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**Best in Parking – Holding AG,**

Wien

Audit Report on the Consolidated Financial Statements  
as of **31st of December 2017**  
(Translation)

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We draw attention to the fact that the English translation of this long-form audit report according to section 273 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

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To the Members of the Management Board and the Supervisory Board of  
Best in Parking Holding AG,  
Wien

We have audited the consolidated financial statements as of 31st of December 2017 of

**Best in Parking – Holding AG, Wien,**

(referred to as "the Company")  
and report on the result of our audit as follows:

## **1 Audit Contract and Performance of the Engagement**

At the ordinary general meeting dated 17<sup>th</sup> of July 2017 of Best in Parking – Holding AG, Wien, we were elected and appointed as group auditors for the fiscal year 2017. Pursuant to section 270 par. 2 UGB (Austrian Company Code) we shall also act as group auditor, since no other auditor has been engaged as group auditor.

The Company, represented by the supervisory board, concluded an **audit contract** with us to audit the consolidated financial statements as of 31<sup>st</sup> of December 2017 and the Group management report pursuant to sections 269 et seqq. UGB (Austrian Company Code).<sup>1</sup>

The audit is a **statutory audit**.

The **audit includes** assessing whether the statutory requirements and additional provisions of the Company's articles of association were adhered to concerning the preparation of the consolidated financial statements. The Group management report is to be assessed whether it is consistent with the consolidated financial statements and whether it was prepared in accordance with the applicable legal regulations.

Concerning reporting as to article 11 of the regulation (EU) 537/2014 we refer to the separate report to the audit committee; the reporting according to article 11 of the regulation mentioned is not part of this report.

We conducted our audit in accordance with the **legal requirements and generally accepted standards on auditing** as applied in Austria. These standards require that we comply with International Standards on Auditing. An auditor conducting a group audit obtains reasonable assurance about whether the consolidated financial statements are free from material misstatement. Absolute assurance is not attainable due to the inherent limitations of any internal control system and due to the fact that an audit is based on samples, there is an unavoidable risk that material misstatements in the consolidated financial statements remain undetected. Areas which are generally covered by special engagements were not included in our scope of work.

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<sup>1</sup> A separate report is issued on the audit of the financial statements as of 31<sup>st</sup> of December 2017, which was also part of the audit contract.

In the course of our audit of the consolidated financial statements we also audited the individual financial statements included in the consolidated financial statements as to their compliance with generally accepted accounting principles and their adherence to the regulations and standards for inclusion into the consolidated statements.

Several components included in the consolidated financial statements were audited by other external auditors. We supervised their work in an appropriate manner.

We performed the audit from April 2018 to May 2018. The audit was substantially completed at the date of this report.

The **auditor partner** responsible for the proper performance of the engagement is Mr. Mag Kurt Schweighart, Austrian Certified Public Accountant.

Our audit is based on the audit contract concluded with the Company. The "General **Conditions of Contract** for the Public Accounting Professions" issued by the Austrian Chamber of Auditors and Tax Advisors (refer to Appendix VIII) form an integral part of the audit contract. These conditions of contract do not only apply to the Company and the group auditor, but also to third parties. Section 275 UGB (Austrian Company Code) applies with regard to our responsibility and liability as auditors towards the Company and towards third parties.

## **2 Summary of Audit Findings**

### **2.1 Compliance of the consolidated financial statements and of the management report**

During our audit of the consolidation and the financial statements of the components included in the consolidated financial statements we obtained evidence that the statutory requirements and the **accounting principles generally accepted in Austria** have been complied with. The individual financial statements included in the consolidated financial statements comply in all material respects with the uniform accounting policies of the parent company. As such, they represent an adequate basis for inclusion into the consolidated financial statements. The regulations and standards for inclusion into the consolidated statements have been adhered to.

In line with our risk and controls based audit approach and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub processes of the financial reporting process as part of our audit.

With regard to the compliance of the **consolidated financial statements** and of the **Group management report** with all applicable statutory requirements, we refer to our comments in the auditor's report.

## **2.2 Information provided**

The Company's legal representatives provided all evidence and explanations requested by us. We obtained a representation letter signed by the legal representatives which we included in our working papers.

## **2.3 Reporting in accordance with section 273 par. 2 (exercising the duty to report)**

During our audit of the consolidated financial statements we did not note any facts which indicate that there could be substantial doubt about the Group's ability to continue as a going concern, or which indicate a material deterioration of the Group's performance or which might indicate a material offence of the Group's legal representatives or its employees against Austrian law or the Company's Articles of Association. We did not note any material weaknesses in the internal controls over the financial reporting process.

### **3 Auditor's Report**

#### **Report on the Consolidated Financial Statements**

##### **Audit Opinion**

We have audited the consolidated financial statements of

Best in Parking – Holding AG, Wien,

and of its subsidiaries (the Group) comprising the consolidated balance sheet as of 31<sup>st</sup> of December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 31<sup>st</sup> of December 2017 and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied within the EU, and with the additional requirements of section 245a UGB (Austrian Company Code).

##### **Basis for Opinion**

We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Responsibilities of Management and Audit Committee for the Consolidated Financial Statements**

Management is responsible for the preparation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied within the EU, and with the additional requirements of section 245a UGB (Austrian Company Code) for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### **Comments on the Management Report for the Group**

Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

### Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements and is consistent with the consolidated financial statements.

### Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

Wien, 25<sup>th</sup> of May 2018

LeitnerLeitner Audit Partners GmbH  
Wirtschaftsprüfer

Kurt Schweighart  
Austrian Certified Public Accountant

Eva-Maria Schlitzer  
Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the group financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 par. 2 UGB (Austrian Company Code) applies to alternated versions.



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# Best in Parking - Holding AG

Consolidated Financial Statements as of 31 December 2017

Best in Parking - Holding AG  
Schwarzenbergplatz 5 / 7.1  
A-1030 Vienna  
Company register no.: 284389 – Court of Vienna  
Office: Vienna  
VAT - No.: ATU 66095922

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# **APPENDIX I**

# Consolidated Balance Sheet

(in thousands of EUR)	Notes	31 Dec. 17	31 Dec. 16
<b>ASSETS</b>			
Property, plant and equipment	(7)	443,615	335,805
Intangible assets including goodwill	(7)	97,716	66,397
Equity-accounted investments	(8)	28,900	34,134
Other financial assets	(9)	3,091	4,534
Deferred tax assets	(10)	13	4,969
<b>Non-current assets</b>		<b>573,334</b>	<b>445,839</b>
Inventories	(11)	7,954	6,193
Other receivables	(12)	15,784	15,646
Income tax receivables		169	59
Securities	(13)	4,874	7,112
Cash and cash equivalents	(14)	126,128	117,296
<b>Current assets</b>		<b>154,909</b>	<b>146,306</b>
<b>TOTAL ASSETS</b>		<b>728,244</b>	<b>592,145</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1,000	1,000
Capital reserves		151,207	151,207
Retained earnings		44,676	14,977
Other reserves		-209	-176
<b>Equity attributable to shareholders of the company</b>		<b>196,674</b>	<b>167,008</b>
Non-controlling interests		7,318	6,304
<b>Total equity</b>	(15)	<b>203,992</b>	<b>173,312</b>
Bonds and promissory notes	(16)	249,643	170,745
Other financial liabilities	(17)	189,067	166,449
Provisions for employee benefits		855	858
Other liabilities	(18)	34,803	37,504
Deferred tax liabilities	(10)	20,676	16,384
<b>Non-current liabilities</b>		<b>495,044</b>	<b>391,939</b>
Other financial liabilities	(17)	15,723	10,569
Current tax liabilities		119	79
Current provisions	(18)	1,365	549
Other liabilities	(19)	10,744	14,460
Deferred income	(20)	1,257	1,237
<b>Current liabilities</b>		<b>29,208</b>	<b>26,894</b>
<b>Total liabilities</b>		<b>524,252</b>	<b>418,833</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>728,244</b>	<b>592,145</b>

## **APPENDIX II**

# Consolidated Income Statement

(in thousands of EUR)	Notes	2017	2016
Revenue	(21)	61,803	56,957
Other operating income	(22)	1,314	4,125
<b>Total revenue</b>		<b>63,117</b>	<b>61,082</b>
Operating expenses	(23)	-22,054	-21,785
Personnel expenses	(24)	-10,767	-9,261
<b>EBITDA</b>		<b>30,295</b>	<b>30,036</b>
Depreciation and amortisation	(7)	-13,357	-11,977
Share of profit or loss of equity-accounted investments		1,762	2,776
<b>EBIT (operating profit)</b>		<b>18,700</b>	<b>20,836</b>
Financial income	(26)	31,862	9,832
Financial expense	(27)	-18,259	-16,399
<b>Profit before tax</b>		<b>32,303</b>	<b>14,269</b>
Income tax expense	(10)	-2,359	-347
<b>Profit for the year</b>		<b>29,944</b>	<b>13,922</b>
<b>Attributable to:</b>			
Shareholders of the company		29,699	13,816
Non-controlling interests		245	106
<b>Profit for the year</b>		<b>29,944</b>	<b>13,922</b>

## **APPENDIX III**



# Consolidated Statement of Comprehensive Income

(in thousands of EUR)	2017	2016
<b>Profit for the year</b>	<b>29,944</b>	<b>13,922</b>
<b>Items that will be reclassified to profit or loss</b>		
Foreign currency translations	-575	-11
Hedging	557	-283
Effect of income taxes	-134	48
Share of other comprehensive income of equity-accounted investments	151	22
Effect of income taxes	-36	-31
<b>Other comprehensive income for the year after tax</b>	<b>-37</b>	<b>-256</b>
<b>Total comprehensive income</b>	<b>29,907</b>	<b>13,666</b>
<b>Attributable to:</b>		
Shareholders of the company	29,666	13,560
Non-controlling interests	241	106
<b>Total comprehensive income</b>	<b>29,907</b>	<b>13,666</b>

## **APPENDIX IV**

# Consolidated Cash Flow Statement

(in thousands of EUR)	Notes	2017	2016
<b>Profit for the year</b>		<b>29,944</b>	<b>13,922</b>
<i>Adjustments to reconcile profit for the year to net cash from operating activities excluding interest and taxes paid :</i>			
Income tax expense	(10)	2,359	347
Depreciation and amortization of property, plant and equipment, and intangible assets	(7)	13,355	11,977
Gains (losses) from disposals of property, plant and equipment, and intangible assets		-78	2
Investment grants received		397	0
Proceeds from the sale of companies		0	-7,734
Financial income	(26)	-7,994	-2,098
Financial expense	(27)	18,259	16,399
Share of profit (loss) of other investments		-1,762	-2,776
Income from step acquisition		-23,867	0
Other income from initial consolidation		-1,126	-1,560
Other non-cash adjustments		-3,110	-2,858
<b>Net cash from profit</b>		<b>26,377</b>	<b>25,620</b>
<i>Changes in working capital:</i>			
Inventories		-801	-55
Other receivables and current assets		1,490	58
Trade liabilities		2,681	-1,033
Provisions, other liabilities and deferred income		-507	2,651
<i>Changes in working capital</i>		<i>2,863</i>	<i>1,621</i>
<b>Cash flow from operating activities excluding interest and taxes paid</b>		<b>29,240</b>	<b>27,240</b>
Income taxes paid		-1,492	-1,379
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>27,748</b>	<b>25,862</b>
Proceeds from the disposal of property, plant and equipment and intangible assets		134	0
Proceeds from the sale of companies		0	10,789
Payments for property, plant and equipment, and intangible assets (incl. Payments on account; less government grants received)		-39,301	-21,128
Payments for acquisition of companies or other business entities, net of cash and cash equivalents acquired		-51,190	-26,612
Proceeds and payments for other financial assets		3,681	-2,019
Dividends received		2,846	2,775
Interest received		853	692
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>-82,977</b>	<b>-35,503</b>
Interest paid		-9,987	-8,294
Proceeds from interest-bearing financial liabilities		91,516	170,745
Repayments of interest-bearing financial liabilities and finance lease liabilities		-17,292	-60,814
Dividends paid to non-controlling shareholders		-174	-87
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>64,062</b>	<b>101,550</b>
Net increase / decrease in cash and cash equivalents		<b>8,832</b>	<b>91,908</b>
Cash and cash equivalents at the beginning of the financial year		<b>117,296</b>	<b>25,388</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>126,128</b>	<b>117,296</b>

## **APPENDIX V**

# Statement of Changes in Equity

2017		Equity attributable to shareholders of the company					Non- controlling interests	Total equity
(in thousands of EUR)	Notes	Share capital	Capital reserves	Other reserves	Total			
<b>31.12.2016</b>		<b>1,000</b>	<b>151,207</b>	<b>14,801</b>	<b>167,008</b>	<b>6,304</b>	<b>173,312</b>	
+/- Profit for the year		0	0	29,699	<b>29,699</b>	245	<b>29,944</b>	
+/- Other comprehensive income		0	0	-33	<b>-33</b>	-4	<b>-37</b>	
<b>+/- Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>29,666</b>	<b>29,666</b>	<b>241</b>	<b>29,907</b>	
+/- Dividends					0	-174	<b>-174</b>	
+/- Changes in consolidated companies					0	947	<b>947</b>	
<b>31.12.2017</b>	<b>(15)</b>	<b>1,000</b>	<b>151,207</b>	<b>44,467</b>	<b>196,674</b>	<b>7,318</b>	<b>203,992</b>	

2016		Equity attributable to shareholders of the company					Non- controlling interests	Total equity
(in thousands of EUR)	Notes	Share capital	Capital reserves	Other reserves	Total			
<b>31.12.2015</b>		<b>1,000</b>	<b>151,207</b>	<b>1,083</b>	<b>153,290</b>	<b>6,740</b>	<b>160,030</b>	
+/- Profit for the year		0	0	13,816	<b>13,816</b>	106	<b>13,922</b>	
+/- Other comprehensive income		0	0	-256	<b>-256</b>	0	<b>-256</b>	
<b>+/- Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>13,560</b>	<b>13,560</b>	<b>106</b>	<b>13,666</b>	
+/- Dividends		0	0	0	0	-87	<b>-87</b>	
+/- Changes in non- controlling interests		0	0	158	<b>158</b>	-455	<b>-297</b>	
<b>31.12.2016</b>	<b>(15)</b>	<b>1,000</b>	<b>151,207</b>	<b>14,801</b>	<b>167,008</b>	<b>6,304</b>	<b>173,312</b>	

## **APPENDIX VI**

# Notes

## (1) BASIC INFORMATION ON THE REPORTING ENTITY

The group around Best in Parking- Holding AG ("Best in Parking group"), with headquarters in Vienna, net revenues of EUR 62.0m (compared to 2016: + 9%), total revenues of EUR 63.0m (compared to 2016: + 3%) and an EBITDA of EUR 30.3m (compared to 2016: + 1%), is a dynamically growing enterprise with its main focus on parking space management.

The two most important markets of the group, which has 200 employees, are Austria and Italy. In 2005 the company added a location in Switzerland (Locarno).

In 2016 the Slovak market was entered by acquiring a location in Bratislava. In 2017, expansion into Croatia began with the acquisition of a central location in Zagreb, which will be successfully continued in 2018.

As of 31 December 2017, the group manages a total of 60,400 (2016: 56.292) parking spaces at 134 (2016: 126) different locations in Austria (79 locations, 25,500 spaces), Italy (52 locations, 34,000 spaces), Switzerland (1 location with 372 spaces), in Slovakia (1 location with 163 spaces) and Croatia (1 location with 292 spaces).

The group has a portfolio of locations including city-centre sites, sites near hospitals, hotels, shopping centres, trade fairs, transport hubs (park & ride and park & rail) as well as on- street parking sites.

With a share in group revenues of about 36%, Vienna is the most important market within the group.

The group covers the full range of the value-added chain in the sector, with planning, constructing, financing and managing parking space (DesignBuildFinanceOperate- DBFO model). Besides 77 locations that are managed based on building leases and licenses, it also has 14 locations on its own properties. In order to achieve economies of scale, the group also manages 24 parking garages leased/rented on a long-term basis. With the same intention, it is also active in the management of third-party garages at 19 locations.

Best in Parking- Holding AG owns 100% of the shares in all five regional intermediate holding companies in Austria (TGP-Beteiligungs GmbH), Italy (Parcheggi Italia SpA), Switzerland (Autosilo Piazza Castello SA), Slovakia (Best in Parking – Slovakia s.r.o.) and Croatia (Best in Parking d.o.o.), as well as 100% of the shares in Best in Parking- Konzernfinanzierungs GmbH. Under the regional intermediate holding companies, the respective operative subsidiaries are bundled.

Best in Parking- Holding AG is responsible for the strategic control of the group in the regional markets (countries). This takes place by means of a clear, unified, centrally controlled and supervised management of the locations, irrespective of their geographical position. The country holding companies are in charge of the operative regional management of the individual locations in their allocated geographical area of responsibility.

The liquidity management of the Best in Parking group is handled centrally by Best in Parking-Holding AG. For this, it partly makes use of Best in Parking- Konzernfinanzierungs GmbH, whose business is financial management, in particular giving advice on investing and raising money on the capital market, and providing advice on concentrating the payment flows of Best in Parking-Holding AG as well as its direct and indirect investment companies.

On 2 February 2016, Best in Parking- Konzernfinanzierungs GmbH issued a 3.375% fixed interest rate EUR corporate bond (ISIN: AT0000A1HQ07) for EUR 90,000,000 with a maturity of seven years (2/2016- 2/2023). Payments from this bond are irrevocably and unconditionally guaranteed by Best in Parking- Holding AG.

On 8 April 2016, Best in Parking- Konzernfinanzierungs GmbH increased the above-mentioned EUR bond by EUR 10,000,000 to EUR 100,000,000. Best in Parking- Holding AG in this context extended its unconditional and irrevocable guarantee.

On 23 May 2016, Best in Parking- Konzernfinanzierungs GmbH once again increased the above-mentioned EUR bond by EUR 20,000,000 to EUR 120,000,000. Best in Parking- Holding AG in this context extended its unconditional and irrevocable guarantee.

## **(2) BASIS OF PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS**

### **Basis of accounting and statement of compliance**

The consolidated financial statements of Best in Parking- Holding AG and its subsidiaries have been prepared in compliance with § 245 a UGB in accordance with the International Financial Reporting Standards (hereinafter: IFRS) and their interpretations as issued by the International Accounting Standards Board (“IASB”), and as to be applied in the European Union. The additional requirements of § 245 a paragraph 1 UGB have been met.

The consolidated financial statements have been prepared on the basis of historical costs, with the exception of certain items such as derivative financial instruments.

These consolidated financial statements refer to the period from 1 January to 31 December 2017 and have been prepared by the management board of Best in Parking- Holding AG and signed on 25 May 2018.

### **Functional and presentation currency**

These consolidated financial statements are presented in euro, which is the company’s functional currency. All amounts have been rounded to the next thousand, unless otherwise indicated. In doing so, minor rounding differences may occur when adding up sums due to commercial rounding. The percentages shown have been calculated on the basis of the respective amounts in thousands of euro.



### Adoption of new and amended standards

The following amendments to existing IASs, IFRSs and interpretations, and the following newly issued standards and interpretations, insofar as they had been published in the Official Journal of the European Union up to 31 December 2017 and had come into effect by this date, were used in the preparation of the consolidated financial statements:

Revised standards	Content	Effective
IAS 7	Disclosure Initiative	2017
IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses	2017

The above provisions were applied in full, insofar as they were applicable. This did not, however, have any significant impact on the presentation of the assets, financial position and results of operations.

In addition, as at 31 December 2017, the following new and amended standards had been endorsed by the EU, but were not mandatory for the 2017 financial year:

New standards	Content	Effective
IFRS 9	Financial Instruments	2018
IFRS 15	Revenue from contracts with customers, including change to the initial effective date	2018
IFRS 15	Revenue from contracts with customers - Clarifications	2018
IFRS 16	Leases	2019
Revised standards	Content	Effective
IFRS 4	Applying IFRS 9 financial instruments with IFRS 4 insurance contracts	2018

Furthermore, the following new or amended standards and interpretations had been published by the IASB as at 31 December, but not yet endorsed by the EU:

New standards	Content	Effective
IFRS 17	Insurance contracts	2021
Revised standards	Content	Effective
IAS 28	Long-term interests in associates and joint ventures	2019
IAS 40	Transfers of investment property	2018
IFRS 2	Classification and measurement of share-based payment transactions	2018
IFRS 9	Prepayment features with negative compensation	2019
AIP	Annual improvements to IFRS standards 2014 – 2016 cycle	2017/2018
AIP	Annual improvements to IFRS standards 2015 – 2017 cycle	2019
New interpretations	Content	Effective
IFRIC 22	Foreign currency transactions and advance consideration	2018
IFRIC 23	Uncertainty over income tax treatments	2019

The newly applicable standards IFRS 9, IFRS 15 and IFRS 16 are outlined below:

The application of IFRS 9 “Financial Instruments” will alter the classification and measurement of financial instruments. This change is only expected to result in minor changes in the amounts presented because the basic valuation methods used by the Group will not alter significantly.

Since IFRS 9 introduces a principle-based approach, as a rule more hedge relationships can be considered for hedge accounting. It is assumed that the Group's present hedge relationships will qualify for continuation of the hedge relationship when IFRS 9 is adopted. Therefore, the Group does not expect any significant impact on its financial reporting.

IFRS 15 “Revenue from Contracts with Customers” replaces the present provisions on revenue recognition, including IAS 18 “Revenue”, IAS 11 “Construction Contracts” and IFRIC 13 “Customer Loyalty Programmes”. The core principle of IFRS 15 is that an entity should recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the performance obligation(s), i.e. the transfer of goods or the provision of services. The new 5-step model will be used to determine the amount of revenue and whether it is recognized at a point in time or over a period of time. The group does not expect any effects on accounting due to IFRS 15.

IFRS 16 “Leases” sets out the principles for the recognition, measurement, presentation and disclosure of leases in financial statements. The standard provides a single model for the recognition of leases by lessees. This requires that lessees recognise all assets and liabilities from leases in the balance sheet unless they relate to a period of 12 months or less or the underlying asset is low value.

The standard will mainly affect the reporting of operating leases where the Group is a lessee. The Group has not yet conclusively determined the extent to which such leases will result in recognition of an asset and a corresponding liability. However, it can be assumed that it will result in a significant change to the balance sheet, which will in turn affect many financial indicators (e.g. a reduction in the equity ratio).

### **(3) PRINCIPLES OF ACCOUNTING**

The significant accounting policies applied in the group are described in the respective notes.

#### **Principles and methods of consolidation**

The consolidated financial statements include Best in Parking- Holding AG (“the company”) as well as its subsidiaries, joint ventures and associated companies.

#### **Subsidiaries**

These are all companies that are controlled by the group. According to IFRS 10, the group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investment and has the ability to affect those returns through its power over the investment. This is generally the case when the share in voting rights exceeds 50%. When assessing whether there is control, the existence and effect of potential voting rights that can currently be exerted or converted is taken into account. The group checks for the existence of such control also if it holds less than 50% of the voting rights. The Best in Parking group holds a majority of shares or voting rights in all controlled entities. There are no additional agreements opposing this control.

Subsidiaries will be fully consolidated from the date onwards on which control has passed to the group. They will be deconsolidated on the date the group’s control ends.

Changes in the group’s ownership interests in subsidiaries that do not result in the loss of control over these subsidiaries are accounted for as equity transactions and thus have no effect on the consolidated income statement.

Non-controlling interests include the share of group-external members in the identifiable net assets at the acquisition date and in the total profit for the year of the group’s subsidiaries. They are presented separately within equity.

Effects from group-internal transactions are completely eliminated.

#### **Stakes in equity-accounted investments**

The consolidated financial statements of Best in Parking- Holding AG at the end of the business year include 7 (previous year: 11) investments in joint ventures and 6 (previous year: 8) investments in associates that are accounted for using the equity method.

Associates are companies over which the group has significant influence, but no control or joint control regarding financial and business policy. In case of a joint venture, there is a contractual arrangement through which the group exerts joint control with one or more parties.

Such joint control only exists if the decisions related to this business activity require the unanimous agreement of the parties involved in joint control. The parties that have joint control have rights to the net assets of the arrangement, instead of rights to its assets and obligations.

Investments in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. After the initial recognition, the consolidated financial statements show the group's share of the comprehensive income of the equity-accounted investments until the date the significant influence or joint control ends.

Unrealised gains from transactions with companies accounted for using the equity-method, are derecognised against the investment in the amount of the group's share in the investment. Unrealised losses are eliminated in the same manner as unrealised gains, though only if there is no indication of impairment.

### Foreign currency translation

According to IAS 21, the financial statements included in the consolidated financial statements that have been prepared in foreign currencies are converted into euro following the concept of the functional currency. For all companies, this is the respective national currency, as the companies run their business independently from a financial, economic and organisational point of view. Assets and liabilities are converted using the exchange rate at the end of the reporting period. Income and expenses are converted using the average exchange rate for the business year.

Equity is measured using the historical exchange rate. Foreign exchange translation differences are recorded directly in equity, in the foreign currency translation reserve.

In the separate financial statements of the consolidated companies, foreign exchange transactions are converted into the respective functional currency of the company using the exchange rate on the date of the transaction. Foreign exchange gains or losses from the translation on the transaction date and at the end of the reporting period are generally recorded in the consolidated income statement.

Translation differences from monetary items that are part of a net investment in a foreign operation are initially recognized as a separate component of equity and only recognized in income upon the intended redemption or disposal of the net investment.

The exchange rates of countries outside the eurozone used for currency translation have developed as follows:

		Exchange rate at 31 December 2017	Exchange rate at 31 December 2016	Annual average exchange rate 2017	Annual average exchange rate 2016
Country:	Currency:	1 EUR =	1 EUR =	1 EUR =	1 EUR =
Switzerland	CHF	1.1702	1.0739	1.1117	1.0902
Croatia	HRK	7.4400	7.5597	7.4637	7.5333

## **Business combinations**

Newly acquired subsidiaries and business units are accounted for using the acquisition method. The consideration transferred on acquisition, as well as the acquired identifiable net assets, is generally measured at fair value. Any resulting goodwill is checked for impairment every year (see note (7)). Interests of non-controlling members in the acquired company are recognised based on the pro rata share of the net assets of the acquired company.

Any gain resulting from a bargain purchase (badwill) is directly recorded in profit or loss (see note (22)). Transaction costs are immediately recognised as expense, as long as they are not connected with the issue of bonds or equities.

The consideration transferred does not include any amounts related to the settlement of a pre-existing relationship. Such amounts are generally recorded in profit or loss.

Any contingent consideration obligation is measured at fair value on the acquisition date. If the contingent consideration is classified as equity, it is not newly measured and any settlement is recognised in equity. Otherwise, other contingent considerations are measured at fair value at the end of every reporting period and later changes in the fair value of the contingent considerations are recorded in profit or loss.

## **(4) JUDGEMENTS, ASSUMPTIONS AND ESTIMATES**

In preparing the consolidated financial statements in accordance with the generally accepted accounting policies under IFRS, estimates and assumptions are made that influence the amount and the disclosure of the assets and liabilities accounted for, the disclosed contingent assets and liabilities, as well as the earnings and expenses reported during the reporting period. Actual results may differ from these estimates and assumptions. Estimates and assumptions are checked continuously and revisions are recognised prospectively.

The consolidated financial statements contain the following major items, whose measurement depends significantly on the underlying assumptions and estimates:

### **Useful life of non-current assets**

Property, plant and equipment and acquired intangible assets are recognised at cost and depreciated on a straight-line basis over the respective useful life. When determining the useful life, factors such as wear and tear, age, technical standards, duration of the contract and changes in demand are taken into account. Changes in these factors may result in a reduction of the useful life of an asset. In this case, the remaining book value would be depreciated over the remaining shorter useful life, which will result in higher annual depreciation amounts (see note (7)).

### **Accounting for acquisitions**

As a result of acquisitions, goodwill is recognised in the consolidated balance sheet. When an acquisition is consolidated for the first time, all identifiable assets, liabilities and contingent liabilities are recognised at fair value on the acquisition date. These are generally based on the prognosis of total expected future cash-flows and are closely connected to the management's assumptions regarding the future development of the respective assets, as well as the underlying developments of the discount rate to be applied (see note (7)).

### **Impairment of assets**

In the annual impairment test, any goodwill is checked for impairment. In addition, non-current assets are checked for impairment as soon as events or changed circumstances indicate that the carrying amount of an asset or group of assets might exceed the recoverable amount. In this test, the measurement of non-current assets is based also on corporate planning regarding market- or company-specific discount rates, expected growth rates and gross margins/cost development. Assumptions made in this context can be subject to changes that might result in impairment in future periods (see note (7)).

### **Income taxes**

The group operates in several countries and is thus subject to various tax jurisdictions and tax laws. Determining the group-wide tax liabilities requires substantial assessments, which might make the actual outcome of such tax imponderability diverge from the initial estimate and might have effects on tax liabilities and deferred taxes (see note (10)).

### **Recognition of deferred tax assets**

Deferred taxes are calculated on the basis of those tax rates that are valid at the end of the reporting period or that have basically been legally adopted and are expected to have become effective by the time of recognition of the deferred tax asset or the settlement of the deferred tax liability, as well as on the basis of estimating the future earnings capacity for tax purposes. Potential changes in tax rates, or future results for tax purposes that diverge from the assumptions made, may make the recognition of deferred tax assets unlikely and the respective assets may have to be impaired (see note (10)).

### **Other provisions**

Recognition and measurement of other provisions is based on the best estimate of the probability of the future outflow of resources, as well as on experience and the circumstances known at the end of the reporting period. The actual outflow of resources can thus differ from the amount of the provision recognised at the end of the reporting period (see note (18)).

### **Legal risks**

The Best in Parking group is not currently involved in any significant litigation.

The management regularly analyses all current information and, if required, makes provisions for probable obligations including estimated legal costs. Taking into account all available information, the group assumes that no litigation or claims will have a significant influence on its financial position or the consolidated results.

However, as publishing specific probabilities of such events happening could seriously prejudice the group's position in any potential court proceedings or other litigation, no detailed quantification of legal risks is made.

## (5) DISCLOSURES ABOUT FINANCIAL INSTRUMENTS

### (a) Classification and measurement of financial instruments

Financial instruments include financial assets and financial liabilities and are classified into different categories for accounting purposes, which determine the method of subsequent measurement and thus also the types of the resulting income and expenses. Below, the financial instruments are allocated to the individual categories and measurement methods. Then, it is shown which carrying amounts contained in the balance sheet fall into the respective categories. Finally, there it will be shown which income and expenses arise from the different categories.

The financial assets of the group include other financial assets, accounts receivable, securities (except for certain items that are no financial instruments, such as receivables concerning taxes and charges), cash and cash equivalents.

Category	Measurement
At fair value through profit or loss, e. g. derivatives	At fair value through profit or loss
Held-to-maturity investments, e. g. bonds	At amortized cost
Available-for-sale financial assets, e. g. available-for-sale securities	At fair value through other comprehensive income
Loans and receivables, e. g. trade receivables, loans	At amortized cost

Financial assets held for trading are measured at fair value through profit or loss. A financial asset is assigned to this category if it was generally acquired with the intention to be sold in the short run. Derivatives also fall into this category as long as they are not used for hedging purposes.

Financial assets are classified as financial investments held to maturity if they have a fixed maturity, the redemption of the investment is not in danger, and the group is willing and able to hold the asset until maturity.

Loans and receivables are financial assets with fixed or determinable payments not listed on an active market.

Financial assets in the category “measured at fair value through profit or loss” are initially recognised at their fair value plus transaction costs. Financial assets in this category are initially recognised at their fair value; related transaction costs are recognised in profit or loss. Financial assets are derecognised if the rights to payments from the financial assets have expired or have been transferred and the group has substantially transferred all the risks and rewards of ownership of the financial asset.

Financial assets have to be checked for any objective evidence of impairment at the end of each reporting period. Financial assets or a group of financial assets are impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the expected future cash flows from financial asset or a group of financial assets the net investment that can be reliably estimated.

Objective evidence includes, for instance, significant financial difficulty of the debtor or issuer, a breach of contract, such as a default or delinquency in payments or the disappearance of an active market. In the case of equity instruments classified as financial assets available for sale, a significant or prolonged decline in the fair value of the equity instrument below its cost is also seen as an indicator for the equity instruments' impairment.

In the "loans and receivables" category, the amount of the loss from the difference between the asset's carrying value and the present value of the expected future cash flows (with the exception of future, not yet realised credit losses) is determined – discounted at the financial asset's original effective interest rate. The carrying value of the asset is reduced and the loss is recognised in profit or loss.

If in a subsequent period the amount of the impairment loss decreases, and this decrease results from events happening after the initial recognition of the impairment (for instance, a better rating), the reversal of the impairment loss is recognised in profit or loss.

If for a financial instrument of the "available for sale" category there is objective evidence of impairment, the cumulative loss – measured as the difference between cost and the current fair value, minus any impairment losses recognised earlier in respect of this asset – is derecognised in equity and recognised in the income statement. Once impairment losses of equity instruments are recognised in the income statement, they are not reversed in profit or loss. If in a subsequent period the fair value of a debt instrument that has been classified as available for sale increases, and this increase results from events happening after the initial recognition of the impairment, the reversal of the impairment loss is recognised in profit or loss.

The financial liabilities of the group include interest-bearing financial liabilities including finance leases, accounts payable, other liabilities (except for certain items that are no financial instruments, such as tax liabilities and other charges) as well as derivative financial instruments with a negative balance.

Financial liabilities are classified and measured as follows:

Category	Measurement
At fair value through profit or loss, e. g. derivatives	At fair value through profit or loss
Other financial liabilities, e. g. financial liabilities, trade liabilities	At amortized cost



Financial liabilities that have been measured at fair value through profit or loss are initially recognised at their fair value, while transaction costs are recorded in expenses. Other financial liabilities are initially recognised at their fair value after deducting transaction costs. In subsequent periods, financial liabilities are either measured at amortised cost using the effective interest method or at their fair value in profit or loss.

The following table shows to which categories the financial assets included in the balance sheet are assigned, as well as the methods used to measure these financial instruments:

	Financial assets measured at fair value through profit and loss	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Total
	At fair value	At amortized cost			
(in thousands of EUR)					
<b>Carrying amount at 31 December 2017</b>					
Other financial assets	0	3,091	0	0	3,091
Other receivables	0	0	0	10,264	10,264
Securities	4,874	0	0	0	4,874
Cash and cash equivalents	0	0	0	126,128	126,128
<b>Total</b>	<b>4,874</b>	<b>3,091</b>	<b>0</b>	<b>136,392</b>	<b>144,357</b>
(in thousands of EUR)					
<b>Carrying amount at 31 December 2016</b>					
Other financial assets	0	4,534	0	0	4,534
Other receivables	0	0	0	12,795	12,795
Securities	7,112	0	0	0	7,112
Cash and cash equivalents	0	0	0	117,296	117,296
<b>Total</b>	<b>7,112</b>	<b>4,534</b>	<b>0</b>	<b>130,091</b>	<b>141,737</b>

The following table shows to which categories the financial liabilities included in the balance sheet are assigned, as well as the methods used to measure these financial instruments:

	Financial liabilities measured at fair value through profit and loss	Other financial liabilities	Total
	At fair value	At amortized cost	
(in thousands of EUR)	<b>Carrying amount at 31 December 2017</b>		
Bonds and promissory notes	0	249,643	249,643
Other financial liabilities	0	204,790	204,790
Other liabilities	34,845	8,213	43,058
<b>Total</b>	<b>34,845</b>	<b>462,646</b>	<b>497,491</b>
(in thousands of EUR)	<b>Carrying amount at 31 December 2016</b>		
Bonds and promissory notes	0	170,745	170,745
Other financial liabilities	0	177,018	177,018
Other liabilities	41,422	8,852	50,274
<b>Total</b>	<b>41,422</b>	<b>356,614</b>	<b>398,036</b>

The following table shows the types of income and expenses arising from financial assets ordered by category and measurement method:

	Financial assets measured at fair value through profit and loss				Total
	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables		
	At fair value	At amortized costs			
(in thousands of EUR)					
<b>Income and expenses 2017</b>					
<b>In profit for the year</b>					
Interest / dividends received	86	761	0	0	847
Changes in fair value / carrying amount	-4	0	0	76	72
<i>thereof impairment</i>	0	0	0	76	76
<b>In other comprehensive income</b>					
Changes in fair value	0	0	0	0	0
<b>Net profit/loss</b>	<b>82</b>	<b>761</b>	<b>0</b>	<b>76</b>	<b>919</b>

(in thousands of EUR)					
<b>Income and expenses 2016</b>					
<b>In profit for the year</b>					
Interest / dividends received	91	761	0	0	852
Changes in fair value / carrying amount	-500	0	0	-87	-587
<i>thereof impairment</i>	0	0	0	-87	-87
<b>In other comprehensive income</b>					
Changes in fair value	0	0	0	0	0
<b>Net profit/loss</b>	<b>-409</b>	<b>761</b>	<b>0</b>	<b>-87</b>	<b>265</b>

The following table shows the types of income and expenses arising from financial liabilities ordered by category and measurement method:

	Financial liabilities measured at fair value through profit and loss	Other financial liabilities	Total
	At fair value	At amortized cost	
<b>(in thousands of EUR)</b>			
<b>Income and expenses 2017</b>			
<b>In profit for the year</b>			
Interest	-3,868	-14,159	-18,027
Interest expense according to the effective interest rate method	0	-297	-297
Interest income according to the effective interest rate method	0	70	70
Fair value / Carrying amount changes	7,142	0	7,142
<b>Net profit/loss</b>	<b>3,274</b>	<b>-14,386</b>	<b>-11,112</b>
<b>(in thousands of EUR)</b>			
<b>Income and expenses 2016</b>			
<b>In profit for the year</b>			
Interest	-3,810	-11,633	-15,443
Interest expense according to the effective interest rate method	0	-477	-477
Interest income according to the effective interest rate method	0	21	21
Fair value / Carrying amount changes	1,247	0	1,247
<b>Net profit/loss</b>	<b>-2,563</b>	<b>-12,089</b>	<b>-14,652</b>

## (b) Derivates

Derivative instruments are within the Best in Parking group only used for hedging interest rate risk. The interpretation of market information required for determining market values sometimes calls for subjective assessments at the respective measurement date. Therefore, the amounts listed here may diverge from those later realised in the market.

The derivative financial instruments shown here are various interest-rate hedging transactions in the form of swaps, caps and floors, which hedge floating-rate long-term loans against interest rate increases.

The derivative instruments have remaining maturities of between 3 and 15 years. The market values of the financial instruments are measured by the banks and as of 31 December 2017 and 31 December 2016 were as follows:

### Derivative financial instruments 2017

(in thousands of EUR)	Term of maturity	Currency	Reference value (in thousands of EUR)	Fair value (in thousands of EUR)
Zinsswaps <sup>1)</sup>	2025	EUR	95.000	-28.259
Interest rate swap	2032	EUR	22.700	-2.582
CAP	2020	EUR	20.000	1
Digital interest rate Floor	2020	EUR	20.000	-854
Floor	2020	EUR	20.000	-1.952
Interest rate swap	2027	EUR	8.680	-1.105
Interest rate swap	2023	EUR	633	-94
<b>Total</b>				<b>-34.845</b>

<sup>1)</sup> In this position, two interest rate swap transactions with the same residual term are summarized.

### Derivative financial instruments 2016

(in thousands of EUR)	Term of maturity	Currency	Reference value (in thousands of EUR)	Fair value (in thousands of EUR)
Zinsswaps <sup>1)</sup>	2025	EUR	105.000	-34.378
Interest rate swap	2032	EUR	22.700	-3.098
CAP	2020	EUR	20.000	10
Digital interest rate Floor	2020	EUR	20.000	-1.135
Floor	2020	EUR	20.000	-2.685
Interest rate swap	2023	EUR	633	-136
<b>Total</b>				<b>-41.422</b>

<sup>1)</sup> In this position, two interest rate swap transactions with the same residual term are summarized.

For those interest-rate hedging transactions that at the end of the reporting period show a negative market value, under the item of "other liabilities" a liability has been included.

### **(c) Financial risk management**

In order to monitor the financial risks across the group, as well as to broadly contain and hedge these, the board started to implement an effective set of rules in the form of guidelines at the end of 2016. These clearly define the objectives for protecting wealth, the removal of security flaws, the increased efficiency in detecting and analysing risks and the respective organisational design, as well as responsibilities and competences. Guiding principles include system security, separation of functions, transparency and immediate documentation. As a group that is active across several countries, the Best in Parking group, in the course of its normal business activity, is continuously exposed to currency risks, interest rate risks, credit risks and liquidity risks. The objective of financial risk management is to reduce these risks by adequately using derivative and non-derivative hedging instruments.

#### **Credit and default risk**

The Best in Parking group, in its business dealings with third parties, is generally exposed to credit and default risk that can arise from both the operative business and financial investments, due to the potential infringement or breach of contract of a party. The creditworthiness of potential customers is checked before any contract is signed on the basis of both an internal and an external risk analysis. Additionally, an active receivables management is in use. Apart from the local supervision by the respective subsidiary, the Best in Parking- Holding AG monitors the most important credit risks also on the group level in order to detect a potential accumulation of risks early and to be able to control these appropriately.

As the trade receivables consist of claims against a great number of customers from various industries and regions, there is no concentration of risks. Specific credit risks are handled through possible impairment. Credit risks also derive from financial investments, for instance by putting money in bank accounts or securities and the positive fair value of derivatives.

In order to reduce credit risks in the course of financial investments and direct depreciation in derivatives trading, these transactions are only concluded with renowned financial institutions, whose creditworthiness has been assessed as safe through an investment-grade rating and which are constantly monitored.

The maximum credit risk of financial assets is limited to their carrying amount.

#### **Liquidity risk**

Liquidity risks arise for the Best in Parking group when debts cannot be paid due to insufficient availability of liquid assets. Managing the liquidity risk is the task of the central unit Treasury & Corporate Finance. On the basis of multi-year financial planning, as well as a rolling quarterly liquidity plan, liquid assets are planned and credit lines controlled. With the aim of optimising the use of liquid assets and the use of loans within the Best in Parking group and in order to reduce liquidity risks, the Best in Parking group will also in future use various funding instruments in order to diversify its sources of funding and to straighten out the profile of maturities so that they match.

In addition, the effects of potential risk scenarios on liquidity development are simulated. This takes into account all information coming from the internal risk management, as well as internal and external information on potential market risks and any other external risks. Based on this, the board has established internal guidelines on to what extent liquid assets and long-term credit lines have to be held and maintained in order to cover potential liquidity risks.

The following table shows the interest-bearing financial liabilities by their respective maturities, based on the residual maturity at the end of the reporting period and the maturity agreed on in the contract.

(in thousands of EUR)	Up to 3 months	3 months up to 1 year	2-5 years	Over 5 years
<b>Balance at 31 December 2017</b>				
Bonds and promissory notes	0	0	15,792	233,851
Other financial liabilities	5,710	9,997	38,327	150,740
Derivates of the trading portfolio	0	0	0	34,751
<b>Balance at 31 December 2016</b>				
Bonds and promissory notes	0	0	12,808	157,937
Other financial liabilities	3,382	7,187	32,460	133,988
Derivates of the trading portfolio	0	3,924	0	37,498

### Currency risk

Best in Parking group's business activities all over Europe result, apart from cash flows in euros, also in inflows in other currencies, in particular Swiss francs and Croat Kuna. The thus resulting currency risk can be divided into transaction and translation risk.

The transaction risk arises from potential changes in value of future foreign-currency payments due to currency fluctuations. Hedging the resulting currency risks is part of risk management. Companies of the Best in Parking group in fact reduce their transaction risks from operative business by sourcing practically all investments and services from third parties in those countries where they render their services.

The translation risk arises from using effective dates and the necessary translation of items in the balance sheet or income statement from the individual local financial reports into the group currency (Euro). In contrast to the transaction risk, the translation risk does not necessarily have an effect on future cash flows. The group's equity capital reflects the changes in carrying amounts due to currency fluctuations. Translation risks are currently not hedged, and only in exceptional cases.

## **Interest rate risk**

Because of Best in Parking group's activities across borders, liquid assets are acquired and invested in various money and capital markets in different currencies – although mostly in euro – and with different maturities. The resulting financial liabilities and investments are generally subject to interest rate risk, which has to be measured and controlled by a central interest management. To hedge the interest rate risk, occasionally financial derivatives may be used in order to reduce interest rate volatility and funding costs on the respective underlying items. According to the existing guidelines, such interest rate hedges may only be concluded by the board.

## **Interest rate sensitivity analysis**

The interest rate sensitivity analysis shows the effects of changes in market interest rates on interest income and expense, as well as on equity capital. The interest rate sensitivity analyses are based on the following assumptions:

- Primary financial instruments with fixed interest are subject to interest rate risk in the balance sheet only if these are measured at fair value. At Best in Parking group, such financial instruments are measured at fair value.
- Primary financial instruments with floating interest whose interest payments are not included as an item in a hedging relationship that is recognised as a cash flow hedge are subject to interest rate risk in profit or loss.
- Interest rate derivatives that are included in a hedging relationship that is recognised as a cash flow hedge are subject to interest rate risk with an effect on equity capital to the extent of the amount of the effective portion of the hedging relationship.
- Interest rate derivatives that are not included in a hedging relationship that is recognised as a cash flow hedge are subject to interest rate risk in profit or loss.



The sensitivity analysis assumes a linear shift of the interest rate curves for all currencies by +100 and -100 basis points at the end of the reporting period. For the simulated scenarios, the following effects emerge:

(in thousands of EUR) Change of	2017		2016	
	+ 1 %	- 1 %	+ 1 %	- 1 %
Derivates of the trading portfolio	8,391	-8,884	11,826	-12,434
<b>Financial liabilities against banks with fixed interest rates</b>	<b>8,391</b>	<b>-8,884</b>	<b>11,826</b>	<b>-12,434</b>
Promissory notes	-285	285	0	0
Long-term loans	-985	985	-911	911
Short-term loans	-61	61	-39	39
<b>Financial liabilities against banks with variable interest rates</b>	<b>-1,331</b>	<b>1,331</b>	<b>-950</b>	<b>950</b>
Bond - fixed interest rate (long-term)	0	0	0	0
Lease liabilities	-159	158	-168	163
<b>Financial liabilities against non-banks</b>	<b>-159</b>	<b>158</b>	<b>-168</b>	<b>163</b>
<b>Total effects</b>	<b>6,901</b>	<b>-7,395</b>	<b>10,708</b>	<b>-11,321</b>

The calculation is based on a net volume of EUR 335,713,000 (previous year EUR 299,629,000).

#### (d) Management of capital

The most important financial objective of the Best in Parking group is the continuous increase in the enterprise value in the interest of shareholders, employees, customers and suppliers, while at the same time maintaining and safeguarding financial solvency at any given time.

Therefore, improving profitability and thus an increases return on the capital employed are prioritised in all business decisions. As a consequence, there is a consistent focus on the margin quality of the locations (with the longest possible duration of contracts). Also external growth by means of potential acquisitions is assessed in the light of this objective.

When pursuing these business objectives, managing capital by creating sufficient liquidity reserves is of crucial importance. This does not only safeguard the long-term survival of the Best in Parking group, but also provides the flexibility to develop the current business activities further and to make use of strategic options. For this purpose, liquidity reserves and available credit lines are permanently controlled based on short and medium-term prognoses of future liquidity development and the necessary loans to be taken out.

The group's financial management includes liquidity management, group funding and the management of interest rate and currency risks. The financial management of the group, centrally located at Best in Parking- Holding AG, is responsible for reducing funding costs as much as possible, optimising interest on investments, minimising counterparty risks, utilising economies of scale, hedging interest rate and currency risks and safeguarding the compliance with covenants and loan requirements. The funding strategy of the Best in Parking group aims not just at being able to meet any payment obligations at any time, but also at always having, besides a strategic cash position, sufficient liquidity reserves in the form of credit lines. In our central liquidity management the main focus is on preserving capital and reducing risk by diversifying investments.

In order to optimise capital costs, the capital structure is continuously monitored on the basis of various financial ratios. Important ratios in this context include the equity ratio and the ratio of net debt to equity capital (gearing ratio). Net debt of the group is calculated as follows:

(in thousands of EUR)	31 December 2017	31 December 2016
Financial liabilities against banks	-106,318	-96,944
Bonds and promissory notes	-249,643	-170,745
Cash and cash equivalents	126,128	117,296
Short-term securities	4,874	7,112
<b>Net liquidity (+) / Net financial debt (-)</b>	<b>-224,959</b>	<b>-143,281</b>
Total assets	728,244	592,145
Total equity	203,992	173,312
<b>Total equity to total assets</b>	<b>28.0%</b>	<b>29.3%</b>
<b>Gearing ratio</b>	<b>110.3%</b>	<b>82.7%</b>

Compared to the previous year, the gearing ratio (net financial debt related to equity capital) has gone up due to additional funding measures.

### (e) Fair value measurement

The financial assets and financial liabilities measured at fair value look as follows:

(in thousands of EUR)		31 December 2017	31 December 2016
Financial assets:			
Securities	Level 1	4,874	7,112
Financial liabilities:			
Derivative financial instruments	Level 2	34,751	41,286

### Measurement methods

Depending on whether there is sufficient information on market prices, the group uses the following hierarchy to determine the measurement method and the disclosure of the fair value of financial instruments:

Availability of information, sorted by level	Measurement method used
Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities	Measurement based on quoted prices in active markets for identical assets or liabilities at the measurement date
Level 2 – Quoted market prices for identical instruments are not available, but all necessary measurement inputs can be derived from active markets	Measurement based on measurement method using directly or indirectly observable market data

The fair values of “Level 2 measurement” are generally determined on the basis of spot rates at the end of the reporting period, taking into account forward premiums and forward discounts adequate for the respective maturity.

Interest rate derivatives (interest rate swaps, caps, floors) are measured using the “mark to market” method. This method establishes that amount that could be achieved if the hedge were liquidated (liquidation method). Input values for calculating market values are the interest rates in the market. Based on the input values, fair values are calculated by discounting the expected future cash flows using market rates of interest.

### Amortised cost measurement

The amounts given for trade receivables shown in the consolidated balance sheet, as well as securities held to maturity which are measured at amortised cost, cash and cash equivalents, and other financial liabilities all represent a reasonable approximation for fair value.

## (6) SCOPE OF CONSOLIDATED COMPANIES

The scope of consolidated companies is determined according to the stipulations of IFRS. The consolidated financial statements include, besides the annual accounts of Best in Parking- Holding AG, the annual accounts of all investments controlled by Best in Parking- Holding AG and its subsidiaries (Best in Parking group). Controlled companies not included in the consolidated financial statements are immaterial both individually and taken as a whole.

The subsidiaries, associates and joint ventures are listed in Note (31).

Acquired companies are included in the consolidated financial statements using the fair values of the acquired assets, liabilities and contingent liabilities determined in accordance with IFRS 3 as of the acquisition date, taking into account the corresponding depreciation. The carrying amount of non-controlling interests is determined by the amortized fair values of the acquired assets and liabilities.

### (a) Changes to the scope of consolidated companies in the business year 2017

#### Newly established companies

	Shareholding in %
BIP - Garage Mittersteig GmbH	100.000%
Parcheggio Centro Duomo Srl	100.000%
Best in Parking - garaža Stari Grad d.o.o.	100.000%
Best in Parking - garaža Zagrad d.o.o.	100.000%

#### Acquisitions

	Shareholding in %	Date of acquisition
Best in Parking - garaža Cvjetni d.o.o.	100.000%	28.02.2017
Group of companies Italy	100.000%	29.11.2017

On 29 November 2017 the remaining 50% shares in four joint venture companies, each held with Sias Parking srl, were acquired:

- „Parcheggio Piazza Meda srl“ (Milan – Parcheggio Piazza Meda),
- „Parcheggio Piazza Vittorio srl“ (Turin – Vittorio Park),
- „Parcheggio Via Manuzio srl“ (Milan – Parcheggio Via Manuzio) sowie der
- „Parcheggio Piazza Trento e Trieste srl“ (Monza – Parcheggio Trento e Trieste, Piazza Car-ducci, Piazza IV Novembre)

The purchase price for the entire package was € 29,500,000.00, the pro rata redemption of existing shareholder loans of the SIAS Group amounted to € 2,289,500.00 (Parcheggio Piazza Meda s.r.l.) and € 588,955.50 (Parcheggio Via Manuzio s.r.l.).

The acquisition of the package led to the targeted increased penetration of the market in Northern Italy (Milan, Turin and Monza) towards market leadership as planned. The locations, which are now 100% attributable to the Group, will significantly increase the Group result from 2018 on, both due to their own profitability as well as due to synergy effects through inclusion in the Group's organisational structure.

#### BEST IN PARKING- HOLDING AG

Acquiring the companies by buying the remaining shares in in the four companies has the following effect on the consolidated financial statements:

(in thousands of EUR)	Fair values according to IFRS
Long term assets	71,672
Short term assets	5,669
Long term provisions and liabilities	-27,747
Short term provisions and liabilities	-5,771
Deferred taxes	-8,702
<b>Net assets</b>	<b>35,122</b>
Goodwill	26,757
<b>Acquisition costs</b>	<b>61,878</b>
Acquired cash and cash equivalents	-2,203
Fair value of financial assets prior to acquisition	-29,500
Purchase price not yet settled	0
<b>Net cash outflow</b>	<b>30,175</b>

The remaining goodwill of EUR 26,757,000 reflects the synergies expected from the extension of the portfolio in Northern Italy and the economies of scale resulting from integrating the locations into the Best in Parking group. The recorded goodwill cannot be deducted for tax purposes.

If the acquisition had been recorded at 1 January 2017, the group revenue to be reported would have been increased by EUR 7,778,000 and the reported profit after tax of the group would have been increased by EUR 142,000. An amount of EUR 71,000 thereof is included in the result of companies consolidated at equity.

In addition, the Group acquired "Garaža Cvjetni" in the city centre of Zagreb (Croatia) through Best in Parking- garaža Cvjetni d.o.o., a newly established company, in 2017. Garage operations were acquired in accordance with IFRS 3 at fair value. Through this acquisition, a premium city location in a new market for Best in Parking Group was added to the portfolio as planned. Due to its proximity to Vienna, it could be easily integrated into the organisation and resulted in an optimal market entry.

Acquiring the assets of “garaža Cvjetni” through Best in Parking- garaža Cvjetni d.o.o. has the following effects on the consolidated financial statements:

(in thousands of EUR)	Fair values according to IFRS
Long term assets	21,900
Short term assets	0
Long term provisions and liabilities	0
Short term provisions and liabilities	0
Deferred taxes	-248
<b>Net assets</b>	<b>21,652</b>
Goodwill	-1,126
<b>Acquisition costs</b>	<b>20,526</b>
Acquired cash and cash equivalents	0
Purchase price not yet settled	0
<b>Net cash outflow</b>	<b>20,526</b>

In the acquisition accounting process of „Garaža Cvjetni“ in Zagreb, the assets and liabilities acquired were measured at fair value. It then turned out that the cash flows which were assumed in the earlier negotiations over the purchase price will in future be significantly surpassed. The resulting badwill in the amount of EUR 1.1m was recognised through profit or loss under other operating income.

Acquiring the company has contributed revenues of EUR 996,000 to the group’s revenue since the initial consolidation. The share in the group’s profit after tax for the same period was EUR 386,000.

The interest in Parcheggio e Immobiliare Prato della Valle Srl (garage and car park project in Padua - still in the construction phase, partial opening at the beginning of 2018) was increased to 68% in 2017- the resulting net cash outflow amounted to EUR 489,000.

#### Deconsolidation

	Date of deconsolidation
Trevisosta Srl	14.03.2017

#### (b) Changes to the scope of consolidated companies in the business year 2016

##### Newly established companies

	Shareholding in %
Best in Parking d.o.o.	100.000%

In December 2016, Best in Parking d.o.o. was established as the “country holding company” for the planned acquisition of a parking garage in Croatia.

## Acquisitions

	<b>Shareholding in %</b>	<b>Date of acquisition</b>
Modena Parcheggi SpA	100,000%	30.04.2016
Best in Parking - Slovakia s.r.o.	100,000%	29.01.2016

In the business year, the remaining shares in Modena Parcheggi SpA in Italy were acquired and therefore Modena Parcheggi SpA, which until then had been recognised as a financial asset (share of 13.3%) under the equity method, has been recognised as a fully consolidated subsidiary as of 30 April 2016. With this acquisition, the Best in Parking group extends its portfolio and market position in Italy and increases its competence in managing parking spaces of whole cities.

Acquiring the company by buying the remaining shares in Modena Parcheggi SpA has the following effect on the consolidated financial statements:

(in thousands of EUR)	<b>Fair values according to IFRS</b>
Long term assets	33,322
Short term assets	6,091
Long term provisions and liabilities	-22,898
Short term provisions and liabilities	-2,365
Deferred taxes	-1,863
<b>Net assets</b>	<b>12,287</b>
Goodwill	5,528
<b>Acquisition costs</b>	<b>17,815</b>
Acquired cash and cash equivalents	-1,702
Purchase price not yet settled	0
<b>Net cash outflow</b>	<b>16,112</b>

The remaining goodwill of EUR 5,528,000 mainly reflects the synergies expected from the extension of the portfolio and the economies of scope resulting from integrating the locations acquired in Italy into the Best in Parking group. The recorded goodwill cannot be deducted for tax purposes.

Acquiring the company has contributed revenues of EUR 2,856,000 to the group's revenue since the initial consolidation. The share in the group's profit after tax for the same period was EUR 120,000. If the acquisition had been recorded as early as 1 January 2016, the group revenue to be reported would have been EUR 1,550,000 higher and the reported profit after tax of the group would have been EUR 319,000 higher.

Furthermore, Best in Parking- Slovakia s.r.o., which had been newly established earlier, acquired the "Garáž Centrum" in Bratislava (Slovakia) in the business year. The parking garage was acquired in accordance with IFRS 3 at fair values. With this acquisition, a city location was added to the portfolio in a market that is new for the Best in Parking group which was easily integrated organisationally due to its proximity to Vienna.

Acquiring the assets of "Garáž Centrum" through Best in Parking- Slovakia s.r.o. has the following effects on the consolidated financial statements:

(in thousands of EUR)	Fair values according to IFRS
Long term assets	12,861
Short term assets	0
Long term provisions and liabilities	-363
Short term provisions and liabilities	0
Deferred taxes	-438
<b>Net assets</b>	<b>12,060</b>
Badwill	-1,560
<b>Acquisition costs</b>	<b>10,500</b>
Acquired cash and cash equivalents	0
Purchase price not yet settled	0
<b>Net cash outflow</b>	<b>10,500</b>

In the acquisition accounting process of "Garáž Centrum" in Bratislava, the assets and liabilities acquired were measured at fair value. It then turned out that the cash flows which were assumed in the earlier negotiations over the purchase price will in future be significantly surpassed. The resulting badwill in the amount of EUR 1.6m was recognised through profit or loss under other operating income.

Acquiring the company has contributed revenues of EUR 617,000 to the group's revenue since the initial consolidation. The share in the group's profit after tax for the same period was EUR 1,566,000.

### Other changes 2016

In the business year, additional shares (1.37%) in Pesaro Parcheggi SpA were acquired. The extent of the stake is now 29.61%.

In the business year 2016 Parcheggio Corso Galileo Ferraris srl was liquidated and deconsolidated. The related garage project will be implemented by Parcheggio Galileo Ferraris srl, which was established for this purpose.

The 100% interest in Finpark Milano srl, which owns Garage City Parking in Bozen, was sold in the business year 2016. This garage continues to be used by the Best in Parking group on the basis of a lease contract.

### Transactions with non-controlling interests in 2016

Due to the immateriality of transactions with non-controlling interests in fiscal year 2016, the effects on equity attributable to owners of the parent are presented cumulatively (see Consolidated Statement of Changes in Equity).



## (7) DEVELOPMENT OF NON-CURRENT ASSETS

Property, plant and equipment is measured at cost minus accumulated depreciation. Any investment grants from public sector entities (government) will be directly deducted from cost.

In the fiscal year, the previous year's figures were adjusted and reclassified. As of 1 January 2016, EUR 7,342,000 for property, plant and equipment and EUR-695,000 for intangible assets including goodwill were reclassified between cumulative depreciation and acquisition costs.

Depreciable property, plant and equipment is depreciated in a linear manner over the following estimated useful life:

### (a) Property, plant and equipment

Buildings	10 – 100 years
Parking garages	10 – 20 years
Other equipment, fixtures and fittings	3 – 10 years

### Classification of leases

For the classification and the resulting determination of the value in connection with lease contracts, estimates of the useful life, the cost, as well as the residual value of the parking garage are necessary. These assumptions are based on either qualified estimates or reports of expert third parties. Qualified estimates are based, as far as available, on external data, taking into account additional internal information, such as historic experience and recent sales data. Based on the residual values ascertained, depreciation is determined. If the expected residual value changes, this results either in a prospective adaptation of depreciation or, in case of a significant adaptation of depreciation, as well as a significant fall in the expected residual value, in an impairment.

In the present consolidated financial statements, the rules on lease accounting are to be used regarding the parking garages available to the Best in Parking group based on a finance lease contract or a lease contract. These lease contracts enable the Best in Parking group to acquire (purchase option) the leased asset (the respective garage buildings).

The parking garages available to the Best in Parking group based on a finance lease contract are recorded in the item property, plant and equipment, under rights and buildings equivalent to real property.

Parking garage, available to the Best in Parking group based on a lease contract are not recorded as non-current assets, but the respective lease expense is recorded in the income statement through profit or loss.

The building rights granted by public sector entities by means of building right agreements, whose fees for building rights have to be capitalised according to IAS 17 (leases) (see note (17)(c)), are recorded under the item intangible assets including goodwill (see note (7)(b)).

## Development of property, plant and equipment

(in thousands of EUR)	Lands, similar land rights and buildings	Other equipment	Construction in progress	Total
<b>Acquisition or manufacturing costs</b>				
<b>Balance at 1 January 2017</b>	<b>410,902</b>	<b>26,115</b>	<b>19,537</b>	<b>456,553</b>
Effect of exchange rate changes	-1,277	0	0	-1,277
Changes in consolidated companies	86,777	184	1,006	87,967
Additions	20,469	3,311	14,634	38,415
Disposals	-71	-1,455	0	-1,525
Reclassifications	6,648	1	-14,464	-7,814
<b>Balance at 31 December 2017</b>	<b>523,449</b>	<b>28,156</b>	<b>20,713</b>	<b>572,319</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1 January 2017</b>	<b>102,077</b>	<b>18,671</b>	<b>0</b>	<b>120,748</b>
Effect of exchange rate changes	-498	0	0	-499
Changes in consolidated companies	0	0	0	0
Additions	8,102	1,817	0	9,919
Appreciations	0	0	0	0
Disposals	-93	-1,372	0	-1,465
Reclassifications	0	0	0	0
<b>Balance at 31 December 2017</b>	<b>109,587</b>	<b>19,116</b>	<b>0</b>	<b>128,704</b>
<b>Carrying amount</b>				
<b>1 January 2017</b>	<b>308,825</b>	<b>7,443</b>	<b>19,537</b>	<b>335,805</b>
<b>31 December 2017</b>	<b>413,862</b>	<b>9,040</b>	<b>20,713</b>	<b>443,615</b>
(in thousands of EUR)	Lands, similar land rights and buildings	Other equipment	Construction in progress	Total
<b>Acquisition or manufacturing costs</b>				
<b>Balance at 1 January 2016</b>	<b>356,022</b>	<b>24,534</b>	<b>11,736</b>	<b>392,293</b>
Effect of exchange rate changes	0	0	0	0
Changes in consolidated companies	45,840	1,774	21	47,635
Additions	7,419	1,913	9,726	19,057
Disposals	-33	-2,395	-4	-2,432
Reclassifications	1,654	289	-1,943	0
<b>Balance at 31 December 2016</b>	<b>410,902</b>	<b>26,115</b>	<b>19,537</b>	<b>456,553</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1 January 2016</b>	<b>92,356</b>	<b>18,453</b>	<b>0</b>	<b>110,809</b>
Effect of exchange rate changes	-84	0	0	-84
Changes in consolidated companies	2,652	748	0	3,400
Additions	7,166	1,758	0	8,924
Appreciations	-3	-1,109	0	-1,112
Disposals	-11	-1,178	0	-1,189
Reclassifications	0	0	0	0
<b>Balance at 31 December 2016</b>	<b>102,077</b>	<b>18,671</b>	<b>0</b>	<b>120,748</b>
<b>Carrying amount</b>				
<b>1 January 2016</b>	<b>263,666</b>	<b>6,082</b>	<b>11,736</b>	<b>281,484</b>
<b>31 December 2016</b>	<b>308,825</b>	<b>7,443</b>	<b>19,537</b>	<b>335,805</b>

(b) Intangible assets including goodwill

Development of intangible assets including goodwill

(in thousands of EUR)	Concessions and building laws	Other intangible assets	Goodwill	Total
<b>Acquisition or manufacturing costs</b>				
<b>Balance at 1 January 2017</b>	<b>41,593</b>	<b>5,216</b>	<b>33,519</b>	<b>80,329</b>
Effect of exchange rate changes	-10	0	-34	-44
Changes in consolidated companies	4,472	96	26,228	30,796
Additions	3,834	210	0	4,044
Disposals	-200	-7	0	-207
Reclassifications	0	0	0	0
<b>Balance at 31 December 2017</b>	<b>49,688</b>	<b>5,515</b>	<b>59,713</b>	<b>114,918</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1 January 2017</b>	<b>7,432</b>	<b>2,178</b>	<b>4,322</b>	<b>13,932</b>
Effect of exchange rate changes	-1	0	-35	-36
Changes in consolidated companies	0	0	0	0
Additions	2,653	851	0	3,504
Appreciations	0	0	0	0
Disposals	-201	0	0	-201
Reclassifications	0	0	0	0
<b>Balance at 31 December 2017</b>	<b>9,883</b>	<b>3,030</b>	<b>4,287</b>	<b>17,200</b>
<b>Carrying amount</b>				
<b>1 January 2017</b>	<b>34,161</b>	<b>3,038</b>	<b>29,197</b>	<b>66,397</b>
<b>31 December 2017</b>	<b>39,805</b>	<b>2,485</b>	<b>55,426</b>	<b>97,716</b>

(in thousands of EUR)	Concessions and building laws	Other intangible assets	Goodwill	Total
<b>Acquisition or manufacturing costs</b>				
<b>Balance at 1 January 2016</b>	<b>38,309</b>	<b>3,634</b>	<b>27,987</b>	<b>69,929</b>
Effect of exchange rate changes	0	0	0	0
Changes in consolidated companies	2,404	403	5,528	8,334
Additions	881	1,184	5	2,070
Disposals	0	-5	-1	-5
Reclassifications	0	0	0	0
<b>Balance at 31 December 2016</b>	<b>41,593</b>	<b>5,216</b>	<b>33,519</b>	<b>80,329</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1 January 2016</b>	<b>4,807</b>	<b>1,080</b>	<b>4,322</b>	<b>10,209</b>
Effect of exchange rate changes	-1	0	0	-1
Changes in consolidated companies	0	397	0	397
Additions	2,626	701	0	3,327
Appreciations	0	0	0	0
Disposals	0	0	0	0
Reclassifications	0	0	0	0
<b>Balance at 31 December 2016</b>	<b>7,432</b>	<b>2,178</b>	<b>4,322</b>	<b>13,932</b>
<b>Carrying amount</b>				
<b>1 January 2016</b>	<b>33,502</b>	<b>2,554</b>	<b>23,665</b>	<b>59,721</b>
<b>31 December 2016</b>	<b>34,161</b>	<b>3,038</b>	<b>29,197</b>	<b>66,397</b>

Concessions and building rights	9 - 100 years
Other intangible assets	1 - 6 years
Goodwill	No depreciation

Intangible assets mainly include concessions, building rights and goodwill. To a lesser degree other intangible assets (software licenses etc.) are shown.

In the great majority of cases, the garage activities of the group are in Austria and Switzerland performed based on building rights, in Italy based on service concession arrangements, and in the case of the garage in Slovakia based on a usage agreement regarding the property and the garage owned by the Best in Parking group. Based on these contractual stipulations, which in almost all cases have been concluded with public sector entities, the Best in Parking group invests in garages in Austria, Italy, Switzerland, Slovakia and from 2017 onwards also in Croatia. The group as the holder of the building right, concession or right of use performs the following activities:

- Planning, building and funding the garage
- Operation and maintenance of the garage.

The grantor of the building right, concession or right of use, which in almost all cases is a public sector entity, grants the Best in Parking group the right to charge the users (customers) of the garage a fee for a certain period of time. For the use of the public spaces, the group has to pay a generally fixed, index-linked and / or variable fee to the grantor of the building right, concession or right of use.

The intangible assets are depreciated over the period of time for which the building right, concession or right of use is granted. The respective liability is reduced over the period of time for which the building right, concession or right of use is granted, taking into account the fee payments and the realisation of interest expense.

The intangible assets including goodwill look as follows:

(in thousands of EUR)	31 December 2017	31 December 2016
<b>Austria</b>		
Building rights	13,264	9,547
Other building rights	2,879	2,999
Other intangible assets	1,060	1,380
Goodwill	18,490	18,490
<b>Italy</b>		
Concessions	23,337	21,266
Other intangible assets	1,425	1,658
Goodwill	36,936	10,707
<b>Switzerland</b>		
Building rights	100	112
Goodwill	0	0
<b>Slovakia</b>		
Usage right	225	236
<b>Croatia</b>		
Other intangible assets	0	0
Goodwill	0	0
<b>Total</b>	<b>97,716</b>	<b>66,397</b>

### Building rights

According to IAS 17 (leases), the holder of the building right has to capitalise the fixed index-linked fees as well as to capitalise an intangible asset and recognise a corresponding liability. The capitalisation is based on determining the present value taking into account the period for which the building right is granted.

### Service concession arrangements

In IFRIC 12, two types of service concession arrangements are distinguished. In one type, the operator recognises a financial asset, specifically an unconditional contractual right to receive cash or other financial assets from the public sector entity as consideration for the construction and renewal public-sector assets. In the other type, the operator recognises an intangible asset, a right of the operator to charge fees for the use of public-sector assets which the operator has constructed or renewed. A right to charge fees in this context is no unconditional right to receive cash, as the amounts are uncertain as regards the actual use of the services by the public.

In the course of the transition of the consolidated financial statements to IFRS as of 31 December 2014, intangible assets were capitalised in connection with the conclusion of service concession arrangements for constructing and operating parking garages mainly in Northern Italy.

To enable parking space management, the respective location (on-street or off-street) has to be planned, constructed and funded by companies of the Best in Parking group as concession holders. For this, the concession holder is granted the right to operate the location by charging fees from third parties.

In these cases, the Best in Parking group bears the investment and operating risk and for this reason such service concession arrangements are accounted for using the “intangible-asset model”.

At the end of the service concession arrangement the construction services rendered by the concession holder become the property of the public sector entities at a contractually established value or without compensation or at fair value, with a transfer without compensation arranged in the great majority of cases.

The concession fee can be fixed or variable – if variable then mainly depending on the revenue or profit made. According to IFRIC 12, the holder of the concession has to capitalise the fixed concession fees as well as to capitalise an intangible asset and recognise a corresponding liability (see also note (17)(d)). The capitalisation is based on determining the present value taking into account the period of the service concession arrangement. The intangible asset is depreciated over the period of the service concession arrangement.

#### **Usage right**

In Slovakia, the property on which the garage has been constructed has been provided to the Best in Parking group by public sector entities by means of a usage right, which economically more or less resembles a service concession arrangement. The usage fee is a fixed fee.

#### **Goodwill**

The goodwill as of 31 December 2014 for the Austrian part of the group results from its acquisition as of 31 December 2010. This acquisition was recognised by retrospectively applying IFRS from the acquisition date in the course of the transition to IFRS as of 31 December 2014. The election according to IFRS 1 (Appendix C), the continuation of goodwill determined under the original accounting principles (UGB), was not made use of from this date onwards.

The goodwill of the Italian and Swiss parts of the group resulting from acquisitions before 31 December 2010 was determined according to the accounting principles to be applied until then and was adopted in the course of the first-time adoption of IFRS as of 31 December 2014 according to IFRS 1 (Appendix C).

### Allocation of goodwill

Within the group, goodwill is allocated to the respective country (part of the group) in line with the effects of potential synergies. On this level, the central holding company of the respective country also assumes economic control and supervision for internal management purposes.

### Determining the fair value as of 31 December 2017

The fair value of the assets of the Austrian and Italian parts of the group is determined based on the present value of the estimated future cash flows (“free cash flows”) after tax according to the DCF method, using the following parameters:

- The discount rate is equivalent to the weighted average cost of capital (WACC) after tax amounted to 4.18% (2016: 4.28%) for Austria and 4.17% (2016: 4.93%) for Italy. The cost of equity capital is derived from the risk-free basic interest rate plus a general risk premium, with the group-specific risk having been derived from the capital market based on peer-group information, using a beta factor taking into account the debt-to-equity ratio.
- The detailed planning period is generally five years. The final planned year is also used for the cash flows following the detailed planning period, taking into account further assumptions modified for the future periods.
- For the free cash flows after the five-year detailed planning period, a continuous annual growth rate of 2% (2016: 2%) for Austria and 1.4% (2016: 2%) for Italy is assumed, depending on the country forecasts of the International Monetary Fund on future inflation growth rates.

If, on the basis of the procedure applied and the underlying basic assumptions, the respective recoverable amount is below the carrying amount of the cash-generating units, plus the respective goodwill allocated in Austria and Italy, the difference has to be impaired.

### Impairment test of goodwill

The management monitors goodwill for impairment on a country level and the financial information provided for these sub-areas.

Goodwill

- in the amount of EUR 18.5 (2016: EUR 18.5m) for the Austrian part of the group and of EUR 36.9m (2016: EUR 10.7m) for the Italian part of the group, in total EUR 55.4m as of 31 December (2016: 29,2m)

was tested for impairment by determining the fair values for the cash-generating units, plus the respective goodwill allocated in Austria and Italy, on the basis of the management’s integrated planning.

Any impairment would have to be recorded as the difference between the carrying amount of the respective part of the group's equity capital (by country) plus the goodwill allocated to the respective part of the group and the lower recoverable amount. The recoverable amount is defined as the higher of its fair value and its value in use.

#### Sensitivity of the assumptions made

From today's perspective, using reasonable judgement, no such significant change in one or more of the assumptions made for determining the values in use of the cash-generating units is to be expected that in the following business year could result in the carrying amounts of the cash-generating units plus the goodwill allocated to the respective country exceeding the respective recoverable amount.

A sensitivity analysis for the assumption of a growth rate in the future periods that has a substantial effect on the fair value of the group of cash-generating units, even with a reduction in the growth rate from 1%, does not result in any need for impairing the goodwill shown for the Austrian and Italian parts of the group. An increase in the beta factor from 0.46 to 0.61 for 2017 – which would be an increase of more than 30% – would likewise not result in the need for impairing the goodwill allocated to the Austrian and Italian parts of the group as of 31 December 2017.

#### **Impairment of property, plant and equipment and intangible assets (before goodwill) as of 31 December 2017**

Property, plant and equipment and intangible assets are tested for impairment as soon as events or changing circumstances indicate that an asset's or group of asset's carrying amount might exceed the recoverable amount. In this case, the carrying amount is compared with the higher of the fair value less normally incurred costs of disposal and the present value of the estimated future cash flows arising from the use of the asset or group of assets. If there is no longer any reason for impairment – with the exception of goodwill – the impairment is reversed.

#### Cash-generating units

For the purposes of impairment tests, property, plant and equipment and intangible assets (before goodwill) are grouped together into cash-generating units. In Austria, most of the garages are situated in Vienna, with Best in Parking group in the great majority of cases operating them on the basis of building rights granted by the City of Vienna. All of the garages operated based on such building rights and a broadly identical legal and contractual basis together constitute one cash-generating unit. Viennese garages operated on the basis of other grantors of building rights, constitute, just like the garages owned by the Best in Parking group, separate cash-generating units. All other garages in Austria and the other countries are grouped into cash-generating units according to regional criteria. The Best in Parking group as of 31 December 2017 has 35 (2016: 32) cash-generating units in total.



#### Determining the value in use as of 31 December 2017

The value in use for the respective cash-generating unit is determined based on the present value of the estimated future cash flows ("free cash flows") after tax according to the DCF method, using the following parameters:

- The discount rate is equivalent to the weighted average cost of capital (WACC) before tax and for the business year 2017 amounted to 4.66% for Austria (2014: 5.63%), 5.33% for Italy (2014: 7.83%), for Croatia 4.62%, for Slovakia 5.17% and 4.33% (2014: 5.06%) for Switzerland. The cost of equity capital is derived from the risk-free basic interest rate plus a general risk premium, with the group-specific risk having been derived from the capital market based on peer-group information, using a beta factor taking into account the debt-to-equity ratio.
- The detailed planning period is generally five years. The final planned year is also used for the cash flows following the detailed planning period, and is modified taking into account further assumptions regarding future periods (2023 and subsequent years up to the potential end of the assets' useful life).
- For the free cash flows after the five-year detailed planning period, a continuous annual growth rate of 1 to 2% (2014: 2%) was assumed, depending on the International Monetary Fund's country forecasts for future inflation.

If, on the basis of the procedure applied and the underlying basic assumptions, the respective recoverable amount (the higher of the value in use and the fair value less costs of disposal) is below the carrying amount of the cash-generating unit, the difference has to be impaired. The lower limit for impairment is generally the fair value less normally incurred costs of disposal.

#### Sensitivity of the assumptions made

As regards the parameters influencing the determination of the value in use, the assumptions listed above have been made. From today's perspective, using reasonable judgement, no such significant change in one or more of the assumptions made for determining the values in use of the cash-generating units is to be expected that in the following business year could result in the carrying amount of the respective cash-generating unit exceeding the respective recoverable amount.

A sensitivity analysis for the assumption of a growth rate in the future periods that has a substantial effect on the values in use determined of the cash-generating units, leads to an impairment requirement of EUR 0.7 million if the growth rate is reduced by 1 percentage point in the continuing period. An increase in the beta factor from 0.46 to 0.61 for 2017 – which would be an increase of more than 30% – would also result in an impairment requirement of EUR 1,400,000.

## (8) EQUITY-ACCOUNTED INVESTMENTS

The group's stakes in equity-accounted investments include stakes in joint ventures and associates. The following tables show the summarised financial information for joint ventures and the transition to the values adopted and shares in the profits in the consolidated financial statements of the Best in Parking group.

### **Joint ventures**

The most important joint venture of the Best in Parking group is Heldenplatz-Garage Bau- und Betriebsführungs GmbH & Co KG domiciled in Vienna. Individual stakes in partnerships that are to be classified as joint ventures are held by the Best in Parking group on the one hand directly and on the other hand indirectly via its general partner in the legal form of a company. Thus the proportionate carrying amounts and income of the companies listed below cannot be understood by just taking Best in Parking group's stake in the investment into account.

During the financial year, the remaining shares in a group of companies in Italy were acquired (see Note (6)(a)), which were previously accounted for as joint ventures. Before the acquisition of the remaining shares, the companies paid out EUR 1,050,000 in dividends.

	Heldenplatz- Garage Bau- und Betriebs-führungs GmbH & Co KG	Other at-equity accounted investments	Total
(in thousands of EUR)	31 December 2017	31 December 2017	31 December 2017
Short-term assets (including cash and cash equivalents)	5,554	680	6,235
Long-term assets	50,789	9,245	60,033
Short-term liabilities	-6,737	-194	-6,931
Long-term liabilities	-13,491	-2,588	-16,079
<b>Net assets (100%)</b>	<b>36,115</b>	<b>7,143</b>	<b>43,258</b>
Share of the company	18,058	3,228	21,286
Goodwill	3,332	973	4,305
<b>Carrying amount of total equity</b>	<b>21,390</b>	<b>4,201</b>	<b>25,591</b>
Cash and cash equivalents	271	285	556
Short-term debts (including short-term financial debts, excluding trade payables, other liabilities and provisions)	0	0	0
Long-term debts (including long-term financial debts, excluding trade payables, other liabilities and provisions)	-1,064	-483	-1,547
(in thousands of EUR)	<b>2017</b>	<b>2017</b>	<b>2017</b>
Revenue	5,714	1,138	6,853
Depreciation and amortisation	-870	-145	-1,015
Financial income	0	0	0
Financial expense	-43	-20	-62
Income tax expense	141	-78	63
Other comprehensive income	0	0	0
Total comprehensive income (100%)	5,953	695	6,648
<b>Attributable to the shareholders</b>	<b>2,977</b>	<b>327</b>	<b>3,304</b>
Dividends received	1,361	233	1,594

	Heldenplatz- Garage Bau- und Betriebs-führungs GmbH & Co KG	Parcheggio Piazza Meda Srl	Other at-equity accounted investments	Total
(in thousands of EUR)	31 December 2016	31 December 2016	31 December 2016	31 December 2016
Short-term assets (including cash and cash equivalents)	5,339	3,709	2,799	11,847
Long-term assets	51,631	19,508	24,282	95,421
Short-term liabilities	-6,930	-6,291	-3,434	-16,654
Long-term liabilities	-13,579	-14,301	-11,818	-39,698
<b>Net assets (100%)</b>	<b>36,462</b>	<b>2,626</b>	<b>11,828</b>	<b>50,916</b>
Share of the company	18,231	1,313	5,580	25,123
Goodwill	3,332	0	973	4,305
<b>Carrying amount of total equity</b>	<b>21,563</b>	<b>1,313</b>	<b>6,553</b>	<b>29,429</b>
Cash and cash equivalents	190	966	1,383	2,540
Short-term debts (including short-term financial debts, excluding trade payables, other liabilities and provisions)	0	-846	-684	-1,530
Long-term debts (including long-term financial debts, excluding trade payables, other liabilities and provisions)	-1,035	-12,965	-9,690	-23,690
(in thousands of EUR)	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>
Revenue	5,665	3,333	5,153	14,151
Depreciation and amortisation	-869	-755	-837	-2,461
Financial income	0	5	3	8
Financial expense	-41	-614	-143	-798
Income tax expense	130	-415	-654	-939
Other comprehensive income	0	-17	0	-17
Total comprehensive income (100%)	5,576	816	1,931	8,322
<b>Attributable to the shareholders</b>	<b>2,788</b>	<b>408</b>	<b>946</b>	<b>4,142</b>
Dividends received	1,420	360	591	2,371

## Associates

The most important associates of the Best in Parking group are Pratergarage Errichtungs- und Betriebsgesellschaft m.b.H., Park u. Ride Spittelau Ges.mbH and Pesaro Parcheggi SpA.

	Pratergarage Errichtungs- und Betriebs- gesellschaft m.b.H.	Park u. Ride Spittelau Ges.mbH	Pesaro Parcheggi SpA	Other associated companies	Total
(in thousands of EUR)	31 December 2017	31 December 2017	31 December 2017	31 December 2017	31 December 2017
Short-term assets (including cash and cash equivalents)	733	354	1,888	1,078	4,053
Long-term assets	9,335	7,602	5,800	5,435	28,173
Short-term liabilities	-1,382	-1,277	-3,433	-1,392	-7,484
Long-term liabilities	-8,075	-5,253	-173	-1,734	-15,235
<b>Net assets (100%)</b>	<b>611</b>	<b>1,426</b>	<b>4,082</b>	<b>3,387</b>	<b>9,506</b>
Share of the company	290	342	1,209	1,014	2,855
Goodwill	0	279	7	148	435
<b>Carrying amount of total equity</b>	<b>290</b>	<b>622</b>	<b>1,216</b>	<b>1,162</b>	<b>3,289</b>
Cash and cash equivalents	664	132	618	1,032	2,446
Short-term debts (including short-term financial debts, excluding trade payables, other liabilities and provisions)	-271	0	-1,329	0	-1,600
Long-term debts (including long-term financial debts, excluding trade payables, other liabilities and provisions)	-7,610	-4,670	0	-758	-13,038
(in thousands of EUR)	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
Revenue	727	644	2,336	590	4,298
Depreciation and amortisation	-141	-145	-249	-90	-626
Financial income	0	0	1	0	1
Financial expense	-218	-349	-40	-33	-641
Income tax expense	-20	23	-250	-4	-251
Other comprehensive income	0	0	0	0	0
Total comprehensive income (100%)	90	42	383	282	797
<b>Attributable to the shareholders</b>	<b>43</b>	<b>10</b>	<b>113</b>	<b>84</b>	<b>251</b>
Dividends received	0	0	98	105	202

	Pratergarage Errichtungs- und Betriebs- gesellschaft m.b.H.	Park u. Ride Spittelau Ges.mmbH	Pesaro Parcheggi SpA	Other associated companies	Total
(in thousands of EUR)	31 December 2016	31 December 2016	31 December 2016	31 December 2016	31 December 2016
Short-term assets (including cash and cash equivalents)	491	200	1,410	3,242	5,342
Long-term assets	9,290	7,742	5,881	6,286	29,199
Short-term liabilities	-1,214	-1,511	-3,109	-1,762	-7,596
Long-term liabilities	-7,957	-5,049	-153	-1,365	-14,524
<b>Net assets (100%)</b>	<b>610</b>	<b>1,380</b>	<b>4,029</b>	<b>6,401</b>	<b>12,421</b>
Share of the company	290	331	1,193	2,437	4,251
Goodwill	0	279	7	156	442
<b>Carrying amount of total equity</b>	<b>290</b>	<b>611</b>	<b>1,200</b>	<b>2,592</b>	<b>4,693</b>
Cash and cash equivalents	489	189	310	1,421	2,408
Short-term debts (including short-term financial debts, excluding trade payables, other liabilities and provisions)	-248	-150	-1,678	0	-2,076
Long-term debts (including long-term financial debts, excluding trade payables, other liabilities and provisions)	-7,881	-4,439	0	-371	-12,692
(in thousands of EUR)	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>
Revenue	646	590	2,158	3,986	7,379
Depreciation and amortisation	-137	-145	-259	-85	-626
Financial income	0	0	1	1	2
Financial expense	-366	-337	-32	-46	-782
Income tax expense	-24	17	-194	-41	-243
Other comprehensive income	0	0	0	0	0
Total comprehensive income (100%)	44	-35	347	294	651
<b>Attributable to the shareholders</b>	<b>21</b>	<b>-8</b>	<b>103</b>	<b>84</b>	<b>199</b>
Dividends received	0	0	70	53	123

## (9) OTHER FINANCIAL ASSETS

The carrying amounts of other financial assets look as follows:

(in thousands of EUR)	31 December 2017	31 December 2016
Shares in affiliated companies	1	1
Other investments	167	167
Loans to at-equity accounted companies	2,380	2,492
Other loans	543	1,874
<b>Total</b>	<b>3,091</b>	<b>4,534</b>

Other financial assets include non-consolidated subsidiaries, other investments and other borrowings.

Other investments are allocated to the category of “financial assets held for sale”. However, these are measured at cost less impairments, as there is no active market for these companies and the respective fair values cannot reliably be determined with any reasonable effort. If there is any indication for a lower fair value, this is recognised.

## (10) INCOME TAXES

The tax expense of a period consists of current and deferred taxes and is calculated by applying the tax laws of those countries in which the group's subsidiaries are active and where they earn their taxable profit. The tax rate to be applied is detailed in note (10)(c).

Deferred tax assets are recorded for all deductible temporary differences between the carrying amounts of the assets and liabilities in the balance sheet and their tax bases, for loss carry forwards for tax purposes and for tax credits, as long as a tax income required for their use will likely be available in the future. Deferred tax assets that are not recognised have to be assessed anew at the end of each reporting period.

Deferred tax liabilities are recorded for taxable temporary differences between the carrying amounts and the tax bases of assets and liabilities.

In both cases, the expected future tax effect is anticipated that results from the reversal of the temporary differences or from using the carry forwards for tax purposes or tax credits.

Deferred tax assets and liabilities are recorded in the income statement unless they refer to items that have been recorded directly in the equity capital or in other comprehensive income in the statement of comprehensive income. Effects of changes in tax rates are recorded already in the business year of the change under income tax expense or in the consolidated statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset and if the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or taxable entities which can settle tax liabilities and assets on a net basis.

When retained earnings of individual subsidiaries are distributed, according to the current country-specific tax laws and existing double-taxation agreements, this may result in an increased tax burden, for which a deferred tax liability can be recorded.

### (a) Recognised deferred taxes

Deferred tax assets and liabilities recorded in the consolidated balance sheet due to temporary differences and loss carry forwards for tax purposes at the end of the respective reporting periods look as follows:

(in thousands of EUR)	31 December 2017	31 December 2017	31 December 2016	31 December 2016
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	0	9,030	0	8,304
Property, plant and equipment	5,034	31,854	5,930	24,461
Financial assets	0	0	0	0
Inventories	496	0	496	0
Receivables	0	0	0	0
Other receivables	781	0	588	0
Provisions for employee benefits	45	0	25	0
Other provisions	179	0	59	0
Debts	13,868	7,642	8,503	2,908
Other liabilities and deferred income	4,365	0	4,928	0
Temporary differences	24,768	48,526	20,529	35,673
Loss carryforwards	3,095	0	3,729	0
Total	27,863	48,526	24,258	35,673
Offset	-27,850	-27,850	-19,289	-19,289
<b>Deferred taxes in the balance sheet</b>	<b>13</b>	<b>20,676</b>	<b>4,969</b>	<b>16,384</b>

The group has capitalised all identified deferred tax assets and recognised all deferred tax liabilities. At the end of the respective reporting periods, there were no unrecognised deferred tax assets.

Deferred tax liabilities resulting from differences between the tax base and the pro-rata equity capital (outside-basis differences), were not recognised.

The loss carry forwards for tax purposes recognised were at the end of the respective reporting periods all eligible to be carried forward without restrictions.



## (b) Income taxes recognised through profit or loss

Income taxes recognised through profit or loss look as follows:

(in thousands of EUR)	2017	2016
Current taxes	1,517	594
Deferred taxes	842	-247
<b>Income tax expense</b>	<b>2,359</b>	<b>347</b>

## (c) Group tax rate

The reported effective income tax burden of the group's profit before tax, based on the respective actual tax rates applied in the individual tax jurisdictions, can be derived from the tax expense resulting from applying the nominal tax rate of Best in Parking- Holding AG as follows:

(in thousands of EUR)	2017	2016
Profit before tax	32,303	14,269
Applicable tax rate at Best in Parking - Holding AG	25%	25%
<b>Expected income tax expense</b>	<b>8,076</b>	<b>3,567</b>
Divergent tax rates	680	140
Tax rate changes	0	773
Permanent differences	-6,400	-3,849
Current taxes of previous periods	3	-284
<b>Income tax expense</b>	<b>2,359</b>	<b>347</b>

In Italy, a reduced corporate tax rate of 24% (previously 27.5%) is applicable from 1 January 2017.

## (11) INVENTORIES

Inventories generally mainly include consumable material required for ongoing garage operations and maintenance. As of 31 December 2017, this item mainly includes garage boxes intended for sale.

Inventories are measured at the lower of cost and net realisable value.

## (12) OTHER RECEIVABLES

Other receivables mainly include:

(in thousands of EUR)	31 December 2017	31 December 2016
Trade receivables	2,645	3,031
Receivables from subsidiaries	37	53
Receivables from associated companies	2,148	7,007
Value-added tax receivables	1,019	578
Other tax receivables	534	622
Other receivables and other assets	5,435	2,704
Prepaid expenses	3,967	1,651
<b>Other receivables</b>	<b>15,784</b>	<b>15,646</b>

## (13) SECURITIES

Other current assets are various securities that have been acquired as short-term investments and to optimise interest income.

## (14) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, cheques and short-term sight deposits at banks with an original maturity of no more than three months. Cash in foreign currency is translated using closing rates. Cash and cash equivalents so defined are the basis for the consolidated cash flow statement and include:

(in thousands of EUR)	31 December 2017	31 December 2016
Cash	781	973
Bank deposits	125,347	116,322
<b>Cash and cash equivalents</b>	<b>126,128</b>	<b>117,296</b>

The following table shows cash and non-cash changes in liabilities from financing activities:

(in thousands of EUR)	Bonds and promissory notes	Other financial liabilities	Total
<b>Balance at 1 January 2017</b>	<b>170,745</b>	<b>173,632</b>	<b>344,377</b>
Proceeds	80,000	11,516	91,516
Repayments	0	-17,292	-17,292
<b>Cash-effective changes</b>	<b>80,000</b>	<b>-5,777</b>	<b>74,223</b>
Acquisitions	0	27,012	27,012
Others	-1,102	2,891	1,789
<b>Non cash-effective changes</b>	<b>-1,102</b>	<b>29,903</b>	<b>28,801</b>
<b>Balance at 31 December 2017</b>	<b>249,643</b>	<b>197,759</b>	<b>447,401</b>

## (15) EQUITY CAPITAL

Equity capital represents the group's remaining assets after all liabilities have been deducted. It is reported in the consolidated balance sheet separately for the parent company's shareholders and the other non-controlling members.

As of 31 December 2017, the consolidated balance sheet shows a group equity capital of EUR 203,992,000 compared to EUR 173,312,000 the year before, which is mainly the result of the income in 2017. The changes are shown in detail in the development of the group's equity capital.

### (a) Share capital (incl. disclosures according to § 241 UGB)

On 2 November 2015 the company was converted from a GmbH into an Aktiengesellschaft. In preparation for the conversion, the nominal capital of EUR 35,000 was increased to EUR 1,000,000 (according to the minutes of the AGM of 22 September 2015).

The share capital has been fully paid in and consists of 1,000,000 (one million) par-value shares with a nominal amount of EUR 1,000,000.00.

The ownership structure as of 31 December 2017 is:

	in EUR	Shareholding in %
Traso Holding B.V.	502,705	50.2705
JB & B-Beteiligungs GmbH	192,081	19.2081
JB & B-Privatstiftung	134,172	13.4172
B-Privatstiftung	109,311	10.9311
"TGP" Privatstiftung	61,731	6.1731
<b>Total</b>	<b>1,000,000</b>	<b>100.0000</b>

The shareholders are entitled to receive the dividend declared for each year as well as to one vote per share at the company's AGM.

## (b) Reserves

(in thousands of EUR)	2017	2016
Capital reserves	151,207	151,207
Retained earnings	44,676	14,977
Other reserves	-209	-176
<b>Total</b>	<b>195,674</b>	<b>166,008</b>

Capital reserves of EUR 148,698,000 result from equity contributions in kind of a 100% interest in both Parcheggi Italia SpA and TGP-Beteiligungs GmbH in the respective contract of 22 September 2010, as well as EUR 2,509,000 from further equity contributions in kind by members in the business year 2015.

Retained earnings include the statutory reserve of Best in Parking- Holding AG as well as the accumulated profit carried forward and the current consolidated profit of the business year, as far as this is to be attributed to the owners of the parent company.

Other reserves include the annual changes in currency translation, hedges and fair values which do not have to be recorded in the consolidated income statement.

According to the Austrian Aktiengesetz (Public Companies Act- "öAktG"), the dividend that can be distributed to shareholders depends on the group holding company's profit for the year. The distributable profit for the year reported in the consolidated financial statements of Best in Parking-Holding AG, according to the öUGB, as of 31 December 2017 was EUR 12,244,000 (31 December 2016: EUR 9,719,000).

### Non-controlling interests

Non-controlling interests include group-external members' share in the equity capital and the total profit for the year of subsidiaries of Best in Parking- Holding AG. The non-controlling interests, at the date of first-time consolidation, are recognised as a share in net assets (equity capital) of the respective company or business unit and in future recorded taking into account shares in profits, dividends distributed as well as equity contributions and distributions.

Summarising information on the subsidiaries in which non-controlling interests are held is given below.

(in thousands of EUR)	31 December 2017	31 December 2016
Long-term assets	98,911	85,232
Short-term assets	12,446	12,976
Long-term liabilities	-50,696	-55,086
Long-term liabilities	-17,244	-3,445
Net assets (100%)	43,417	39,676
<b>Carrying amount of the non-controlling interests</b>	<b>7,319</b>	<b>6,304</b>
(in thousands of EUR)	2017	2016
Revenue	11,641	11,159
Profit for the year	2,323	2,049
<b>Thereof attributable to non-controlling interests</b>	<b>245</b>	<b>106</b>
Total comprehensive income	2,322	2,049
<b>Thereof attributable to non-controlling interests</b>	<b>244</b>	<b>106</b>
Dividend paid to non-controlling interests	174	87
Net change in cash and cash equivalents	-2,445	-246

The figures refer to the amounts before group-internal corrections. Further information on these subsidiaries can be found in note (31).

### (c) Other income in the consolidated statement of comprehensive income

Other income mainly includes the effects of currency translation for the subsidiaries in Croatia and Switzerland as well as changes in derivatives with hedges that are to be recorded under this item.

## FINANCIAL LIABILITIES

### (16) BONDS AND PROMISSORY NOTES

#### (a) Corporate Bond

Bonds are financial liabilities and at the time of first recognition are measured at fair value less directly attributable transaction costs. If the redemption amount is lower or higher, it will be adjusted upwards or downwards using the effective interest method.

With an effective date of 2 February 2016, the Best in Parking- Konzernfinanzierungs GmbH subsidiary issued a seven-year corporate bond with the following conditions:

	<b>31 December 2017</b>
Principal amount (in EUR)	120,000,000
Maturity	2016 – 2023
Denomination (in EUR)	1,000
Interest rate	3.375% p.a.
Coupon	2 February annually
Repayment	2 February 2023 bullet repayment at 100%
Closing price 31 December 2017 (Vienna)	107.150
ISIN	AT0000A1HQ07
Carrying amount 31 December 2017 (in EUR)	118,830,883.43

#### (b) Promissory notes

##### Transaction 2017

In September and October 2017, Best in Parking- Holding AG successfully concluded three tranches of promissory note loans (SSD) with institutional investors totalling EUR 80,000,000. The SSDs are concluded with one exception (7-year term at final maturity) over 10 or 15 years, with a uniform redemption-free period of 5 years being agreed.

	Principal amount (in EUR)	Spread (in %)	Swap (in %)	Coupon (in %)
<i>∅ Cash conversion cycle 10 years</i>	€ 41,500,000	2.2500	0.8570	3.1070
<i>∅ Cash conversion cycle 10 years</i>	€ 28,500,000	2.2500	0.0000	2.2500
<i>∅ Cash conversion cycle 7 years</i>	€ 10,000,000	1.8500	0.5260	2.3760
Total weighted average	€ 80,000,000	2.2136	0.4967	2.7103
		∅ capital commitment = 9.6250 years		

## Promissory notes with a maturity of 15-years:

### Fixed interest rate

Principal amount (in EUR)	Repayment	Maturity	Spread (in %)	Swap (in %)	Coupon (in %)	Payment of in- terest
€ 3,000,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 5,000,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 5,000,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 3,000,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 1,000,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 4,000,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 1,500,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 2,000,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 4,000,000	redeeming	15	2.2500	0.8527	3.1027	28.09.
€ 1,000,000	redeeming	15	2.2500	0.8940	3.1440	11.10.
€ 2,000,000	redeeming	15	2.2500	0.8940	3.1440	11.10.
€ 10,000,000	redeeming	15	2.2500	0.8580	3.1080	15.11.
<b>€ 41,500,000</b>						

### Variable interest rate

Principal amount (in EUR)	Repayment	Maturity	Spread (in %)	Swap (in %)	Coupon (in %)	Payment of in- terest
€ 10,000,000	bullet repayment	15	2.2500		2.2500	28.03./28.09.
€ 1,000,000	bullet repayment	15	2.2500		2.2500	11.04./11.10.
€ 1,000,000	bullet repayment	15	2.2500		2.2500	11.04./11.10.
<b>€ 12,000,000</b>						

## Promissory notes with a maturity of 10-years:

### Variable interest rate

Principal amount (in EUR)	Repayment	Maturity	Spread (in %)	Swap (in %)	Coupon (in %)	Payment of interest
€ 2,000,000	bullet repayment	10	2.2500		2.2500	11.04./11.10.
€ 1,000,000	bullet repayment	10	2.2500		2.2500	11.04./11.10.
€ 1,500,000	bullet repayment	10	2.2500		2.2500	11.04./11.10.
€ 1,000,000	bullet repayment	10	2.2500		2.2500	11.04./11.10.
€ 3,000,000	bullet repayment	10	2.2500		2.2500	11.04./11.10.
€ 3,000,000	bullet repayment	10	2.2500		2.2500	11.04./11.10.
€ 5,000,000	bullet repayment	10	2.2500		2.2500	11.04./11.10.
<b>€ 16,500,000</b>						

## Promissory notes – bullet repayment:

### Fixed interest rate

Principal amount (in EUR)	Repayment	Maturity	Spread (in %)	Swap (in %)	Coupon (in %)	Payment of interest
€ 10,000,000	bullet repayment	7	1.8500	0.5260	2.3760	11.10.
<b>€ 10,000,000</b>						

## Transaction 2016

In September 2016, Best in Parking- Holding AG arranged promissory notes and loan agreements with identical conditions with a total of 11 institutional investors in the amount of EUR 53,000,000 with a maturity of September 2031, with fixed interest rates between 2.7805 and 3.1425%. The average spread of the promissory notes transaction was 2.7700% and is thus clearly below the benchmark of the bond.

The main parameters of the transaction look as follows:

	Principal amount (in EUR)	Spread (in %)	Swap (in %)	Coupon (in %)
∅ Cash conversion cycle 7.3 years	€ 5,000,000	2.7000	0.1270	2.8270
∅ Cash conversion cycle 7.5 years	€ 25,000,000	2.7000	0.1279	2.8279
∅ Cash conversion cycle 9.0 years	€ 23,000,000	2.8500	0.2664	3.1164
Total weighted average	€ 53,000,000	∅ capital commitment = 8.1349 years	2.7651	0.1879
			2.9530	



**Promissory notes with a maturity of 12-years:**

Principal amount (in EUR)	Repayment	Maturity	Spread (in %)	Swap (in %)	Coupon (in %)	Payment of in- terest
€ 2,000,000	redeeming	12	2.7000	0.1883	2.8883	14.09.
€ 3,000,000	redeeming	12	2.7000	0.1883	2.8883	14.09.
€ 3,000,000	redeeming	12	2.7000	0.1883	2.8883	14.09.
€ 3,000,000	redeeming	12	2.7000	0.1883	2.8883	14.09.
€ 5,000,000	redeeming	12	2.7000	0.0805	2.7805	30.09.
€ 8,000,000	redeeming	12	2.7000	0.0805	2.7805	30.09.
€ 1,000,000	redeeming	12	2.7000	0.0805	2.7805	31.12.
<b>€ 25,000,000</b>						

**Promissory notes with a maturity of 15-years:**

Principal amount (in EUR)	Repayment	Maturity	Spread (in %)	Swap (in %)	Coupon (in %)	Payment of in- terest
€ 5,000,000	redeeming	15	2.8500	0.2925	3.1425	14.09.
€ 3,000,000	redeeming	15	2.8500	0.2925	3.1425	14.09.
€ 5,000,000	redeeming	15	2.8500	0.2925	3.1425	14.09.
€ 5,000,000	redeeming	15	2.8500	0.2925	3.1425	31.12.
€ 5,000,000	redeeming	15	2.8500	0.1725	3.0225	30.09.
<b>€ 23,000,000</b>						

**Promissory notes – bullet repayment:**

Principal amount (in EUR)	Repayment	Maturity	Spread (in%)	Swap (in%)	Coupon (in%)	Payment of in- terest
€ 5,000,000	bullet repayment	7	2.7000	0.1270	2.8270	26.01.
<b>€ 5,000,000</b>						

## (17) OTHER FINANCIAL LIABILITIES

Financial liabilities (including finance leases) are recognised at amortised cost in line with the category of "other financial liabilities". This amount is calculated as the original nominal amount paid less repayments of principal. Current liabilities are therefore normally recorded with their redemption value.

Subsidised loans are long-term zero-interest loans from public sector entities in connection with the construction and operation of park & ride sites, whose frepayment depends on achieving a certain revenue limit, as well as so-called "Wohnsammelgaragen" or "Volksgaragen" (garages for local residents), which are repaid over 40 years in identical instalments, following a grace period of 5 years. The subsidised loans are measured at fair value less the benefit of the interest rate according to IAS 20. The benefit of the below-market rate of interest is measured as the difference between the loan received and the present value of the estimated future payments, which are discounted using the incremental borrowing rate of interest at the time of inclusion. Additional promotional loans in the amount of EUR 11,515,000 were granted in the fiscal year (2016: none). The additional changes in loan levels result primarily from interest rate effects.

(in thousands of EUR)	31 December 2017	31 December 2016
Liabilities against banks	106,318	96,944
Finance lease liabilities	16,263	16,889
Liabilities for building laws	18,160	13,935
Liabilities for concessions	36,652	31,053
Subsidized loans	20,365	14,810
Trade liabilities	7,031	3,386
<b>Total</b>	<b>204,790</b>	<b>177,018</b>
<i>thereof</i>		
<b>non-current</b>	<b>189,067</b>	<b>166,449</b>
<b>current</b>	<b>15,723</b>	<b>10,569</b>

(a) Financial liabilities against banks and non-banks

2017	Currency	Principal amount	Fair value	Carrying amount	Interest rate
in thousands of EUR					
Promissory notes	EUR	104,500	96,281	102,796	2.96
Long-term loans	EUR			1,554	0.60
Short-term loans	EUR			174	0.60
Derivates of the trading portfolio	EUR			34,845	
<b>Financial liabilities against banks with fixed interest rates</b>				<b>139,369</b>	

2017	Currency	Principal amount	Fair value	Carrying amount	Interest rate
in thousands of EUR					
Promissory notes	EUR	28,500	27,989	28,016	2.25
Long-term loans	EUR			98,501	1.22
Short-term loans	EUR			6,070	1.23
<b>Financial liabilities against banks with variable interest rates</b>				<b>132,587</b>	

2017	Currency	Principal amount	Fair value	Carrying amount	Interest rate
in thousands of EUR					
Bond - fixed interest rate (long term)	EUR	120,000	128,580	118,831	3.375
Subsidized loans	EUR			20,365	
Lease liabilities	EUR			16,263	0.65
Building laws	EUR			18,160	
Concessions	EUR			36,652	
<b>Financial liabilities against non-banks</b>				<b>210,271</b>	

2016	Currency	Principal amount	Fair value	Carrying amount	Interest rate
in thousands of EUR					
Promissory notes	EUR	53,000	46,903	52,252	2.95
Long-term loans	EUR			1,732	1.20
Short-term loans	EUR			172	1.20
Derivates of the trading portfolio	EUR			41,422	
<b>Financial liabilities against banks with fixed interest rates</b>				<b>95,578</b>	

2016	Currency	Principal amount	Fair value	Carrying amount	Interest rate
in thousands of EUR					
Long-term loans	EUR			91,141	1.44
Short-term loans	EUR			3,899	1.62
<b>Financial liabilities against banks with variable interest rates</b>				<b>95,040</b>	

2016	Currency	Principal amount	Fair value	Carrying amount	Interest rate
in thousands of EUR					
Bond - fixed interest rate (long term)	EUR	120,000	122,244	118,493	3.38
Subsidized loans	EUR			14,810	
Lease liabilities	EUR			16,889	0.75
Building laws	EUR			13,936	
Concessions	EUR			31,053	
<b>Financial liabilities against non-banks</b>				<b>195,181</b>	

## (b) Leasing

Individual subsidiaries have concluded contracts as lessees on the temporary use of property, plant and equipment against lump sum or recurring lease payments. As far as the group bears all material risks and opportunities from the use of the leased asset and therefore must be deemed the owner, these contracts are treated as finance lease arrangements. As these arrangements thus economically resemble an investment with long-term financing, the respective leased asset is capitalised in non-current assets at fair value or the lower present value of the non-cancellable future minimum lease payments and a lease liability of the same amount is recorded. In all other lease arrangements ("operating lease") the lease payments are recorded through profit or loss over the lease term.

## Liabilities from finance leases

At the end of each reporting period, the future minimum payments of the non-cancellable lease and rent obligations under finance leases, due in the following business years, are:

	Total future minimum lease payments		Interest payments		Present value of minimum lease payments	
	2017	2016	2017	2016	31 December 2017	31 December 2016
(in thousands of EUR)						
Up to one year	741	757	110	136	631	621
Between one and five years	3,396	3,714	367	697	3,029	3,016
Over five years	13,347	14,529	744	1,277	12,603	13,252
	<b>17,484</b>	<b>19,000</b>	<b>1,221</b>	<b>2,110</b>	<b>16,263</b>	<b>16,889</b>

As of 31 December 2017, the group has property, plant and equipment capitalised by means of finance leases with the following carrying amounts: property EUR 19,162,000 (31 December 2016: EUR 19,693,000).

## Operating Leasing

The Best in Parking group has, amongst other things, concluded rental and lease agreements to operate garage locations which do not contain any purchase options. According to IFRS, these rental and lease agreements are operating leases. With operating leases, ownership remains with the lessor (here: landlord or renter).

At the end of the reporting periods, the future minimum payments of operating lease and rent obligations are:

	31 December 2017	31 December 2016
(in thousands of EUR)		
Up to one year	7,698	8,063
Between one and five years	22,167	22,538
Over five years	42,526	47,149
<b>Total future minimum lease payments</b>	<b>72,391</b>	<b>77,749</b>

### (c) Building right liabilities

Regarding the accounting and measurement of liabilities arising from building right agreements concluded by the group, we refer to note (7)(b).

	Total future minimum lease payments		Interest payments		Present value of minimum lease payments	
(in thousands of EUR)	2017	2016	2017	2016	31 December 2017	31 December 2016
Up to one year	257	237	92	82	165	155
Between one and five years	1,594	1,092	565	456	1,029	636
Over five years	128,341	101,565	111,374	88,408	16,967	13,145
	<b>130,192</b>	<b>102,894</b>	<b>112,032</b>	<b>88,947</b>	<b>18,160</b>	<b>13,935</b>

### (d) Concession liabilities

Regarding the accounting and measurement of liabilities arising from service concession agreements concluded by the group, we refer to note (7)(b).

	Total future minimum lease payments		Interest payments		Present value of minimum lease payments	
(in thousands of EUR)	2017	2016	2017	2016	31 December 2017	31 December 2016
Up to one year	3,702	3,560	1,734	1,457	1,968	2,103
Between one and five years	14,953	14,351	5,878	4,698	9,075	9,652
Over five years	64,976	33,326	39,367	14,028	25,610	19,298
	<b>83,632</b>	<b>51,236</b>	<b>46,979</b>	<b>20,183</b>	<b>36,652</b>	<b>31,053</b>

## (18) CURRENT PROVISIONS

Provisions are recognized at the present value of the expected settlement amount if the Group has an obligation to a third party as a result of a past event. The value applied is that which is determined at the time of preparation of the consolidated financial statements according to the best estimate. The best estimate of the amount required to settle the present obligation is the amount that the company would reasonably have to pay to settle the obligation at the balance sheet date or to transfer the obligation to a third party on that date.

As in the previous year, current provisions in fiscal year 2017 consisted mainly of provisions for maintenance costs, for concession assets and for consulting costs.

## (19) OTHER LIABILITIES

Current liabilities are normally recognised at their redemption amount.

(in thousands of EUR)	31 December 2017	31 December 2016
Liabilities against associated companies and at-equity companies	364	1,117
Derivates of the trading portfolio	31,064	38,189
Interest rate swaps used for hedging	3,781	3,233
Accrued interest	4,662	4,152
Other taxes and duties	2,309	1,507
Obligations to employees	181	182
Other liabilities	3,186	3,583
<b>Total</b>	<b>45,547</b>	<b>51,963</b>
<i>thereof</i>		
non-current	34,803	37,504
current	10,744	14,460

## (20) DEFFERALS

Deferrals refer to income received that relates to subsequent periods.

## (21) REVENUE

The group focuses on operating garages and rendering the services connected. Revenues therefore include all income resulting from the typical business activity of the Best in Parking group.

Geographically, revenue is distributed as follows:

(in thousands of EUR)	2017	2016
Austria	29,058	27,482
Italy	29,663	27,963
Switzerland	764	754
Slovakia	1,039	758
Croatia	1,279	0
<b>Total</b>	<b>61,803</b>	<b>56,957</b>

## (22) OTHER OPERATING INCOME

(in thousands of EUR)	2017	2016
Badwill	1,126	1,560
Income from investment and restructuring subsidies	0	1,855
Work-in-progress	0	505
Other	188	205
<b>Total</b>	<b>1,314</b>	<b>4,125</b>

On the income reported from badwill in connection with the acquisition of „garaža Cvjetni“ in Zagreb in 2017 and „garáž Centrum“ in Bratislava in 2016 see Note (6).

## (23) OPERATING EXPENSES

(in thousands of EUR)	2017	2016
Operating expenses for garages	7,154	6,666
Rental expenses garages	3,884	4,166
Purchased services	2,116	2,869
Legal and consulting expenses	2,107	1,500
Taxes and fees	1,677	1,472
Building right expenses and concession fees	1,125	1,196
Material expenses	736	626
Sundry other expenses	3,255	3,291
<b>Total</b>	<b>22,054</b>	<b>21,785</b>

## (24) PERSONNEL EXPENSES

Personnel expense across all units of the group looks as follows:

(in thousands of EUR)	2017	2016
Gross wages	1,358	1,213
Gross salaries	6,629	5,500
Severance expenses	390	465
Pension expenses	11	0
Expenses for statutory social security as well as payrollrelated taxes and other contributions	2,283	1,987
Other welfare expenses	95	95
<b>TOTAL</b>	<b>10,767</b>	<b>9,261</b>



Average headcounts look as follows:

(Number of persons)	2017	2016
Workers	55	54
Office staff	160	150
<b>TOTAL</b>	<b>215</b>	<b>204</b>

## (25) GROUP AUDITOR'S FEE

LeitnerLeitner Audit Partners GmbH Wirtschaftsprüfer was appointed group auditor and auditor of the statutory financial statements of Best in Parking- Holding AG on 17 July 2017 in the 2<sup>nd</sup> scheduled shareholders' meeting and also audits the statutory financial statements of individual Austrian subsidiaries subject to statutory audits.

Fees for the group auditor are broken down as follows:

(in thousands of EUR)	2017	2016
Year-end audit	142	32
Other assurance services	42	47
Tax consultancy services	0	0
Other services	0	0
<b>TOTAL</b>	<b>185</b>	<b>79</b>

## (26) FINANCIAL INCOME

(in thousands of EUR)	2017	2016
Income successive company acquisitions	23,867	0
Income from additions and disposals of financial assets	7,147	1,246
Interest income	761	602
Income from other securities	86	91
Income from disposals of subsidiary companies	0	7,734
Other investment income	0	159
<b>Total financial income</b>	<b>31,862</b>	<b>9,832</b>

The item income from additions and disposals of financial assets mainly shows income from positive changes in value of interest rate hedges. For the classification and measurement of derivatives see the notes on financial instruments (note (5)).

For information on income from step acquisitions, please refer to the note (6)(a).

## (27) FINANCIAL EXPENSES

(in thousands of EUR)	2017	2016
Interest expenses – interest rate hedging	3,868	3,810
Interest expenses – bond	4,104	3,712
Interest expenses – promissory notes (issuance)	2,282	456
Interest expenses – concessions	1,456	1,490
Interest expenses – subsidized loan	1,297	1,366
Interest expenses – building rights	628	582
Amortisation of financial assets and marketable securities	4	500
Other interest expenses	4,618	4,484
<b>Total financial expenses</b>	<b>18,259</b>	<b>16,399</b>

## (28) CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

For the existing contingent liabilities, the possibility of any outflow in settlement is deemed remote; therefore, no description is given for the respective effective dates.

## (29) EVENTS AFTER THE END OF THE REPORTING PERIOD

In the first quarter of 2018, the acquisition of a location in the centre of Zagreb, "garaža Kaptol", as well as of two garages in Rijeka, "garaža Starigrad" and "garaža Zagrad" could be successfully realized. The total acquisition costs incurred amounted to approximately EUR 16,350,000.

## (30) DIVIDEND

The Management Board of the parent company, Best in Parking – Holding AG, proposes to carry forward the balance sheet profit of EUR 12,244,000.

## (31) INTERESTS

**Table of affiliated and associated companies 2017**

(Consolidated companies)

Company name	Domicile	Country	Currency	Shareholding in %	Type of consolidation
Best in Parking - Holding AG	Vienna	Austria	EUR	-	FC
Best in Parking - Konzernfinanzierungs GmbH	Vienna	Austria	EUR	100.0%	FC
TGP-Beteiligungs GmbH	Vienna	Austria	EUR	100.0%	FC
Reumannplatz - Garage, Wiener Garagenbau- und Betriebsgesellschaft m.b.H. & Co KG	Vienna	Austria	EUR	58.4%	FC
A-Garagenbesitz und Vermietungs GmbH	Vienna	Austria	EUR	99.0%	FC
Garage Hanuschspital Errichtungs GmbH	Vienna	Austria	EUR	99.0%	FC
KFJ Garagenbetriebsgesellschaft m.b.H.	Vienna	Austria	EUR	100.0%	FC
BIP-Tiefgarage Promenade Bau- und Betriebs GmbH	Vienna	Austria	EUR	100.0%	FC
BIP-Garagenesellschaft Breiteneder Ges.m.b.H. & Co. KG	Vienna	Austria	EUR	100.0%	FC
BIP-Garagenesellschaft Breiteneder Ges.m.b.H.	Vienna	Austria	EUR	100.0%	FC
Best in Parking GmbH & Co KG	Vienna	Austria	EUR	100.0%	FC
Wiener Garagenbau- und Betriebs GmbH	Vienna	Austria	EUR	99.9%	FC
Neuer Markt Garagenerrichtungs- und Betriebs GmbH	Vienna	Austria	EUR	100.0%	FC
BIP-Park & Ride Hütteldorf GmbH	Vienna	Austria	EUR	100.0%	FC
Garage beim Palais Schwarzenberg Bau- und Betriebs GmbH	Vienna	Austria	EUR	70.0%	FC
BIP - Garage Volkertstraße GmbH	Vienna	Austria	EUR	100.0%	FC
Garage 1050 GmbH	Vienna	Austria	EUR	100.0%	FC
Garage 1050 GmbH & Co KG	Vienna	Austria	EUR	100.0%	FC
R & P Garagen GmbH & Co KG	Vienna	Austria	EUR	100.0%	FC
Ziegelofengasse 21-23 Projektentwicklungs GmbH	Vienna	Austria	EUR	100.0%	FC
Kärntnerstraße - Tiefgarage Bau- und Betriebsgesellschaft m.b.H. & Co. KG.	Vienna	Austria	EUR	50.0%	AE
Otto Wagnerplatz-Tiefgarage Bau- und Betriebsgesellschaft m.b.H. & Co. KG.	Vienna	Austria	EUR	50.0%	AE
PKC-Parkgaragen Kundencenter GmbH	Vienna	Austria	EUR	50.0%	AE
Kärntnerstraße - Tiefgarage Bau- und Betriebsgesellschaft m.b.H.	Vienna	Austria	EUR	50.0%	AE
Heldenplatz Garage Bau- und Betriebsführungs GmbH & Co KG	Vienna	Austria	EUR	50.0%	AE
Otto Wagnerplatz - Tiefgarage Bau- und Betriebsgesellschaft m.b.H.	Vienna	Austria	EUR	50.0%	AE
Heldenplatz-Garage Bau- und Betriebsführungs GmbH	Vienna	Austria	EUR	50.0%	AE
Hamerlingplatz - Tiefgarage Bau- und Betriebsgesellschaft mit beschränkter Haftung & Co. KG.	Vienna	Austria	EUR	33.3%	AE
Pratergarage Errichtungs- und Betriebsgesellschaft m.b.H.	Vienna	Austria	EUR	47.5%	AE
Hamerlingplatz - Tiefgarage Bau- und Betriebsges.m.b.H.	Vienna	Austria	EUR	33.3%	AE
Garage Migerkastraße GmbH	Vienna	Austria	EUR	24.0%	AE
Park u. Ride Spittelau Ges.mbH	Vienna	Austria	EUR	24.0%	AE
BIP - Garage Mittersteig GmbH	Vienna	Austria	EUR	100.0%	FC
Laurenzgasse 8-10 Verwertungs GmbH & Co KG	Vienna	Austria	EUR	100.0%	NC
Parcchegi Italia SpA	Bolzano	Italy	EUR	100.0%	FC
Alto Park Srl	Bolzano	Italy	EUR	100.0%	FC
Bergamo Parcchegi SpA	Milano	Italy	EUR	68%+3	FC
Bl.Park Srl	Bolzano	Italy	EUR	100.0%	FC
Lombardia Parcchegi Srl	Milano	Italy	EUR	100.0%	FC
Parcchegi Italia Partecipazioni Srl	Milano	Italy	EUR	100.0%	FC
Parcchegio Galileo Ferraris Srl	Milano	Italy	EUR	99.0%	FC
Parcchegio Piazza della Vittoria Srl	Milano	Italy	EUR	90.0%	FC
Park Invest Srl	Milano	Italy	EUR	100.0%	FC
Signal Park Srl	Milano	Italy	EUR	100.0%	FC
Parcchegio Centro Duomo Srl	Milano	Italy	EUR	100.0%	FC
Sistema Parcchegi Alba Srl	Milano	Italy	EUR	100.0%	FC
Parcchegi Alba Srl	Milano	Italy	EUR	100.0%	FC
Nord Ovest Parcchegi Srl	Milano	Italy	EUR	51.0%	FC
Modena Parcchegi SpA	Milano	Italy	EUR	100.0%	FC

Company name	Domicile	Country	Currency	Shareholding in %	Type of consolidation
Parccheggio Piazza Trento e Trieste Srl	Tortona	Italy	EUR	100.0%	FC
Parccheggio Piazza Vittorio Srl	Tortona	Italy	EUR	100.0%	FC
Parccheggio Via Manuzio Srl	Tortona	Italy	EUR	100.0%	FC
Parccheggio Piazza Meda Srl	Tortona	Italy	EUR	100.0%	FC
Parccheggio e Immobiliare Prato della Valle Srl	Milano	Italy	EUR	68.0%	FC
Pesaro Parceggi SpA	Pesaro	Italy	EUR	29.6%	AE
Autosilo Piazza Castello SA	Locarno	Switzerland	CHF	100.0%	FC
Ticino Parceggi SA	Locarno	Switzerland	CHF	62.5%	FC
Best in Parking - Slovakia s.r.o.	Bratislava	Slovakia	EUR	100.0%	FC
Best in Parking d.o.o.	Zagreb	Croatia	HRK	100.0%	FC
Best in Parking - garaža Cvjetni d.o.o.	Zagreb	Croatia	HRK	100.0%	FC
Best in Parking - garaža Stari Grad d.o.o.	Zagreb	Croatia	HRK	100.0%	FC
Best in Parking - garaža Zagrad d.o.o.	Zagreb	Croatia	HRK	100.0%	FC

Type of consolidation:

FC fully consolidated company

AE At-equity consolidated company

NC non consolidated company

The Best in Parking - Group has additional voting rights for the Bergamo Parceggi SpA (3 votes).

**Table of affiliated and associated companies 2016**  
(Consolidated companies)

Company name	Domicile	Country	Currency	Shareholding in %	Type of consolidation
Best in Parking - Holding AG	Vienna	Austria	EUR	-	FC
Best in Parking - Konzernfinanzierungs GmbH	Vienna	Austria	EUR	100.0%	FC
TGP-Beteiligungs GmbH	Vienna	Austria	EUR	100.0%	FC
Reumannplatz - Garage, Wiener Garagenbau- und Betriebsgesellschaft m.b.H. & Co KG	Vienna	Austria	EUR	58.4%	FC
A-Garagenbesitz und Vermietungs GmbH	Vienna	Austria	EUR	99.0%	FC
Garage Hanuschspital Errichtungs GmbH	Vienna	Austria	EUR	99.0%	FC
KFJ Garagenbetriebsgesellschaft m.b.H.	Vienna	Austria	EUR	100.0%	FC
BIP-Tiefgarage Promenade Bau- und Betriebs GmbH	Vienna	Austria	EUR	100.0%	FC
BIP-Garagenesellschaft Breiteneder Ges.m.b.H. & Co. KG	Vienna	Austria	EUR	100.0%	FC
BIP-Garagenesellschaft Breiteneder Ges.m.b.H.	Vienna	Austria	EUR	100.0%	FC
Best in Parking GmbH & Co KG	Vienna	Austria	EUR	100.0%	FC
Wiener Garagenbau- und Betriebs GmbH	Vienna	Austria	EUR	99.9%	FC
Neuer Markt Garagenerrichtungs- und Betriebs GmbH	Vienna	Austria	EUR	100.0%	FC
BIP-Park & Ride Hütteldorf GmbH	Vienna	Austria	EUR	100.0%	FC
Garage beim Palais Schwarzenberg Bau- und Betriebs GmbH	Vienna	Austria	EUR	100.0%	FC
BIP - Garage Volkertstraße GmbH	Vienna	Austria	EUR	100.0%	FC
Garage 1050 GmbH	Vienna	Austria	EUR	100.0%	FC
Garage 1050 GmbH & Co KG	Vienna	Austria	EUR	100.0%	FC
R & P Garagen GmbH & Co KG	Vienna	Austria	EUR	90.0%	FC
Gain Capital Real Estate Garagen GmbH	Vienna	Austria	EUR	100.0%	FC
Kärntnerstraße - Tiefgarage Bau- und Betriebsgesellschaft m.b.H. & Co. KG.	Vienna	Austria	EUR	50.0%	AE
Otto Wagnerplatz-Tiefgarage Bau- und Betriebsgesellschaft m.b.H. & Co. KG.	Vienna	Austria	EUR	50.0%	AE
PKC-Parkgaragen Kundencenter GmbH	Vienna	Austria	EUR	50.0%	AE
Kärntnerstraße - Tiefgarage Bau- und Betriebsgesellschaft m.b.H.	Vienna	Austria	EUR	50.0%	AE
Heldenplatz Garage Bau- und Betriebsführungs GmbH & Co KG	Vienna	Austria	EUR	50.0%	AE
Otto Wagnerplatz - Tiefgarage Bau- und Betriebsgesellschaft m.b.H.	Vienna	Austria	EUR	50.0%	AE
Heldenplatz-Garage Bau- und Betriebsführungs GmbH	Vienna	Austria	EUR	50.0%	AE
Hamerlingplatz - Tiefgarage Bau- und Betriebsgesellschaft mit beschränkter Haftung & Co. KG.	Vienna	Austria	EUR	33.3%	AE
Pratergarage Errichtungs- und Betriebsgesellschaft m.b.H.	Vienna	Austria	EUR	47.5%	AE
Hamerlingplatz - Tiefgarage Bau- und Betriebsges.m.b.H.	Vienna	Austria	EUR	33.3%	AE
Garage Migerkastraße GmbH	Vienna	Austria	EUR	24.0%	AE
Park u. Ride Spittelau Ges.m.b.H.	Vienna	Austria	EUR	24.0%	AE
Laurengasse 8-10 Verwertungs GmbH & Co KG	Vienna	Austria	EUR	100.0%	NC
Parcchegi Italia SpA	Bolzano	Italy	EUR	100.0%	FC
Alto Park Srl	Bolzano	Italy	EUR	100.0%	FC
Bergamo Parcchegi SpA	Milano	Italy	EUR	68%+3	FC
Bl.Park Srl	Bolzano	Italy	EUR	100.0%	FC
Lombardia Parcchegi Srl	Milano	Italy	EUR	100.0%	FC
Parcchegi Italia Partecipazioni Srl	Milano	Italy	EUR	100.0%	FC
Parcchegio Galileo Ferraris Srl	Milano	Italy	EUR	99.0%	FC
Parcchegio Piazza della Vittoria Srl	Milano	Italy	EUR	90.0%	FC
Park Invest Srl	Milano	Italy	EUR	100.0%	FC
Signal Park Srl	Bolzano	Italy	EUR	100.0%	FC
Sistema Parcchegi Alba Srl	Milano	Italy	EUR	100.0%	FC
Parcchegi Alba Srl	Milano	Italy	EUR	100.0%	FC
Nord Ovest Parcchegi Srl	Milano	Italy	EUR	51.0%	FC
Modena Parcchegi SpA	Milano	Italy	EUR	100.0%	FC

Company name	Domicile	Country	Currency	Shareholding in %	Type of consolidation
Parcheggio Piazza Trento e Trieste Srl	Tortona	Italy	EUR	50.0%	AE
Parcheggio Piazza Vittorio Srl	Tortona	Italy	EUR	50.0%	AE
Parcheggio Via Manuzio Srl	Tortona	Italy	EUR	50.0%	AE
Parcheggio Piazza Meda Srl	Tortona	Italy	EUR	50.0%	AE
Parcheggio e Immobiliare Prato della Valle Srl	Milano	Italy	EUR	48.0%	AE
Trevisosta Srl	Treviso	Italy	EUR	33.0%	AE
Pesaro Parcheggi SpA	Pesaro	Italy	EUR	30.0%	AE
Autosilo Piazza Castello SA	Locarno	Switzerland	CHF	100.0%	FC
Ticino Parcheggi SA	Locarno	Switzerland	CHF	62.5%	FC
Best in Parking - Slovakia s.r.o.	Bratislava	Slovakia	EUR	100.0%	FC
Best in Parking d.o.o.	Zagreb	Croatia	HRK	100.0%	FC

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The Best in Parking - Group has additional voting rights for the Bergamo Parcheggi SpA (3 votes).

## (32) BODIES

Management in the Group's key positions within the meaning of IAS 24 consists of the Management Board and the Supervisory Board of the parent company.

The corporate bodies in the past business year were composed as follows:

### **Management Board**

Johann BREITENEDER  
Mag. Philipp GAIER (since 17.07.2017)

The protection clause pursuant to § 242 (4) UGB is used.

### **Supervisory Board**

Mag. Werner LEITER (Chairman)  
Mag. Bettina BREITENEDER (Deputy chairwoman)  
Dr. Peter HOFFMANN-OSTENHOF

In the financial year 2017, remunerations of EUR 14,000 have been paid to the members of the Supervisory Board (2016: none).

No advances or loans have been granted to members of the Management Board or the Supervisory Board during the financial year, nor were any contingent liabilities entered into for the same group of persons.

Vienna, 25 May 2018

The management board

Johann BREITENEDER m. p.

Mag. Philipp GAIER m. p.

## **APPENDIX VII**



## Management report

### 1. Report on the business development, operating result and situation of the company

#### 1.1. Activities of the company

Best in Parking - Holding AG is the strategically managing holding company of a leading group of companies with a focus on parking space management in Austria, Italy, Switzerland, Slovakia and Croatia. The business activities of the Best in Parking Group cover the development and management of parking space at all associated levels of the value chain. The Best in Parking Group generates revenues from the management of properties on the following legal basis: "owned property", "building rights", "concessions", "rent/lease" and "management contracts".

The core task of Best in Parking - Holding AG is, among other things, to define the corporate strategy of the Best in Parking Group and then to plan, implement and monitor the operational implementation of this strategy within the Group as a whole.

#### 1.2. Strategic development

In 2017, the strategy continued to focus on growth, above all in the core markets of Austria and Italy, both in the area of garages operated on a property, building lease and concession basis, as well as in the operation of third-party garages – to complement the portfolio sensibly and strengthen the market position. strategy takes account of the focus on market penetration and strengthening the presence in the core markets. In Italy, the management of public urban surface sites ("on-street parking") is an important line of business on behalf of and in cooperation with the local authorities. Continuing trends such as (i) restriction of stationary traffic in city centres in favour of alternative mobility (cycle paths, pedestrian zones, green spaces, etc.), (ii) reduction of parking facilities (i.e. short-time parkers) in favour of adjacent parking spaces (iii) expansion of Park & Ride facilities in major cities (> 1 million inhabitants), (iv) increase in the proportion of electric vehicles, and (v) shortage of on-street parking spaces by creating parking spaces for car sharing operators create further growth potential for the Group.

With the acquisition of a premium location in Zagreb at the beginning of 2017, the company successfully entered the Croatian market. The acquisition and takeover of further locations in Zagreb and Rijeka were successfully negotiated in fiscal year 2017 and completed in spring 2018.

In Italy - in addition to the completion and opening of new locations and the increase of the shares to a controlling majority in several project companies – the 50% shares of a joint venture partner in a garage package, which was jointly managed by four companies until fall 2017, was acquired in full. This acquisition has a sustained positive impact on the overall portfolio in Italy.

In Austria, in addition to the successful completion of renovation and expansion work at existing locations and the resulting increase in frequency and earnings, the acquisition of a central location in Vienna – consisting of an underground garage and the associated residential building – was also completed.

The Group's other projects include garage and parking space projects as well as some development projects in the real estate sector.

### **1.3. Industry development**

In the Best in Parking Group's markets, parking space management has been concentrated on a few large operators in recent years. The reason for this concentration are, among other things, the high investment costs, the increasing qualification requirements for the award of contracts, planning, construction and operating phases, the increasing complexity of the service provision, in order to be able to offer customer-oriented products on the one hand, and to optimize the utilization of the locations on the other hand. The use of modern parking management systems, internal software programs and computer-supported evaluations enables a continuous control and a fast reaction to changes. The geographic density of locations and the central monitoring and service facilities make it possible to ensure the necessary cost efficiency.

### **1.4. General economic environment**

Due to the high proportion of own projects in three core markets (Austria, Italy and Croatia) and the increased regulatory restrictions on stationary traffic in public parking areas, we see a positive long-term development of the company in terms of number and quality of locations, tariff level and turnover.

### **1.5. Business development**

#### **Purchasing**

Due to continuous growth and continued centralized purchasing for selected areas, purchasing conditions were optimized in 2017 for both materials and purchased services.

#### **Sales**

The increase in sales revenue in 2017 is mainly attributable to a mixture of improved capacity utilization at the sites and - to a lesser extent – increase of rates.

#### **Investments**

The development of the company and the group in 2017 is characterized almost exclusively by investments in financial assets and an increase in cash and cash equivalents. At the same time, liabilities to banks increased.

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The reason for this is due to following significant events in the financial year 2017:

- i. In September and October 2017, Best in Parking - Holding AG successfully concluded three tranches of promissory note loans (SSD) with institutional investors totalling EUR 80,000,000. The SSDs are concluded with one exception (7-year term at final maturity) over 10 or 15 years, with a uniform redemption-free period of 5 years being agreed.
- ii. Liquidity, now consisting of the three financing sources – "Bond" (from 2016) and "SSD" (from 2016 and 2017) – was used to increase self-financing of individual Group subsidiaries by granting long-term intercompany loans (approx. EUR 3,250,000). In addition, various project-financed acquisitions by Group companies in the amount of approximately EUR 13,200,000 were temporarily financed through intercompany loans as of the balance sheet date.
- iii. Additionally, the acquisition of the "garaža Cvjetni" location in the city centre of Zagreb was successfully completed in February 2017 (acquisition costs amounting approx. EUR 20,000,000), in Italy in November 2017 the acquisition of the joint venture partner's 50% shares in 4 project companies was finalised (acquisition costs and EUR 29,500,000), and a garage/residential property location in Vienna ("Mittersteig") was successfully acquired (acquisition costs around EUR 13,200,000).

Cash and cash equivalents totalling EUR 126,128,000 as of 31 December 2017 were assessed at normal market conditions at various banks.

## 1.6. Development of operating result

Group EBITDA in accordance with IFRS (EUR 30.295 ml) rose by around 1% in 2017 compared to the previous year (EUR 30.036 ml).

In 2017 – continuing the application of IFRS after first-time application in 2016 in the preparation of the consolidated financial statements – the group results include sales revenues of EUR 61.803 ml (2016: EUR 59.957 ml), operating revenue (= total revenues) of EUR 63.117 ml (2016: EUR 61.082 ml), an EBITDA of EUR 30.295 ml (2016: EUR 30.030 ml) and earnings before interest and taxes (EBIT) of EUR 18.700 ml (2016: EUR 20.836 ml).

The ongoing discontinuation of derivative financial instruments and the simultaneous reduction in exposure due to ongoing repayments have had a positive effect on the valuation of interest rate hedging transactions concluded in previous years. In 2017, the provision for interest rate hedging transactions was released in the amount of EUR 7.142 ml. Since all interest rate hedging transactions are "plain - vanilla - IRS - products", negative value is impossible at the expiry of the respective transactions. This fact will lead to a corresponding reversal of the provision built so far with an effect on income in future financial periods.

In 2017, the financial result is also significantly positively affected by the first-time full consolidation of the four joint venture companies – accounted for until 2016 as “at equity” investments – which are now wholly owned by the Best in Parking Group after the acquisition of the 50% of the shares from its strategic partner.

The profit before tax amounted EUR 32.303 ml (2016: EUR 14.269 ml) and profit for the year amounted EUR 29.944 ml (2016: EUR 13.922 ml).

## Liquidity

	2017 in ml/EUR	2016 in ml/EUR
Cashflow from operating activities	27.748	25.862
Cashflow from investing activities	-82.977	-35.503
Cashflow from financing activities	64.062	101.550

A detailed presentation of the cash flows can be found in the consolidated cash flow statement.

## 1.7. Non-financial performance indicators

### Information on environmental issues and human resources

#### Environment

The Group is committed to sustainable and ecological codes of management, environmentally compatible, resource-saving and responsible actions as well as appropriate investments are among the most important corporate objectives.

#### Human resources

The Group promotes the development of professional and personality-building qualifications as part of targeted training measures and the international posting of its employees. In addition to the expansion of specific specialist know-how, the focus in personnel development is on intensive communication training and the further development of social and leadership skills.

In the area of human resources controlling, the development of key performance indicators is monitored on a monthly basis. As a result, we are able to react quickly to deviations and improve developments in the areas of fluctuation, overtime, sick leave and vacation.

## 2. Subsequent events

In the first quarter of 2018, the acquisition of a site in the city center of Zagreb "garaža Kaptol" and two garages in Rijeka, "garaža Starigrad" and "garaža Zagrad" was successfully completed. The total acquisition costs incurred amounted to approximately EUR 16,350,000.

## 3. Future development of the company

The company expects a continuous development on the one hand with regard to the number of locations and the managed parking spaces of the subsidiaries, and on the other hand with regard to the key earnings figures. Due to the ongoing development of new projects and/or the targeted acquisition of existing locations as well as the increased regulatory restrictions on stationary traffic in public parking areas, we see a positive long-term development of the Group in terms of the number of locations, tariff level, operating performance and profitability. The stronger market positioning resulting will also lead to an additional streamlined cost structure due to an expanded use of synergies. Continuous improvements and further developments in the area of software and hardware used are constantly being made, which leads to a continuous optimization of the operations. Positive project implementations in the real estate sector round off the Group's activities.

## 4. Internal control system for financial reporting

Best in Parking Group has implemented a strict internal control system (ICS). The Company's ICS is intended to ensure sufficient assurance regarding the reliability and accuracy of external financial reporting in accordance with international and national standards.

## 5. Risk reporting

### 5.1. Risk management

Best in Parking Group is exposed to liquidity, default and interest rate risks. In order to ensure the solvency and financial flexibility of Best in Parking Group, Best in Parking - Holding AG – in cooperation with Best in Parking - Konzernfinanzierungs GmbH – organizes corresponding liquidity reserves in the form of bond issuance or by concluding promissory note loans.

The company has created a control environment that includes guidelines and procedures for assessing risks, approvals, reporting and monitoring the use of derivative financial instruments. These guidelines do not allow the issuance or holding of financial instruments for speculative purposes. As of 31 December 2017, the Company held no derivative financial instruments. Credit risk of Best in Parking - Holding AG is continuously monitored by the company.

## 5.2. Significant risks and uncertainties to which the Company is exposed

### **Economic risk**

According to the current economic forecast, the operating subsidiaries' revenues are expected to remain stable or be slightly higher, with revenues that are virtually guaranteed in value.

The operating subsidiaries of Best in Parking - Holding AG are located in regions with strong purchasing power.

### **Regulatory risk**

When investing in the construction of new garages, risk of political-regulatory restrictions on the surface (on-street) can be noticed to a growing extent, while restrictions on the use of public parking spaces increase the demand in the company's field of activity.

### **Market and competitive risk**

Best in Parking Group has a strong market position and on the other hand, competition is usually limited to existing competitors, since the construction of new garages is only profitable if there is a corresponding demand due to the elevated construction costs and the significant market entry barriers.

Best in Parking Group is safeguarded by long-term concessions and owner-associated building lease contracts for garages with a long duration.

General market and revenue risks are recorded and managed within the framework of corporate management via budgeting, forecasting and reporting. Risks in connection with investments are identified and evaluated within the scope of the investment calculation.

### 5.3. Risks associated with financial instruments

Financial instruments - essential for assessing the group's net assets, financial position and results of operations - are its financial assets, financial liabilities and derivatives.

#### **Risk from financial assets**

The Management Board is directly involved in the management of the operating subsidiaries. Ongoing monitoring ensures that the investment approaches and financial exposure are adequately monitored. Active project management is carried out with regard to the project companies.

#### **Risk from financial liabilities**

The financial liabilities in the amount of EUR 454.433 ml relate entirely to liabilities to banks and non-banks and are almost exclusively denominated in Euro. Any effects of exchange rate fluctuations on the earnings situation can therefore be excluded. The liabilities bear fixed and variable interest rates. The maturities of the financial liabilities correspond to the Group's future liquidity requirements. The covenant calculation resulting from the bond issued and the similar terms and conditions of the promissory notes issued, have led to a significant positive over fulfilment in favour of the Company.

#### **Risk from the use of derivative financial instruments**

The group makes use of derivative instruments in the form of interest rate swaps ("plain vanilla - IRS") to hedge the potential interest rate risk, taking into account the financing arrangements, some of which are very long-term in nature. The conclusion and processing of transactions is carried out in accordance with internal guidelines and exclusively by the head management of the group. Hedging transactions with speculative aspects do not exist and therefore the market value of the individual transactions will amount to "zero" at expiry of the transaction and will therefore lead to the release of provisions affecting net income in subsequent years.

Due to the low level of interest rates, corresponding accounting provisions were made for negative changes in the market value of individual long-term transactions.

## 6. Research and development

The company is constantly working on the further development of existing settlement systems and the consideration of changing market conditions and in particular customer requirements. In addition, ongoing improvements regarding structural and technical facilities and infrastructure are being constantly evaluated in order to sustainably maintain and optimize the quality of the portfolio.

## 7. Branches

The company has no branches.

Vienna, 25 May 2018

The management board

Johann BREITENEDER m. p.

Mag. Philipp GAIER m. p.