483
TOTAL	**140 465 610**	**175 383 242**

The Group, as a lessor, leases out its investment property under operating leases. Lease payments are adjusted annually to reflect inflation.

(all figures presented in CZK)

8. 1 Related party disclosures

The Group's immediate parent company was Fidurock Private Equity Participations B.V. which owns 100% of the parent Company's shares as at 31.12.2017.

33,3% of shares of Fidurock Nemovisti a.s. was held by Star Capital Investments s.r.o. as at 31.12.2016.

Trasfer of ownership from Star Capital Investments s.r.o. to Fidurock Private Equity Participations B.V. has happended as at 19.6.2017.

a) Borrowings from related parties

	Due within 1 year	More than 1 year	31.12.2017	31.12.2016	1.1.2016
Related-party loans					
FIDUROCK CAPITAL CZ	136 839 006	-	136 839 006	73 181 352	29 627 782
David Hauerland	335 201	-	335 201	-	-
Star Capital MezzFin s.r.o.	-	-	-	42 202 388	14 437 466
TOTAL related-party loans	**137 174 207**	**-**	**137 174 207**	**115 383 740**	**44 065 248**

	2017	2016
Interest incurred		
FIDUROCK CAPITAL CZ	10 671 488	6 460 985
David Hauerland	6 201	-
Star Capital MezzFin s.r.o.	2 064 778	3 562 003
TOTAL related-party interest expense	**12 742 467**	**10 022 988**

	2017	2016
Asset management fee		
VASSET REAL s.r.o	**2 442 555**	**-**
Star Capital MezzFin s.r.o.	**2 777 163**	4 160 912
TOTAL asset management fee	**5 219 718**	**4 160 912**

b) Receivables due from related parties

	31.12.2017	31.12.2016	1.1.2016
Receivables from shareholder	2 040 000	2 040 000	2 040 000

There was no transaction with a direct parent of the Group in 2017 and 2016. The receivable due from shareholder relates to unpaid share capital as at 31 December 2017.

There was no management board and supervisory board remuneration in 2017 and 2016.

8. 2 Contingent liabilities

The Group management have no information about any contingent liabilities to be disclosed.

8. 3 Subsequent events

In 2/2018, the Parent Company Fidurock nemovitosti a.s. has acquired 100% share in the company Retail Park Senica s.r.o. (RP Senica, Slovak Republic) for 2,660,977 EUR.
In 5/2018, the Parent Company Fidurock nemovitosti a.s. has acquired 100% share in the company Slovak Investment Group s.r.o. (OD Saratov, Slovak Republic) for 2,872,705 EUR.
In 7/2018, the Parent Company Fidurock nemovitosti a.s. has acquired 100% share in the company ZKA Slovakia s.r.o. (RP Piestany, Slovak Republic) for 1,706,705 EUR.
In 9/2018, the Parent Company Fidurock nemovitosti a.s. has acquired 100% share in the company Retail Park Staré město s.r.o. (RP Staré město, Czech Republic) for 40,582,050 CZK.

The holding company Fidurock Nemovitosti a.s. plans to issue bonds bearing a fixed interest rate with total nominal value of the issue of CZK 500 mil. and the maturity in 2023. The offering will not be guaranteed by a parent or other related entity. The bonds shall be publicly traded in Prague Stock Exchange, which is a regulated market. In order for a bond to be publicly offered or admitted to trading on a European regulated market, the bond issue shall be subject to the approval of the Czech National Bank. As at the date of approval of these consolidated financial statements, the approval process by the Czech National Bank was not completed.