

INDEPENDENT AUDITOR'S REPORT
for the Shareholders of

*[Stamp: Ing. Kotrčová Martina,
Auditor, auditor license no. 1311]*

Europa Investment Property CZ a.s.

Jindřišská 901/5, Prague 1, Postcode: 110 00
Company ID No. (IČ): 06600204

Auditor's opinion: no reservations

We have audited the accompanying financial statements of Europa Investment Property CZ a.s. (hereinafter referred to as the "Company") prepared in accordance with Czech accounting regulations which comprise the balance sheet as at 31/12/2018, the profit and loss account, the cash flow statement for the year ended 31/12/2018 and notes to the financial statements which contain a description of significant accounting methods used and other explanatory information. Information about the Company is provided in Section 1 of the notes to these financial statements.

In our opinion, the financial statements give a true and fair view of the assets and liabilities of Europa Investment Property CZ a.s. as at 31/12/2018, and its expenses, revenues, and profit or loss and cash flows for the year ended 31/12/2018 in accordance with Czech accounting regulations.

Basis for the Opinion

We conducted our audit in accordance with the Act on Auditors and standards of the Chamber of Auditors of the Czech Republic (KAČR) for audit, which are the International Standards on Auditing (ISA) as supplemented and amended by the related application guidance. Our liability under those provisions is discussed in more detail in Section Auditor's Responsibility for the Audit of the Financial Statements. In accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the Company and we have met other ethical obligations resulting from the above regulations. We believe that the evidence we have obtained is a sufficient and reasonable basis for our opinion.

Other Information Stated in the Annual Report

In accordance with Section 2 (b) of the Act on Auditors, other information is information stated in the annual report outside the financial statements and our auditor's report. The Board of Directors of the Company is responsible for other information.

Our opinion on the financial statements does not apply to other information. Nevertheless, it is part of our duties related to auditing the financial statements to become acquainted with other information and consider whether other information is not in material disagreement with the financial statements or our knowledge gained about the accounting entity during the audit of the financial statements or whether such information does not appear to be otherwise materially misstated. We also consider whether other information was prepared in accordance with the relevant legal regulations in all material aspects. This means assessing whether other information meets the requirements of legal regulations for the formalities and procedure for the preparation of other information in the context of the materiality, i.e. whether any non-compliance with the requirements would be likely to affect the judgement made on the basis of other information.

Based on the above procedures and to the extent that we can consider, we conclude that

- Other information describing matters that are also presented in the financial statements are, in all material respects, in accordance with the financial statements and
- Other information was prepared in accordance with legal regulations.

Furthermore, we are required to conclude whether other information contains any material misstatements based on the knowledge and awareness of the Company, which we acquired during the audit. Within the above procedure, we did not find any such material inaccuracies within other information that we received.

Responsibility of the Board of Directors and the Supervisory Board for the Financial Statements

The Board of Directors of the Company is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal controls as they deem necessary for the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In the preparation of the financial statements, the Board of Directors is required to determine whether the Company is able to continue as a going concern, and if relevant, describe in the notes to the financial statements any matters regarding the going concern and the use of the going concern assumption in preparing the financial statements, except where the Board of Directors plans to dissolve the Company or terminate its activities, or where there is no other realistic alternative other than to do so.

The Supervisory Board is responsible for supervising the reporting process in the company.

Auditor's Responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole do not contain any material misstatement whether due to fraud or error and issue an auditor's report containing our opinion. Reasonable assurance is a high level of certainty, however, it is not a guarantee that an audit conducted in accordance with the above regulations identifies any and all existing material misstatements in the financial statements in all cases. Misstatements can arise from fraud or error and are considered material only if it can be reasonably assumed that, individually or in the aggregate, they could influence economic decisions that may be made by users of the financial statements on the basis of the financial statements.

In performing the audit in accordance with the above regulations, it is our duty to apply professional judgement and maintain professional scepticism throughout the audit. It is also our duty to:

- Identify and assess the risks of material misstatements of the financial statements due to fraud or error, design and perform audit procedures responding to such risks and obtain sufficient and appropriate evidence to be able to express our opinion on the basis of such evidence. The risk that we may not identify a material misstatement due to fraud is higher than the risk of not identifying material misstatement due to error because such a fraud could include secret agreements (collusion), falsification, deliberate omissions, incorrect statements or circumvention of internal controls.
- Become familiar with the Company's internal control system relevant to the audit to such extent to be able to design audit procedures appropriate with regard to the given circumstances, not to be able to express an opinion of the effectiveness of its internal control system.

- Assess the appropriateness of the accounting policies used, reasonableness of accounting estimates and information presented by the Board of Directors in this regard in the notes to the financial statements.
- Assess the appropriateness of using the going concern assumption in the preparation of the financial statements by the Board of Directors and whether there is material uncertainty with regard to the evidence gathered arising from events or conditions that may cast significant doubt about the Company's ability to continue as a going concern. If we conclude that such material uncertainty exists, it is our duty to point out in our report the information provided in this respect in the financial statements, and if such information is not sufficient, express a modified opinion. Our conclusions regarding the Company's ability to continue as a going concern are based on the evidence that we have obtained by the date of our report. However, future events or conditions may result in the Company's loss of its ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements present the underlying transactions and events in a way that leads to a fair presentation.

Our duty is to inform the Board of Directors and the Supervisory Board, among other things, about the planned scope and timing of the audit and any major findings that we made during the audit, including identified significant deficiencies in the internal control system.

Prague, 29/03/2019

Ing. Martina Kotrčová
Responsible Auditor
License no. 1311
Přemyslovská 40
Prague 3 – Žižkov

*[Stamp: Ing. Kotrčová Martina,
Auditor, auditor license no. 1311]*

Balance sheet according to Annex 1 to Decree No. 500/2002 Sb.

The accounting entity will deliver the financial statements together with the delivery of the income tax returns

1 x to the competent financial authority

**BALANCE SHEET
short version
(micro balance sheet)**

As at 31/12/2018
(in whole thousand CZK)

Year	Month	Company ID No.
2018		06600204

Company name or another name of the entity

Europa Investment Property CZ a.s.

Registered office or address of the accounting entity and place of business if different from the address of residence

Jindřišská 901/5
Prague
110 00

Item a	ASSETS b	Row no. c	Current accounting period			Previous period
			Gross 1	Adjustment 2	Net 3	Net 4
	TOTAL ASSETS Sum of A. to D.	1	60,555		60,555	2,003
A.	Capital subscription receivable	2				
B.	Fixed assets	3				
C.	Current assets	4	60,555		60,555	2,003
D.	Accruals	5				

Item a	LIABILITIES b	Row no. c	Current accounting period	Previous accounting period
			5	6
	TOTAL EQUITY & LIABILITIES Sum of A. to D.	6	60,555	2,003
A.	Equity	7	1,004	1,979
B. + C.	External resources Sum of B. + C.	8	59,551	24
B.	Provisions	9		
C.	Liabilities	10	59,551	24
D.	Accruals	11		

signature illegible, stamp

Prepared on: 29/03/2019	Signature of the statutory body of the accounting entity or specimen signature of the natural person who is the accounting entity	
Legal form of the accounting entity joint-stock company	Scope of business Lease and management of own or leased properties	Note: <i>signature illegible</i>

Profit and loss account by type
under Annex 2 to Decree No.
500/2002 Sb.

PROFIT AND LOSS ACCOUNT in details

Company name or another name of the entity

Europa Investment Property CZ a.s.

The accounting entity will deliver
the financial statements together
with the delivery of the income tax
returns

As at 31/12/2018
(in whole thousand CZK)

Registered office or address of the
accounting entity and place of
business if different from the address
of residence

1 x to the competent financial
authority

Jindřišská 901/5
Prague 1
110 00

Year	Month	Company ID No.
2018		06600204

Item a	TEXT b	Row no. c	Accounting period	
			Current 1	Previous 2
I.	Revenues from sales of products and services	1	30	
II.	Revenues from sales of goods	2		
A.	Product-related consumption	3	108	10
	Sum of A.1. to A.3.			
A. 1.	Cost of goods sold	4		
A. 2.	Material and energy consumption	5		
A. 3.	Services	6	9,960.00	
B.	Change in inventory of own production (+/-)	7		
C.	Capitalisation (-)	8		
D.	Personnel costs	9	46	
	Sum of D.1. to D.2.			
D. 1.	Payroll expenses	10	34	
D. 2.	Social security, health insurance and other expenses	11	12	
D. 2.1.	Social security and health insurance expenses	12	12	
D. 2.2.	Other expenses	13		
E.	Adjustments to values in operations	14		
	Sum of E.1. to E.3.			
E. 1.	Adjustments to values of intangible and tangible fixed assets	15		
E. 1.1.	- Adjustments to values of intangible and tangible fixed assets - permanent	16		
E. 1.2.	- Adjustments to values of intangible and tangible fixed assets - temporary	17		
E. 2.	Adjustments to values of inventory	18		
E. 3.	Adjustments to values of receivables	19		
III.	Other operating revenues	20		
	Sum of III.1. to III.3.			
III. 1.	Revenues from sales of fixed assets and material	21		
III. 2.	Revenues from sales of material	22		
III. 3.	Other operating revenues	23		
F.	Other operating expenses	24	4	11
	Sum of F.1. to F.5.			
F. 1.	Net book value of fixed assets sold	25		
F. 2.	Net book value of material sold	26		
F. 3.	Taxes and charges in operations	27	4	11
F. 4.	Reserves in operations and comprehensive prepaid expenses	28		
F. 5.	Other operating expenses	29		
*	Operating profit/loss (+/-)	30	-128	-21
	I. + II. - A. - B. - C. - D. - E. + III. - F.			

Item a	TEXT b	Row no. c	Accounting period		
			Current 1	Previous 2	
IV.	Revenues from long-term financial assets - shares	Sum of IV. 1. to IV.2.	31		
IV. 1.	Revenues from shares - controlled or controlling entity		32		
IV. 2.	Other revenues from shares		33		
G.	Cost of shares sold		34		
V.	Revenues from other long-term financial assets	Sum of V.1. to V.2.	35		
V. 1.	Revenues from other long-term financial assets - controlled or controlling entity		36		
V. 2.	Other revenues from other long-term financial assets		37		
H.	Expenses associated with other long-term financial assets		38		
VI.	Interest revenues and similar revenues	Sum of VI.1. to VI.2.	39	593	
VI. 1.	Interest revenues and similar revenues - controlled or controlling entity		40	593	
VI. 2.	Other interest revenues and similar revenues		41		
I.	Adjustment to values and provisions in the financial area		42		
J.	Interest expenses and similar expenses	Sum of J.1. to J.2.	43	1839	1
J. 1.	Interest expenses and similar expenses - controlled or controlling entity		44		1
J. 2.	Other interest expenses and similar expenses		45	1839	
VII.	Other financial revenues		46	430	
K.	Other financial expenses		47	1	
*	Financial profit/loss (+/-) IV. - G. + V. - H. + VI. -1. - J. + VII. - K.		48	-817	-1
**	Profit/loss before tax (+/-)	* (row 30) + * (row 48)	49	-945	-22
L.	Income tax	Sum of L.1. to L.2.	50	63	
L. 1.	Income tax due		51	63	
L. 2.	Income tax deferred (+/-)		52		
**	Profit/loss after tax (+/-)	** (row 49) - L.	53	-1,008	-22
M.	Transfer of share in profit to shareholders (+/-)		54		
***	Profit/loss for the reporting period (+/-)	** (row 53) - M.	55	-1,008	-22
*	Net sales for the reporting period	I. + II. + III. + IV. + V. + VI. + VII.	56	1,053	

signature illegible, stamp

Prepared on: 29/03/2019		Signature of the statutory body of the accounting entity or specimen signature of the natural person who is the accounting entity	
Legal form of the accounting entity joint-stock company	Scope of business Lease and management of own or leased properties	Note: <i>signature illegible</i>	

CASH FLOW STATEMENT

Company name or another name of the entity

Europa Investment Property CZ a.s.

Registered office or address of the accounting entity and place of business if different from the address of residence

Jindřišská 901/5
Prague 1
110 00

As at 31/12/2018
(in whole thousand CZK)

Year	Month	Company ID No.
2018		06600204

Item	TEXT	Current Period	Previous Period
P.	Cash and cash equivalents at the beginning of the accounting period	3	
	Cash flows from ordinary gainful activities (operating activities)		
Z.	Accounting profit or loss from ordinary activities before tax (this items does not include the relevant accounts in account group 59)	-945	-21
A.1.	Revaluation differences on non-cash transactions	1,248	
A.1.1.	Depreciation of fixed assets (+) except for the net book value of fixed assets sold and amortization of revaluation differences on acquired assets and goodwill (+/-)		
A.1.2.	Change in allowances and provision		
A.1.3.	Gain (loss) on sale of fixed assets (+/-) (accounted for as revenues "-" and expenses "+")		
A.1.4.	Revenue from dividends and profit shares (-)		
A.1.5.	Cost and expense interest (+) with the exception of capital interest and revenue interest charged (-)	1,248	
A.1.6.	Other non-cash transactions		
A.*	Net cash flow from operating activities before tax, changes in working capital and extraordinary items	303	-21
A.2.	Change in non-cash working capital components	45	24
A.2.1.	Change in receivables from operating activities (+/-), transitional account for assets	-30	
A.2.2.	Change in current liabilities from operating activities (+/-), transitional account for liabilities	75	24
A.2.3.	Change in inventory (+/-)		
A.2.4.	Change in short-term financial assets not included in cash and cash equivalents		
A.**	Net cash flow from operating activities before tax	348	3
A.3.	Interest paid except for capital interest	-561	
A.4.	Interest received (+)		
A.5.	Income tax paid for ordinary activities and back tax (-)	-3	
A.7.	Shares in profit received (+)		
A.***	Net cash flow from operating activities	-216	3

Item	TEXT	Current Period	Previous Period
	Cash flow from investing activities		
B.1.	Expenses associated with the acquisition of fixed assets		
B.2.	Income on sale of fixed assets		
B.3.	Loans and credits to related parties	-44,199	-2,000
B.***	Net cash flow from investing activities	-44,199	-2,000
	Cash flows from financial activities		
C.1.	Impact of changes in long-term and short-term liabilities that are related to financial activities (e.g. some operating loans) on cash and cash equivalents	58,150	
C.2.	Impact of changes from equity to cash and cash equivalents		2,000
C.2.1.	Increase in cash and cash equivalents resulting from increased registered capital, share premium, and reserve fund, if any, including advances for such increase (+)		2,000
C.2.2.	Payment of share in equity to partners (+)		
C.2.3.	Other deposits of partners and shareholders to equity (+)		
C.2.4.	Coverage of losses by partners (+)		
C.2.5.	Direct payments from funds (-)		
C.2.6.	Shares in profit paid including withholding tax paid in relation to such claims including the financial settlement with members of a personal unlimited company and unlimited members of a partnership (-)		
C.***	Net cash flow relating to financial activities	58,150	2,000
F.	Net increase. decrease in cash	13,735	3
R.	Cash and cash equivalents at the end of the accounting period	13,738	3

signature illegible, stamp

Prepared on: 29/03/2019		Signature of the statutory body of the accounting entity or specimen signature of the natural person who is the accounting entity
Legal form of the accounting entity joint-stock company	Scope of business Lease and management of own or leased properties	Note: <i>signature illegible</i>

Europa Investment Property CZ a.s.

Jindřišská 901/5

110 00 Prague 1 - Nové Město

Company ID No. (IČ): 066 00 204

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31/12/2018**

**EUROPA INVESTMENT PROPERTY A.S.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1 GENERAL INFORMATION

Europa Investment Property CZ a.s. (hereinafter referred to as the “Company”) was registered in the Commercial Register on 14 November 2017, its registered office is in Prague, Jindřišská 901/5, 110 00 Prague 1 - Nové Město

The Company’s business activities include the lease and management of real estate

Governing body

Ondřej Spodniak - Member of the Board

Registered capital

CZK 2,000,000

Shares

2,000 ordinary registered shares with a nominal value of CZK 1,000 per share

Sole shareholder

EUROPA PROPERTY INVESTMENT CO LTD., UK

Date of the financial statements

The financial statements were prepared on 23/03/2019.

No agreements between the shareholders establishing decision-making rights have been concluded between the shareholders and no controlling agreements have been concluded.

2 ACCOUNTING PROCEDURES

(a) Fundamental Principles of the Financial Statements

The financial statements were prepared in accordance with accounting regulations applicable in the Czech Republic, including but not limited to Decree No. 500/2002 Sb., as amended, and Czech Accounting Standards. The financial statements include figures at historical cost, adjustments are made for disputed claims and property.

(b) Tangible fixed assets

Purchased tangible fixed assets are recorded at acquisition cost which includes the purchase price of the assets and related costs.

Tangible assets with a useful life longer than 1 year and an acquisition cost exceeding CZK 40,000 per item are considered tangible fixed assets.

The depreciation plan for book depreciation of tangible fixed assets was prepared by the accounting entity in an internal regulation by basing it on the methods used to calculate tax depreciation. Book and tax depreciation are identical.

Assets, the purchase price of which does not exceed CZK 40,000 and classified as fixed assets based on the Company's decision, shall be subject to the depreciation period corresponding to the relevant asset group.

The cost of repairs and maintenance of tangible fixed assets is expensed directly.

Capital improvements of tangible fixed assets in excess of CZK 40,000 annually per one inventory number shall be included in the capital improvements for the relevant inventory number.

(c) Intangible fixed assets

Intangible assets purchased are recorded at acquisition cost.

Intangible assets with a useful life longer than 1 year and an acquisition cost exceeding CZK 60,000 per item are considered intangible fixed assets.

Intangible fixed assets are depreciated using the straight-line method based on the estimated service life of the assets ranging from 3 to 5 years.

Valuable rights are only subject to book depreciation for 180 months

(d) Long-term financial assets

Shares in companies and long-term loans are reported by the Company as long-term financial assets.

(e) Inventory

Inventories are accounted for using the method B inventory system.

Inventories picked from stock are charged at stock price.

Inventories produced in-house are valued at actual production cost including direct costs.

Purchased inventory is valued at actual purchase prices including the acquisition cost and secondary acquisition cost such as shipping, customs fees, insurance premiums etc.

(f) Receivables

Receivables are reported at nominal value, adjustments to receivables are created by the Company in accordance with the Act on Reserves.

(g) Conversion of foreign currencies

Transactions in foreign currencies are converted and booked using the CNB exchange rate valid on the transaction date.

All monetary assets and liabilities recorded in foreign currencies were converted using the exchange rate published by the Czech National Bank on the date of the financial statements. All foreign exchange gains and losses arising from the conversion of the receivables and liabilities are reported in the profit and loss statement

(h) Revenues

Revenues are booked on the invoice date and are reported exclusive of discounts and value added tax.

(i) Provisions

The Company does not create provisions.

**EUROPA INVESTMENT PROPERTY A.S.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

(j) Research and development

The Company does not perform its own research and development

(j) Supplementary pension insurance and capital life insurance

Not provided by the Company

(k) Deferred tax

The Company does not account for deferred tax

(l) Subsequent Events

No major events that would affect the accounting entity and its business activities occurred between the balance sheet date and the date of the financial statements.

**EUROPA INVESTMENT PROPERTY A.S.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3 ASSETS

The Company does not have any fixed assets

4 RECEIVABLES

Short-term

Short-term receivables include trade receivables and loans granted.

Unpaid trade receivables are not secured. No receivable is due in longer than 1 year.

5 EQUITY

Equity components:

Registered capital	CZK 200 thousand
Retained earnings from previous years	CZK 13 thousand
Profit/loss for the current reporting period	CZK -1,008 thousand

6 LIABILITIES

Short-term

Short-term liabilities include trade liabilities, advances received and other liabilities.

Trade liabilities and other liabilities were not secured with any assets of the Company and were not due in more than 1 year.

The Company does not have any overdue liabilities from social security or health insurance or any overdue liabilities owed to state institutions.

Long-term

The Company reports issued bonds in the amount of CZK 58,150 thousand as other long-term liabilities.

**EUROPA INVESTMENT PROPERTY A.S.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7 INCOME TAX

The tax base was calculated as follows:

	<u>2018</u> thous. CZK
Profit/loss before tax	-945
Non-deductible expenses	1,277
Tax base	332
Corporate income tax	63

8 CLASSIFICATION OF REVENUES

	<u>2018</u> thous. CZK
Revenues from the sale of services	30

9 LITIGATION

The Company is not aware of any pending litigation against the Company or any other potential obligations.

10 SUBSEQUENT EVENTS

No events occurred after the balance sheet data that would have a significant impact on the financial statements as at 31 December 2018.

**EUROPA INVESTMENT PROPERTY A.S.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Approval of financial statements

These financial statements were approved for submission to the General Meeting.

23 March 2019

signature illegible

Ondrej Spodniak
Member of the Board

*[Stamp: Ing. Kotrčová Martina,
Auditor, auditor license no. 1311]*