Griffin Premium RE..

THE GRIFFIN PREMIUM RE.. GROUP (THE "GROUP")
THE GRIFFIN PREMIUM RE.. N.V. (THE "COMPANY")

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017

Index

(All amounts in EUR thousands unless otherwise stated)

I. Selected consolidated financial data

	in ths PLN		in ths EUR	
	1.01.2017-31.03.2017	1.01.2016-31.03.2016	1.01.2017-31.03.2017	1.01.2016-31.03.2016
Net Operating Income (NOI)	25 505	24 988	5 901	5 725
Operating profit	(75 896)	22 138	(17 560)	5 072
Profit/(loss) before tax	(23 504)	5 648	(5 438)	1 294
Profit/(loss) for the year	(22 172)	3 343	(5 130)	766
Net cash flow from operating activities	13 355	20 602	3 090	4 720
Net cash flow from investing activities	(12 115)	(26 420)	(2 803)	(6 053)
Net cash flow from financing activities	(3 038)	(1 392)	(703)	(319)
Net cash flows	(1 798)	(7 211)	(416)	(1 652)
Total assets	2 124 665	1 943 189	503 499	455 250
Equity	741 081	363 083	175 620	85 063
Non-current liabilities	1 081 872	981 937	256 380	230 048
Current liabilities	301 711	598 169	71 499	140 139
Number of shares	133 931 912	133 931 912	133 931 912	133 931 912
Profit/(loss) per one share (PLN/EUR)	(0,17)	0,02	(0,04)	0,01
Accounting value per one share (PLN/EUR)	5,53	2,71	1,31	0,64
Balance sheet equity ratio in %	35%	19%	35%	19%
Net Loan-to-Value ratio (net LTV) in %	61%	56%	61%	56%
Funds from Operations (FFO)	10 125	11 961	2 343	2 740
Funds from Operations (FFO) per share	0,08	0,09	0,02	0,02
Adjusted Funds from Operations (FFO)	2 363	(27 274)	547	(6 249)
Adjusted Funds from Operations (FFO) per share	0,02	(0,20)	0,00	(0,05)
EPRA Net asset value (EPRA NAV)	785 630	386 504	186 177	90 550
EPRA Net asset value (EPRA NAV) per share	5,87	2,89	1,39	0,68
EPRA Triple Net asset value (EPRA NNNAV)	741 081	363 083	175 620	85 063
EPRA Triple Net asset value (EPRA NNNAV) per share	5,53	2,71	1,31	0,64

Net Loan-to-Value calculated as: Total bank loans less Cash and cash equivalents and restricted cash (excluding tenant deposits) / Investment property

Funds from Operations (FFO) calculated as: Net Rental Income less Administrative expenses plus Finance Income (excluding effect of revaluation) less Interest Expenses on bank loans (excluding impact of amortised cost)

Adjusted Funds from Operations (AFFO) calculated as: FFO less Capitalised expenses on Investment Property

EPRA Net Asset Value (EPRA NAV) calculated as: Total equity less Deferred tax assets on Investment Property plus Deferred tax liabilities on Investment Property less Fair Value of financial instruments plus Deferred tax on financial instruments

EPRA Triple Net Asset Value (EPRA NNNAV) calculated as: EPRA NAV plus Deferred tax assets on Investment Property less Deferred tax liabilities on Investment Property plus Fair Value of financial instruments less Deferred tax on financial instruments less fair value of bank debt

(All amounts in EUR thousands unless otherwise stated)

II. Interim Condensed Consolidated Financial Statements of the Group as of 31 March 2017 and for 3 month period ended 31 March 2017

Interim Consolidated Statement of Profit or Loss

	For the period	
	1.01.2017-31.03.2017	**1.01.2016-31.03.2016**
Rental income	6 418	5 891
Service charge and marketing income	3 141	2 322
Property operating expenses	(3 658)	(2 488)
Net rental income	**5 901**	**5 725**
Administrative expenses	**(1 867)**	**(885)**
Valuation gain/(loss) from investment property	(22 496)	232
Net gains/(losses) on investment property	**(22 496)**	**232**
Operating profit	**(18 462)**	**5 072**
Finance income	15 884	150
Finance cost	(2 860)	(3 928)
Profit/(loss) before tax	**(5 438)**	**1 294**
Income tax (expenses)/gain	308	(528)
Profit/(loss) for the year	**(5 130)**	**766**
Attributable to:		
Equity holders of the parent	(5 130)	766
Non-controlling interests	-	-
	(5 130)	**766**
Earnings per share (basic and diluted):	(0,04)	0,01

(All amounts in EUR thousands unless otherwise stated)

Interim Consolidated Statement of Other Comprehensive Income

	For the period	
	1.01.2017-31.03.2017	**1.01.2016-31.03.2016**
Profit/(loss) for the period	***(5 130)***	***766***
Other comprehensive income transferable later on to the profit/(loss):		
Foreign currency translation reserve	*1 629*	*(181)*
Other comprehensive income/(loss)	***1 629***	***(181)***
Total comprehensive income/(loss) for the year, net of tax	***(3 501)***	***585***
Comprehensive income attributable to:		
Equity holders of the parent	*(3 501)*	*585*
Non-controlling interests	-	-

(All amounts in EUR thousands unless otherwise stated)

Interim Consolidated Statement of Financial Position

	As at		
	31 March 2017	**31 December 2016**	**31 March 2016**
ASSETS			
Non-current assets			
Completed investment property	472 177	470 380	387 325
Investment property under construction	-	-	44 571
Long term loans	227	790	564
Other receivables	9	10	-
Long term restricted cash	3 804	2 406	2 960
Deferred tax assets	5 095	7 674	1 361
	481 312	**481 260**	**436 781**
Current assets			
Rent and other receivables	7 678	3 813	5 025
Income tax receivable	39	32	-
Restricted cash	4 383	6 707	5 333
Cash and short-term deposits	10 080	10 010	8 111
	22 187	**20 562**	**18 469**
TOTAL ASSETS	**503 499**	**501 822**	**455 250**
EQUITY AND LIABILITIES			
Issued share capital	133 930	45	-
Share premium	41 259	-	-
Foreign currency translation reserve	(3 513)	(5 142)	(2 052)
Net assets attributable to shareholders	3 944	41 334	87 115
Total	**175 620**	**36 237**	**85 063**
LIABILITIES			
Non-current liabilities			
Bank loans	239 376	252 535	140 787
Other borrowings	21	137 919	81 909
Deposits from tenants and other deposits	3 930	3 348	2 824
Deferred tax liability	13 053	15 658	4 528
	256 380	**409 460**	**230 048**
Current liabilities			
Bank loans	61 338	49 050	114 592
Other borrowings	-	16	16 782
Trade and other payables	7 454	3 260	4 772
Capex payables	2 406	3 323	2 306
Deposits from tenants and other deposits	301	476	1 687
	71 499	**56 125**	**140 139**
TOTAL LIABILITIES	**327 879**	**465 585**	**370 187**
TOTAL EQUITY AND LIABILITIES	**503 499**	**501 822**	**455 250**

(All amounts in EUR thousands unless otherwise stated)

Interim Consolidated Statement of Changes in Equity

	Issued capital	Share premium	Foreign currency translation reserve	Net assets attributable to shareholders	Total
At 1 January 2016	**-**	**-**	**(1 871)**	**86 349**	**84 478**
Profit for the period	-	-	-	766	766
Other comprehensive income	-	-	(181)	-	(181)
Total comprehensive income	-	**-**	**(181)**	**766**	**585**
At 31 March 2016	**-**	**-**	**(2 052)**	**87 115**	**85 063**
1 January 2017	**45**	**-**	**(5 142)**	**41 334**	**36 237**
(Loss) for the period	-	-	-	(5 130)	(5 130)
Other comprehensive income	-	-	1 629	-	1 629
Total comprehensive income	**-**	**-**	**1 629**	**(5 130)**	**(3 501)**
Issue of share capital	133 885	41 259	-	-	175 144
The reorganisation of the Group	-	-	-	(32 260)	(32 260)
At 31 March 2017	**133 930**	**41 259**	**(3 513)**	**3 944**	**175 620**

(All amounts in EUR thousands unless otherwise stated)

Interim Consolidated Statement of Cash Flows

	Period	
	1.01.2017-31.03.2017	**1.01.2016-31.03.2016**
Operating activities		
Profit/(loss) before tax	*(5 438)*	*1 294*
Adjustments to reconcile profit before tax to net cash flows		
Valuation (gain)/loss on investment property and impairment	*22 496*	*(232)*
Finance income	*(15 884)*	*(150)*
Finance expense	*3 762*	*3 928*
	4 936	*4 840*
Working capital adjustments		
Decrease/(increase) in rent and other receivables	*(2 786)*	*(126)*
(Decrease)/increase in trade and other payables	*339*	*(1 206)*
Movements in deposits from tenants and other deposits	*204*	*(270)*
VAT settlements	*358*	*1 443*
Other Items	*35*	*84*
Income tax paid	*4*	*(45)*
Net cash flow from operating activities	***3 090***	***4 720***
Investing activities		
Capital expenditure on investment property	*(2 803)*	*(1 001)*
Expenditure on investment property under construction	*-*	*(5 052)*
Net cash flow from investing activities	***(2 803)***	***(6 053)***
Financing activities		
Bank loan proceeds	*1 325*	*6 155*
Bank loan repayments	*(2 738)*	*(4 023)*
Proceeds from borrowings	*1 465*	*-*
Interest paid	*(1 681)*	*(1 883)*
Change in restricted cash	*926*	*(568)*
Net cash flow from financing activities	***(703)***	***(319)***
Net cash flows	***(416)***	***(1 652)***
Net increase in cash and cash equivalents	*(416)*	*(1 652)*
Cash and cash equivalents at the beginning of the period	*10 010*	*9 961*
Translation differences	*486*	*(198)*
Cash and cash equivalents at the end of the period	***10 080***	***8 111***

Notes to the Interim Consolidated Financial Statements

1. General information

Griffin Premium RE.. N.V. Group (further "**Griffin Premium RE.. Group**" or "**the Group**") owns and manages yielding real estates throughout Poland. On 31 March 2017 the Group is composed of the entities presented below in Note 1.1. In the period until 3 March 2017 these entities were owned directly or indirectly by Griffin Topco II S.á r.l. ("**GT II**") and Griffin Topco III S.á r.l. ("**GT III**"), which are entities indirectly controlled by a fund ultimately controlled by Oaktree Capital Management Group LLC.

On 21 December 2016, Griffin Premium RE.. N.V. ("**the Company**") was incorporated with the aim to become a holding Company to the Group for the purpose of creating a real estate platform to be then listed on Warsaw Stock Exchange. With effect from 3 March 2017 Griffin Premium RE.. N.V. became the legal parent of entities' operations which were previously directly and indirectly controlled and managed by GTII and GTIII following a reorganisation as described in the Note 1.2. The financial information for Griffin Premium RE.. N.V. for the year ended 31 December 2014, 2015 and 2016 has been prepared on a carve out basis from the operations of GTII and GTIII as if the Group existed starting from 1 January 2014.

Company's shares are listed on the Warsaw Stock Exchange since 13 April 2017.

1.1 Structure of the Group

The main area of business activities of the Group is to manage a unique Polish pure office and high-street mixed-use platform. The Group focuses its operational activities on the active management of its tenant base, closely monitoring the Polish real estate market to ensure it meets the expectations of its current and future tenants.

The principal activity of Griffin Premium RE.. N.V. as the parent company is the holding of interests in and rendering management and advisory services to other companies in the Group.

Execution by the Company of the advisory, management and financial functions serves to:

- supervision of the implementation of the Group's strategy,
- ensure a quick flow of information across the Group,
- strengthen the efficiency of cash and financial management of individual entities,
- strengthen the market position of the Group as a whole.

These Interim Condensed Consolidated Financial Statements of the Group comprise the Company and the other entities mentioned below (the "**Entities**"):

Griffin Premium RE.. N.V. - a public company, with its registered office at Barbara Strozzilaan 201, 1083 HN Amsterdam. On 21 December 2016, the company was registered in the Netherlands Chamber of Commerce Business Register under the number 67532837.

Bakalion Sp. z o.o. – Registered office are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 19 December 2012. The Company is registered

in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 446054.
The company owns two office buildings located in Kraków known as "Centrum Biurowe Lubicz I and II".

Centren Sp. z o.o. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 4 February 2013. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 465417. The company owns an office property located in Łódź called "Green Horizon".

Dolfia Sp. z o.o. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 19 December 2012. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 445995.
The company owns an office property located in Warsaw, known as "Batory Office Building I".

Ebgaron Sp. z o.o. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 19 December 2012. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 446794.
The company owns an office property located in Warsaw, known as "Bliski Center".

Grayson Investments Sp. z o.o. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 28 November 2011. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 404544. The company is a general partner to Hala Koszyki Grayson Investments Spółka z ograniczoną odpowiedzialnością Sp.k.

Lenna Investments Sp. z o.o. – Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 30 September 2011. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 399453. The company is a limited partner to Hala Koszyki Grayson Investments Spółka z ograniczoną odpowiedzialnością Sp.k.

Hala Koszyki Grayson Investments Spółka z ograniczoną odpowiedzialnością Sp. k. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 26 January 2006. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 250876. The company is the owner the complex of three office and one retail building located in Warsaw known as "Hala Koszyki".

Lamantia Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly Cyrion Sp. z o.o.) - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed as a result of the conversion of Cyrion Sp. z o.o. into Lamantia Sp. z o.o. Sp.k. on the basis of the resolution of Extraordinary General Shareholders Meeting of 8 December 2015. The registration of the conversion was made on 21 December 2015. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 593148. The company owns an office property located in Warsaw called "Philips House".

Lamantia Sp. z o.o. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 8 January 2015. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 551021. The company is a general partner to Lamantia Spółka z ograniczoną odpowiedzialnością Sp.k.

Nordic Park Offices Spółka z ograniczoną odpowiedzialnością Sp. k.- Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed as a result of the conversion of Kafue Investments Sp. z o.o. into Nordic Park Offices Sp. z o.o. Sp.k. on the basis of the resolution of Extraordinary General Shareholders Meeting of 15 April 2016. The registration of the conversion was made on 11 May 2016. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 617700. The company owns an office property located in Warsaw called "Nordic Park".

Nordic Park Offices Sp. z o.o. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 4 February 2016. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 602816. The company is a general partner to Nordic Park Offices Spółka z ograniczoną odpowiedzialnością Sp.k.

DH Supersam Katowice Sp. z o.o. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 15 October 2010. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 382110. The company is the owner of the high-street mixed use building located in Katowice known as "Supersam".

Dom Handlowy Renoma Sp. z o.o. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 8 January 2015 as Sebrena Sp. z o.o. On 18 June 2015 its name was changed into Dom Handlowy Renoma Sp. z .o.o. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 545107. The company is a general partner to Dom Handlowy Renoma Spółka z ograniczoną odpowiedzialnością Sp. k.

Dom Handlowy Renoma Spółka z ograniczoną odpowiedzialnością Sp. k. - Registered offices are located at Szucha 6 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 27 November 2009. On 2 December 2015 DH Renoma Sp. z o.o. changed its legal form into Dom Handlowy Renoma Sp. z o.o. Sp.k. The Company was entered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register on 28 January 2015, with the reference KRS number 589297. The company is the owner of the high-street mixed use building located in Wrocław known as "Renoma".

IB 14 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych - The Fund operates on the basis of Investment Funds and Management of Alternative Investment Funds Act of 27 May 2004 (Journal of Laws of 2014, Item 157, as amended).
On 20 November 2015, the Fund was entered in the register of Investment Funds maintained by the Regional Court (Sąd Okręgowy) in Warsaw, 7th Civil Registry Division, under No. RFi 1250.

Charlie RE Sp. z o.o. - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Al. Szucha 6, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 594818.

December RE Sp. z o.o. - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Al. Szucha 6, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 594700.

Akka RE Sp. z o.o. - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Al. Szucha 6, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 594695.

Akka SCSp – a special limited partnership established and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 26A, Boulevard Royal, L-2449 Luxembourg, registered in the Luxembourg Register of Commerce and Companies under the number B201.731.

Charlie SCSp - a special limited partnership established and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 26A, Boulevard Royal, L-2449 Luxembourg, registered in the Luxembourg Register of Commerce and Companies under the number B199.336.

December SCSp – a special limited partnership established and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 26A, Boulevard Royal, L-2449 Luxembourg, registered in the Luxembourg Register of Commerce and Companies under the number B205.185.

GPRE Management Sp. z o.o. - acquired by the Group in January 2017 – an entity in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Al. Szucha 6, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 602904.

Griffin Premium RE Lux S.á r.l. - a private limited liability company, with its registered office at 26A, boulevard Royal, L-2449 Luxembourg. On 17 January 2017, the company was registered in the Register of Commerce and Companies under the number B211834.

(All amounts in EUR thousands unless otherwise stated)

Entity	**Registered office**	**As at 31 March 2017**	**Consolidation method**
		%	
Griffin Premium RE.. N.V.	Amsterdam/The Netherlands	100	full
Bakalion Sp. z o.o.	Warsaw/Poland	100	full
Centren Sp. z o.o.	Warsaw/Poland	100	full
Dolfia Sp. z o.o.	Warsaw/Poland	100	full
Ebgaron Sp. z o.o.	Warsaw/Poland	100	full
Grayson Investments Sp. z o.o.	Warsaw/Poland	100	full
Lenna Investments Sp. z o.o.	Warsaw/Poland	100	full
Hala Koszyki Grayson Investments Spółka z ograniczoną odpowiedzialnością Sp. k.	Warsaw/Poland	100	full
Lamantia Spółka z ograniczoną odpowiedzialnością Sp. k.	Warsaw/Poland	100	full
Lamantia Sp. z o.o.	Warsaw/Poland	100	full
Dom Handlowy Renoma Sp. z o.o.	Warsaw/Poland	100	full
Dom Handlowy Renoma Spółka z ograniczoną odpowiedzialnością Sp. k.	Warsaw/Poland	100	full
Dom Handlowy Supersam Sp. z o.o.	Warsaw/Poland	100	full
Nordic Park Offices Spółka z ograniczoną odpowiedzialnością Sp. k.	Warsaw/Poland	100	full
Nordic Park Offices Sp. z o.o.	Warsaw/Poland	100	full
Akka SCSp	Luxembourg / Luxembourg	100	full
Charlie SCSp	Luxembourg / Luxembourg	100	full
December SCSp	Luxembourg / Luxembourg	100	full
Akka RE Sp. z o.o.	Warsaw/Poland	100	full
Charlie RE Sp. z o.o.	Warsaw/Poland	100	full
December RE Sp. z o.o.	Warsaw/Poland	100	full
IB 14 FIZ Aktywów Niepublicznych	Warsaw/Poland	100	full
GPRE Management Sp. z o.o.	Warsaw/Poland	100	full
Griffin Premium RE Lux S.á r.l.	Luxembourg / Luxembourg	100	full

Management Board of:

Griffin Premium RE.. N.V.

- Dorota Wysokińska – Kuzdra - Executive Director
- Rafał Pomorski - Executive Director
- Intertrust Management B.V. - Member of the Management Board (to 7 March 2017)
- Przemysław T. Krych - Non-executive Director (since 23 March 2017)
- Maciej Dyjas - Non-executive Director (since 23 March 2017)
- Nebil Senman - Non-executive Director (since 23 March 2017)
- Karim Khairallah - Non-executive Director (since 23 March 2017)
- Marcus M.L.J. van Campen - Independent Non-executive Director (since 12 April 2017)
- Andreas Segal - Independent Non-executive Director (since 12 April 2017)
- Thomas Martinus de Witte - Independent Non-executive Director (since 12 April 2017)

1.2 Reorganisation

Griffin Premium RE.. N.V. was established in the Netherlands on 21 December 2016. At the date of its incorporation, the Company was a dormant company with no activities with Griffin Netherlands II B.V. ("**GN II**") and GT Netherlands III B.V. ("**GTN III**") being its shareholders.

During the period from December 2016 to 3 March 2017, a reorganisation took place where, through the number of steps comprising sales and in-kind contributions of shares, the Company became the holding company for Entities (the "**Reorganisation**").

Specifically, the Reorganisation began with the establishment of the Company by GN II and GTN III and proceeded through the following stages.

- Sale of shares in Akka SCSp, Charlie SCSp and December SCSp by respectively IB 14 FIZAN, GT II FIZAN and IB 15 FIZAN to Akka RE Sp. z o.o., Charlie RE Sp. z o.o. and December RE Sp. z o.o.
- Sale of general partners' shares in Akka SCSp, Charlie SCSp and December SCSp by GTII and GTIII to Griffin Premium RE Lux S.à r.l. (entity owned by the Company) in January 2017.
- Sale of shares in Lamantia Sp. z o.o., Dom Handlowy Renoma Sp. z o.o. and Nordic Park Offices Sp. z o.o. by GT II and GT III to Griffin Premium RE.. N.V. in January 2017 and February 2017.
- Contributions of shares in Bakalion Sp. z o.o., Centren Sp. z o.o., Dolfia Sp. z o.o., DH Supersam Katowice Sp. z o.o., by GTII and GTIII to GN II and GTN III respectively in January 2017.
- Contribution of Centren Sp. z o.o., Bakalion Sp. z o.o., DH Supersam Katowice Sp. z o.o., Dolfia Sp. z o.o., Akka RE Sp. z o.o., Charlie RE Sp. z o.o. and December RE Sp. z o.o. by GN and GTN III to the Company in January 2017.
- Contribution of IB 14 FIZAN from GTN III to the Company in January 2017.
- Purchase of GPRE Management Sp. z o.o. shares by the Company in January 2017.
- Contribution of Centren Sp. z o.o. shares from the Company to IB14 FIZAN in January 2017.

Together with the transfers of the shares of relevant entities, the transfers of related intragroup loans were performed through the following steps:

- Sale of all loans toward the Entities by Griffin Finance II Sp. z o.o. and Griffin Finance III Sp. z o.o. to GT II and GT III respectively in January 2017.
- Contribution of all the loans toward the Entities by GT II and GT III to GN II and GTN III respectively and then by GN II and GTN III to the Company in January and February 2017

- Sale of all the loans toward the Entities by the Company to IB 14 FIZAN in January, February and March 2017.
- Sale of all the loans toward the Entities by IB 14 FIZAN to GPRE Management Sp. z o.o. in January, February and March 2017.

GPRE Management Sp. z o.o. issued bonds acquired by IB 14 FIZAN in January 2017. Payment for the bonds was set off with the price for the loans toward the Entities sold by IB 14 FIZAN to GPRE Management Sp. z o. o.

After the reorganisation, the Company holds investments in IB 14 FIZAN, Akka RE Sp. z o.o., Charlie RE Sp. z o.o., December RE Sp. z o.o. and Griffin Premium RE Lux S.à r.l. and those entities hold (directly or indirectly) shares in all remaining Entities.

1.3 Summary of significant accounting policies

Consolidated Financial Statements of the Griffin Premium RE.. N.V. Group

With effect from 3 March 2017 Griffin Premium RE.. N.V. became the legal parent of the Entities, which were previously directly and indirectly controlled by GTII and GTIII following a Reorganisation through sale of businesses and contributions of shares by the holding companies in exchange for shares in Griffin Premium RE.. N.V.

Prior to the Reorganisation the Group did not prepare Consolidated Financial Statements. The Entities were not formerly a separate group but were part of the operations owned and managed by GTII and GTIII and its affiliates and reported on a standalone basis to the GTII or GTIII for the purpose of preparing Abridged Consolidated Financial Information of the GTII group and GTIII group.

The financial information for the years ended 31 December 2016 and 31 March 2016 was prepared on such basis, that the financial information sets out the Group's financial position as of 31 December 2016, 31 March 2016 and financial performance for those periods as if the Entities were fully controlled by the Group in the respective periods.

1.4 Basis of preparation

The interim condensed consolidated financial statements of the Griffin Premium RE N.V Group have been prepared in accordance with IAS 34 Interim Financial Reporting adopted in the European Union. Accounting books and records underlying these financial statements are maintained in accordance with Polish Accounting Standards.

The interim condensed consolidated financial statements of the Group include consolidated financial data as of 31 March 2017 and for the 3-month period ended on 31 March 2017 as well as comparative data for the 3-month period ended on 31 March 2016 in relation to the profit and loss account, the statement of changes in equity and the cash flow statement. The comparative data as of 31 December 2016 and 31 March 2016 are provided for the statement of financial position. Unless indicated otherwise, all financial data in the Group's condensed consolidated financial statements have been presented in thousands of EUR.

These financial statements should be analysed together with the annual consolidated financial statements for the year ended on 31 December 2016, which were prepared according to the IFRS adopted for application in the EU.

The Consolidated Financial Statements have been prepared on a going concern basis, applying a historical cost basis, except for the measurement of investment property at fair value and derivative financial instruments that have been measured at fair value.

The Company's Management Board used its best judgment in the selection of the applicable standards, as well as measurement methods and principles for the different items of the condensed consolidated financial statements.

The accounting principles applied to these interim condensed financial statements are consistent with the principles applied in the most recent annual financial statements and have been applied on a continuous basis to all periods presented in the consolidated financial statements, except for the following new or amended standards, and new interpretations which are effective for annual periods beginning on or after 1 January 2017 described in Note 1.5.

1.5 New and amended standards and interpretations

The Group applied all standards and amendments, which are effective for annual periods beginning on or after 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of the amendments that are of relevance to a real estate investor are disclosed below. Although these amendments were applied for the first time in 2016, they did not impact the annual Consolidated Financial Statements of the Group.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these Consolidated Financial Statements. They include:

IAS 40 Investment Property

The amendment is applied prospectively and clarifies that the description of ancillary services in IAS 40 only relates to the judgement needed to differentiate between investment property and owner-occupied property (i.e., property, plant and equipment). It further clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. This amendment did not cause any change in the accounting policy of the Group that is based on the current regulations.

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these Consolidated Financial Statements. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 Financial Instruments: Recognition and Measurement. This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

a) Standards issued but not yet effective

The standards relevant to this Group that are issued but not yet effective up to the date of issuance of the Consolidated Financial Statements are disclosed below. This list of standards and interpretations issued are those that the Group reasonably expects to have an impact on the Consolidated Financial Statements when applied at a future date. The Group intends to adopt these standards when they become effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and establishes new approach to lease agreements. The new standard will supersede current lease requirements under IFRS.

Landlord accounting is substantially unchanged from current accounting. As with IAS 17 Leases, IFRS 16 requires landlords to classify their rental contracts into two types, finance and operating leases. Lease classification determines how and when a landlord recognizes lease revenue and what assets a landlord records. The profit or loss recognition pattern for landlords is not expected to change.

The implementation of the new standard will impact the lessee accounting significantly and thus might influence the real estate entities' business practices.

The Group plans to adopt the new standard on the effective date. During 2016, the Group has started the impact assessment of all aspects of IFRS 16 by performing the high level evaluation. The Group is currently assessing the detailed impact of IFRS 16.

The new standard is effective for annual periods beginning on or after 1 January 2019, with limited early application permitted.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on the effective date, using the full retrospective method.

During 2016, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB in an exposure draft in July 2015 and will monitor any further developments. The Group is currently assessing the impact of IFRS 15, in particular in respect of the following:

- The requirements to estimate variable consideration, and to determine the number of performance obligations contained in a contract, may lead to different revenue recognition in respect of fees for property management and development services.

- Sales of real estate will generally be recognized when control of the property transfers. Judgement will be required when applying the new requirements, to assess whether control transfers and therefore revenue should be recognized over time or at a point in time.

Note that IFRS 15 will not affect the recognition of lease income as this is still dealt with under IAS 17 Leases.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but the provision of comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the effective date. During 2016, the Group has performed a high level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9.

b) Standards issued not yet endorsed

The Company's Management Board is analyzing and assessing the effect of the new standards disclosed below and their interpretations on the accounting policies applied by the Group and on the Group's future financial statements.

- IFRS 9 Financial Instruments (issued on 24 July 2014) – effective for financial years beginning on or after 1 January 2018;
- IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014) – The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard– not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2016;
- IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014), including amendments to IFRS 15 Effective date of IFRS 15 (issued on 11 September 2015) - effective for financial years beginning on or after 1 January 2018;
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on 11 September 2014) - the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by IASB;
- IFRS 16 Leases (issued on 13 January 2016) - not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2019;
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (issued on 12 September 2016) - not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2018;
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (issued on 19 January 2016) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2017;

- Amendments to IAS 7 Disclosure Initiative (issued on 29 January 2016) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2017;
- Clarifications to IFRS 15 Revenue from Contracts with Customers (issued on 12 April 2016) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2018;
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (issued on 20 June 2016) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2018,
- Annual Improvements to IFRS Standards 2014-2016 Cycle (issued on 8 December 2016) - not yet endorsed by EU at the date of approval of these financial statements –Amendments to IFRS 12 are effective for financial years beginning on or after 1 January 2017, while amendments to IFRS 1 and IAS 28 are effective for financial years beginning on or after 1 January 2018;
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration (issued on 8 December 2016) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2018;
- Amendments to IAS 40: Transfers of Investment Property (issued on 8 December 2016) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2018;
- IFRS 17 Insurance Contracts (issued on 18 May 2017) - not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2021.

  The effective dates are dates provided by the International Accounting Standards Board. Effective dates in the European Union may differ from the effective dates provided in standards and are published when the standards are endorsed by the European Union.

1.6 Measurement of items denominated in foreign currencies

The Group's Consolidated Financial Statements are presented in euro ("**EUR**") being the presentation currency of the Group. Based on the primary economic environment in which the entities operate, the currency that mainly influences costs of providing services, the currency in which funds from financing activities and the currency in which receipts from operating activities are usually retained, the Group determined that the functional currency for each entity, including Griffin Premium RE.. N.V., is PLN and items included in the financial statements of the Entities and Griffin Premium RE.. N.V. are measured using that functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group’s Entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Group Entities

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates for the year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

c) Investment property

Investment property
Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property comprises freehold land, freehold buildings and land held under perpetual usufruct (approach is the same as for freehold properties).

Investment property is measured initially at cost, including related transaction costs. After initial recognition, investment property is stated at fair value.

The basis for determining the fair value of Group's property portfolio is the market-based measurement, which is the estimated amount for which a property could be exchanged on the date of valuation, under current market conditions between market participants in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, i.e. acted in their economic best interest.

Fair value calculated using cash flow projections is based on the terms of the lease agreements and, in case of vacancy on the rent that is considered would be obtainable on an open market letting as at the date of valuation. Valuation fees are not related to the property value and valuation results. The valuation by the professional appraiser takes account of lease incentives, agent fees, property interests, financial leasing related to perpetual usufruct of land compensations and letting fees. The fair value of investment property reflects, among others, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is recognized as addition to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Consolidated Statement of Profit or Loss ('Property operating expenses') during the financial period in which they are incurred.

Changes in fair values are recorded in the Consolidated Statement of Profit or Loss within 'Net gains/(losses) on Investment Properties'.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale. If an investment property becomes owner-occupied, it is reclassified to property, plant and equipment the deemed cost for subsequent accounting is the fair value at the date of change in use.
Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and transaction costs, and are recognised within 'Net gains/(losses) on investment property', in the Consolidated Statement of Profit or Loss.

Land acquired for development and future use as investment property is initially presented as investment property under construction and accounted for at cost. This includes all plots of land held by the Group on which no construction or development has started at the balance sheet date. If the Company begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment.

<u>Investment property under construction</u>
Investment properties under construction are properties that are being constructed, extended or redeveloped for future use as an investment property. Investment property under construction are stated at fair value. If the Group determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete or more advanced, then Group measures that investment property under construction at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).
The Group has adopted the following criteria to assess reliability of the fair value measurement:

- agreement with general contractor is signed;
- building permit is obtained;
- at least 20% of the rentable area is leased to tenants (based on the signed lease agreements and letter of intents).

Capital expenditures relating to planned redevelopment comprise directly attributable expenditures borne by the Group prior to start of the construction phase. Expenditures such as costs of architectural design, building permits and initial works associated with the planned process of redevelopment of existing investment properties are capitalized by the Group only when it is probable that future economic benefits associated with the item will flow to the Group, the cost of the item can be measured reliably and the Group has an intention to redevelop a property. Capital expenditure on future redevelopment of investment properties are recognized at cost less accumulated impairment loss in case fair value cannot be determined reliably.

Costs of development projects comprise acquisition costs, purchase taxes, and any directly attributable costs to bring the asset to working order for its intended use. Administrative expenses are not included unless these can be directly attributed to specific projects. Related borrowing costs are capitalized up to completion date.

Investment properties under redevelopment are reclassified to investment property upon completion, i.e. on the date on which the property is available for operation.

d) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR"). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor, it has pricing latitude and is also exposed to inventory and credit risks.
The specific recognition criteria described below must also be met before revenue is recognised.

Rental income
The Group is the lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in Rental income in the Consolidated Statement of Profit or Loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for damages are recognised in the Consolidated Statement of Profit or Loss when the right to receive them arises.

Service charges, management charges and other expenses recoverable from tenants
Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in net Rental income gross of the related costs, to the extent the directors consider that the Group acts as principal in this respect i.e. when it has primary responsibility for providing the services and bears the credit risk.

Sale of completed property
A property is regarded as sold when the significant risks and rewards of ownership of the real estate have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

f) Interest income

Interest income is recognised as it accrues using the effective interest rate method. Interest income is included in finance income in the Consolidated Statement of Profit or Loss.

g) Taxes

The Group is subject to income and capital gains taxes in different jurisdictions. Significant judgement is required to determine the total provision for current and deferred taxes.

The Group recognises liabilities for current taxes based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made.

h) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated Statement of Profit or Loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

i) Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss,
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward of unused tax credits or unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realisation of an investment property measured at fair value a rebuttable presumption exists that its carrying amount will be recovered through sale.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are only recognised subsequently when new information about facts and circumstances require this. If that new information is revealed during the measurement period the adjustment is treated as a reduction in goodwill (as long as it does not exceed goodwill). Otherwise, it is recognised in profit or loss.

j) Consolidation of subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2016. Specifically, the Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee,
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,

- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

k) Reporting by segments

Segments of the Group business are presented in accordance with data from internal management reporting and analysed by the key decision maker, responsible for allocating resources and assessing performance of operating segments. The Group identified the following reporting segments, the same as the operating segments, defined based on the type of projects:

- high street mixed-use properties,
- office buildings.

Income, expenses, measurement of segment profit/(loss), valuation of assets and liabilities of the segment are determined in accordance with the accounting policies adopted for the preparation and presentation of the Consolidated Financial Statements, as well as the accounting policies that relate specifically to segment reporting. The measure of segment profit/(loss) is the Operating Profit.

l) Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

a) Investment property

Investment properties are buildings rented by Group Entities, grouped together because of the risks and valuation method in two classes of investment property (high street mixed-use properties and office buildings). The fair value of investment property is classified at Level 3 of the fair value hierarchy.

The fair value of properties yielding fixed income is determined by appraisers. Whereas most of the lease agreements entered into by the Group are denominated in EUR, the valuation of investment properties has been prepared in EUR and converted into PLN as with exchange rate prevailing at the balance sheet date.

b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of transactions and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

(All amounts in EUR thousands unless otherwise stated)

2. Description of achievements or failures of the Group and indication of major events in Q1 2017

Initial Public Offering

As a result of initial public offering of Company's shares ("**Shares**") that took place on 13th April 2017 (the "**Listing Date**") (the "**Offering**"), the Company received EUR 28.0 million in net proceeds. The Company intends to apply these proceeds firstly for the purchase of the new projects, including approximately EUR 18.1 million in connection with West Link projects in Wroclaw ("**Forward Purchase Asset**") and approximately EUR 9.8 million in connection with the three office projects located in Warsaw (the "**ROFO Assets**") (which entail the indirect investment in each of the ROFO Assets the amount of 25% of the funds required by each of the holder of ROFO Assets (the "**ROFO SPVs**") excluding the external bank financing required by the ROFO SPV to complete the development of each respective ROFO Asset).

In addition to the amounts that shall be financed from the net issue proceeds, the Company expects it will have to obtain approximately EUR 18 million in debt capital from bank loans to finance the purchase of the Forward Purchase Asset (resulting in an Net LTV ratio of approx. 50%). If the Company decides to exercise its right and to acquire the remaining 75% stake in the ROFO Assets, it will have to contribute additional equity. The amount of the additional equity to be contributed will be based on the final price based on the property value for a given ROFO Asset at the time of execution of the remaining 75% stake purchase; external bank financing will be assumed at Net LTV ratio of approx. 55%. The equity contribution for the acquisition of the remaining 75% stake shall be equal to 75% of the amount constituting the difference between the property value and the external bank financing. The method of financing of this equity injection is not currently known, however the most natural way for REIT structure is capital increase.

The Company expects to finalize the purchase of the Forward Purchase Asset (assuming satisfactory completion of the due diligence process) upon completion of the West Link project in April 2018. The ROFO Assets would be purchased, should the Company decide to exercise its right of first offer regarding ROFO Assets, following the receipt of the occupancy permits of the respective ROFO Assets and achieving at least 60% of the commercialization of the building constructed on the ROFO asset.

Forward Purchase Agreement and Right of First Offer Agreements

On 9th March 2017, the Company signed the preliminary forward purchase agreement for 14,362 sqm office GLA under construction to be completed in Q1/2 2018 by Echo Investment S.A. ("**Echo**"):

SEGMENT	CITY/TOWN	STREET	PROJECT NAME
office	Wroclaw	Na Ostatnim Groszu	West Link

On 9th March 2017, the Company signed the preliminary agreement for the acquisition of 25% stakes in ROFO projects being developed by Echo. Total office GLA of these projects to be completed in 2018-2019 is 50,430 sqm:

SEGMENT	CITY/TOWN	STREET	PROJECT NAME
office	Warsaw	Beethovena	Beethovena I
office	Warsaw	Beethovena	Beethovena II
office	Warsaw	Grzybowska	Browary Stage J

On 9 March 2017 an agreement was concluded between Echo, the Company and GPRE Management sp. z o.o. (the "**Bondholder**") that Bondholder will purchase bonds to be issued by the respective limited partners of all of the respective ROFO SPVs (the "**ROFO Agreement").** The ROFO Agreement covers all of the ROFO Assets. Echo indirectly holds 100% of the shares or interest in the ROFO SPVs and the ROFO SPVs are developing the ROFO Assets. The Company intends to invest (indirectly through the Bondholder), on the terms and conditions set out in the ROFO Agreement, in each of the ROFO Assets the amount of 25% of the funds required by each of the ROFO SPVs (less the external construction bank financing at a loan to construction ratio of 60%) to complete the development of each respective ROFO Asset. Based on the construction budget presented by Echo to the Issuer in connection with the execution of the ROFO Agreement, the amount of the contribution (the investment) to be made by the Company under the ROFO Agreement amounts to EUR 9,8 million. The investment of the Company under the ROFO Agreement shall be made solely from the proceeds from the Offering and no further debt funding is required by the Company for this purpose.

On 9 March 2017, Echo and its two subsidiaries, Grupa Echo sp. z o.o. and FORUM 60 Fundusz Inwestycyjny Zamknięty, acting as the sellers, and an entity from the Group – IB 14 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, as the buyer, entered into an acquisition agreement regarding the Forward Purchase Asset (the "**PTA**"). The parties to the PTA agreed to undertake actions to complete the acquisition of the rights and obligations of the company owning the Forward Purchase Asset by the buyer by way of the acquisition by the buyer of 100% of the shares in the limited partner and general partner of the company owning the Forward Purchase Asset after the satisfaction or waiver of the conditions precedent specified therein.

The consideration payable by IB 14 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych for the shares under the PTA shall amount to the sum of: (i) the quotient of NOI (the sum of money equal to the annual rental income from the lease of the Forward Purchase Asset minus non-recoverable operating costs) and a yield of 6.873%, which, as of the date of the execution of the PTA, amount to EUR 36 million; (ii) the working capital of the companies being purchased; and (iii) the cash held by such companies, which sum shall be decreased by the amount of debt (primarily comprised of external bank financing) of such companies.

Rental guarantees

On 9 March 2017, GTII, GTIII and each holder of title to the Existing Asset concluded rental guarantee agreements (the "**Rental Guarantees**") in respect of certain assets specified below, related to premises that were not leased or pre-leased by the Listing Date. Pursuant to each Rental Guarantee, GTII or GTIII (the "**Guarantors**") guaranteed to each holder of title to the Existing Asset that each holder of title to the Existing Asset will: (i) receive the headline rent and the average amount of service charges (subject to annual reconciliation and also including any void costs arising from the lack of a tenant due to ongoing refurbishment or fit-out works) for each part of the building that is not leased to third parties within a period of five years from the date of the Offering (i.e. the Rental Guarantees enter into force on the Listing Date and will remain in force for a period of five years from such date), (ii) receive the rent under the signed lease agreement in the full amount, i.e. all amounts of rent reductions or rent-free periods under the signed lease agreements will be covered by the rental guarantee, (iii) receive the leasing and agent fees related to the leasing of the property (regarding signed lease agreements) as well as agent fees related to the new leases in the negotiations of which the guarantor was not involved, and (iv) receive all amounts equal to all rent abatements during the rent-free periods and budgeted fit-out costs and outstanding general capex works, with respect to both signed and new lease agreements (also if the property is not fully leased at the end of the five-year term, the Guarantor will cover the costs of any fit-out works for the remaining vacant space, if such space will be leased). The guarantor's liability to cover the costs set out in items (ii), (iii) and (iv) is subject to capped amounts set out in each of the Rental Guarantees and expires after 60 calendar months following the Listing Date.

The Rental Guarantees were concluded in respect of the following assets: (i) Hala Koszyki; (ii) Renoma; (iii) Batory; (iv) Philips House; (v) Supersam; (vi) Nordic Park; (vii) Bliski Centrum; (viii) CB Lubicz I/II; and (ix) Green Horizon (together the "**Existing Assets**"). The Rental Guarantees cover the office premises and parking spaces (regardless of the type of asset, whether strictly office or mixed-use), excluding any retail premises, which are separately covered by the NOI Guarantee, as described below.

NOI Guarantee

On 9 March 2017, GTII and the respective owners and perpetual usufructuaries of Hala Koszyki, Renoma and Supersam concluded the NOI Guarantee agreement (the "**NOI Guarantee**"), under which the guarantor undertakes to the beneficiaries that if the yearly actual net operating income during a five-year period starting on the Listing Date is less than EUR 11.5 million p.a. (the "**Guaranteed Amount**"), the guarantor shall pay to the respective owners and perpetual usufructuaries of Hala Koszyki, Renoma and Supersam an amount equal to the difference between the Guaranteed Amount (proportionally to the leased space to the total leasable space ratio if this ratio falls below 85%) and the actual net operating income. The maximum aggregate amount payable within the five-year guarantee term by the guarantor is EUR 11,5 million (which amount would be reduced by a proportionate amount of the NOI if any of the assets are sold or otherwise disposed of prior to the expiry of the NOI Guarantee or any of the beneficiaries assigns or transfers, in whole or in any part, its rights and obligations under the NOI Guarantee to any third party in breach of the provisions of the NOI Guarantee).

Framework Agreement with the European Bank for Reconstruction and Development

On 22 March 2017, the Company concluded with the European Bank for Reconstruction and Development ("**EBRD**") a framework agreement (the "**Framework Agreement**").
According to the Framework Agreement, EBRD intended to acquire Shares (the "**EBRD Shares**") in the Offering.

The Company was not obliged under the Framework Agreement to allocate to EBRD the EBRD Shares in the Offering and EBRD was treated equally to other investors.

The Framework Agreement has been executed under a condition subsequent that states that all the obligations of the parties under the Framework Agreement shall cease to be valid and binding if the Offering or the admission is not completed or EBRD did not acquire any EBRD Shares in the Offering. The Framework Agreement was governed by English law.

3. Description of the main risks and uncertainties for the remaining 9 months of the financial year

The key negative external factors and uncertainties affecting the Group's development include:

- uncertainty as to key assumptions of fiscal policy in Poland (on-going changes to tax laws and their interpretation);
- slower than expected implementation pace of the REIT legislation in Poland;
- continuously increasing supply of new office buildings in Polish real estate market;
- new retail developments in cities where the Company's mixed-use assets are located;
- e-commerce impacting traditional retail in shopping centers;
- decreasing competition in Polish banking sector due to its consolidation and "repolonization".

The key negative internal factors and uncertainties important for the Group's development include:

- bankruptcy of Polish retailer (Alma) which decreased occupancy level to 94% in Renoma asset (but fully covered with NOI Guarantee);
- further office acquisitions (incl. purchase of the remaining 75% stakes in ROFO) require capital increases.

4. List of important events during reported period and factors and events, especially those of a non-typical character, that have had an impact on the profit/loss of the Company

Except from the significant events described in item 2 of this report, in Q1 2017 the subsidiaries of Griffin Premium RE.. N.V. signed new leases and renewals for a total GLA of over 10,000 sq. meters. The average occupancy ratio increased from 84.4% (89.4% including Letters of Intent) as at 31 December 2016 to 88.4% (91.0% including Letters of Intent) as at 31 March 2017.

(All amounts in EUR thousands unless otherwise stated)

5. Segments of the Capital Group

For investment property, discrete financial information is provided on a property-by-property basis to members of executive management, which collectively comprise the chief operating decision maker. The information provided is net of Rental income (including gross Service charge and marketing income and Property operating expenses), Valuation gains/(losses) from investment property, Net gains/(losses) on investment property. The individual properties are aggregated into segments with similar economic characteristics such as the nature of the property and the occupied market it serves. Management Board considered to aggregate high street mixed use and office into segments.
Consequently, the Group is considered to have two reportable segments, as follows:

- High street mixed use — acquires, develops and leases shopping malls and office space in these malls,
- Office — acquires, develops and leases offices.

Group administrative costs, profit/loss on disposal of investment property, finance income, finance costs and income taxes are not reported to the members of the executive management team on a segment basis. There are no sales between segments. Segment assets represent investment property (both completed Investment Property and Investment Property Under Construction) and Long term loans.
Segment liabilities represent loans and borrowings, as these are the only liabilities reported to the Management Board on a segmental basis.

Other positions of Consolidated Financial Statements are not presented by segments as this information is not analyzed from the segment perspective by the Management Board.

	Period ended 31 March 2017		
	High-street mixed use properties	***Office properties***	***Total***
Segment profit			
Rental income	*3 084*	*3 334*	*6 418*
Service charge and marketing income	*1 912*	*1 229*	*3 141*
Property operating expenses	*(2 303)*	*(1 355)*	*(3 658)*
Valuation gain/(loss) from investment property	*(13 554)*	*(8 942)*	*(22 496)*
Segment profit	***(10 861)***	***(5 734)***	***(16 595)***
Finance costs	*(1 234)*	*(1 046)*	*(2 280)*
Unallocated to segments			
Administrative expenses			*(965)*
Finance income and costs			*14 403*
Profit/(loss) before tax			***(5 437)***

(All amounts in EUR thousands unless otherwise stated)

	Year ended 31 March 2017		
	High-street mixed use properties	**Office properties**	**Total**
Segment assets			
Completed investment property	282 760	189 417	472 177
Total Segment assets	**282 760**	**189 417**	**472 177**
Assets unallocated to segments			
Long term loans			235
Deferred tax			5 095
Other assets			25 991
Total assets			**503 498**
Segment liabilities			
Loans and borrowings	185 247	115 467	300 714
Total Segment liabilities	**185 247**	**115 467**	**300 714**
Liabilities unallocated to segments			
Deferred tax			13 053
Loans and borrowings			21
Non-current liabilities			3 930
Current liabilities			10 162
Total liabilities			**327 880**

Geographical information

Rental income	For the period	
	1.01.2017-31.03.2017	**1.01.2016-31.12.2016**
City of Investment Property location		
Katowice	699	2 966
Krakow	1 028	4 075
Lodz	1 298	5 239
Warsaw	1 591	3 743
Wroclaw	1 802	7 665
Total	**6 418**	**23 688**

(All amounts in EUR thousands unless otherwise stated)

Carrying amount of investment property

	Period ended	
City of Investment Property location	***31 March 2017***	***31 December 2016***
Katowice	*56 064*	*56 020*
Krakow	*65 019*	*64 830*
Lodz	*69 674*	*69 650*
Warsaw	*144 383*	*142 970*
Wroclaw	*137 037*	*136 910*
Total	***472 177***	***470 380***

6. Investment property

	31 March 2017
At 1 January	***470 380***
Capital expenditures on completed property	*1 796*
Transfers from property under construction	*-*
Agent fees	*129*
Rent free period incentive	*102*
Net gain/(loss) from fair value adjustments on investment property	*(22 496)*
Foreign currency translation	*22 266*
At 31 December	***472 177***

As at 31 March 2017 the Group possessed 9 investment properties.

7. Explanations on the seasonality or cyclicality of the Capital Group’s business in the presented period

The business of the group is only marginally affected by the seasonality or cyclicality.

(All amounts in EUR thousands unless otherwise stated)

8. Information about the issue, redemption and repayment of debt securities and equity securities

In Q1 2017, neither Griffin Premium RE.. N.V. nor any of its subsidiaries were funded through the issue of debt financial instruments.

All the Group's borrowings are at floating interest rates. Interest costs may increase or decrease as a result of changes in the interest rates.

As at 31 March 2017

Bank	*Interest rate*	*Maturity*	*Total*	*Long-term*	*Short-term*
Westdeutsche Immobilienbank AG	*EURIBOR 3M + margin*	*April 2019*	*34 550*	*33 745*	*805*
Bank consortium	*EURIBOR 3M + margin*	*June 2020*	*45 923*	*43 277*	*2 646*
Westdeutsche Immobilienbank AG	*EURIBOR 3M + margin*	*February 2018*	*6 340*	*-*	*6 340*
mBank Hipoteczny S.A.	*EURIBOR 3M + margin*	*January 2034*	*7 401*	*7 070*	*331*
Westdeutsche Immobilienbank AG	*EURIBOR 3M + margin*	*February 2018*	*7 315*	*-*	*7 315*
mBank Hipoteczny S.A.	*EURIBOR 3M + margin*	*July 2034*	*13 938*	*12 936*	*1 002*
Bank Gospodarstwa Krajowego	*NBP reference rate less social indicator*	*June 2034*	*4 167*	*3 956*	*211*
Bank Gospodarstwa Krajowego	*WIBOR 1M + margin*	*February 2018*	*140*	*-*	*140*
Bank Gospodarstwa Krajowego	*EURIBOR 1M + margin*	*August 2026**	*45 790*	*45 362*	*428*
Bank Gospodarstwa Krajowego	*EURIBOR 1M + margin*	*June 2026*	*97 458*	*93 030*	*4 428*
Bank Ochrony Środowiska S.A.	*EURIBOR 3M + margin*	*June 2017*	*37 520*	*-*	*37 520*
Bank Ochrony Środowiska S.A.	*WIBOR 3M + margin*	*June 2017*	*172*	*-*	*172*
			300 714	***239 376***	***61 338***

9. Information on changes in contingent liabilities or contingent assets after the end of the last financial year

As at 31 March 2017 the Group had mortgages on investment properties in the amount of EUR 728 170 thousand.

In addition to mortgages on investment properties, the Group had in 2017 the following contingent liabilities and commitments:

Granted by the borrowers towards the financing banks:
- Financial and registered pledges over bank accounts of the borrowers,
- Registered and civil pledges over the shares of the borrowers being limited liability partnerships,
- Registered and civil pledges over the general and limited partner's rights in the borrowers being limited partnerships,
- Registered and civil pledges over the shares of selected limited partners and general partners holding rights in the borrowers being limited partnerships,

- Registered pledges over collection of movable assets and property rights of the borrowers,
- Power of attorney to bank accounts of the borrowers,
- Security assignment in relation to rights under existing and future contracts including, but not limited to insurance agreements, lease agreements, lease guarantees, agreement with general contractor and other relevant contracts,
- Security assignment in relation to rights under subordinated debt,
- Subordination of the existing intercompany debts,
- Blank promissory notes with promissory note declarations,
- Statements on voluntary submission to execution.

Established towards other third parties:

- Amended agreement regarding terms of one of the investment implementation describing contractual penalty – payment in case of disposal of the investment property without transferring commitments resulting from this agreement, including the payment of compensation, to new entity,
- Amended agreement regarding terms of one of the investment implementation, describing compensation resulting from permission to implement the investment and establishment of the right of way – payment after entering the right of way into the land and mortgage register,
- Agreement – notarial deed, resulting in obligation of contractual penalty payment for a breach of agreement in terms of information obligation, complaints withdrawal etc. – payment in case of failure to fulfil the commitments resulting from agreement and receiving request for payment,
- Amended agreement requiring compensation payment resulting from establishment of the right of way and permission to implement the one of investments,
- Amended agreement, which results in obligation of covering part of land lot renovation costs on condition that the right of way is established and invoices are provided,
- Appendix to agreement concerning one of the investments design preparation – single premium payment after completed investment, if the design solutions used by the architect with their final optimization allow the investor to achieve investment budgetary objective,
- Cost overruns guarantee agreement,
- Transmission service easement for investment property regarding transformer station.

10. Position of the Management Board concerning the option to implement previously published result forecasts for the relevant year in the light of the results presented in the quarterly report in relation to predicted results

The Management Board believes that the Group will be able to implement the result for 2017 as presented in the forecast included in the prospectus (without taking into account impact of movements of foreign exchange rates) and to pay out dividend as predicted.

(All amounts in EUR thousands unless otherwise stated)

11. The ownership structure of major holdings of Griffin Premium RE.. N.V.

As at 31 March 2017 the issued and paid up share capital of the Company according to shareholders register can be broken as follows:

Shareholders	Number of shares	Par value per share [EUR]	Value of share capital [EUR]	%
Griffin Netherlands II B.V.	67 646 534	1	67 646 534	50,51
GT Netherlands III B.V.	66 285 378	1	66 285 378	49,49
Total	**133 931 912**		**133 931 912** -	**100,00**

According to the information available to Griffin Premium RE.. N.V., the shareholding structure of the Company as at 30 May 2017 was as follows:

Shareholders	Number of shares	Par value per share [EUR]	Value of share capital [EUR]	%
Griffin Netherlands II B.V.	37 792 049	1	37 792 049	24,2
GT Netherlands III B.V.	37 031 612	1	37 031 612	23,7
Nationale Nederlanden OFE	15 000 000	1	15 000 000	9,6
European Bank for Reconstruction and Development	14 807 000	1	14 807 000	9,5
Other shareholders	51 502 518	1	51 502 518	33,0
Total	**156 133 179**		**156 133 179**	**100,0**

On 19 May 2017 Griffin Netherlands II B.V. acquired 3 968 782 shares of Griffin Premium RE.. N.V. and increased its share in issued capital to 24,2%.

On 19 May 2017 GT Netherlands III B.V. acquired 3 888 923 shares of Griffin Premium RE.. N.V. and increased its share in issued capital to 23,7%.

12. Information on court proceedings

At the end of Q1 2017, there were neither court nor administrative proceedings regarding liabilities or receivables of the Company or its subsidiaries in the total value of at least 10% of the Company's equity.

13. Information on transactions with related entities on other than market conditions

In Q1 2017, neither the Company nor its subsidiaries entered into transactions with related parties under terms other than market terms.

14. Information of granted loan sureties and granted guarantees equivalent in value to at least 10% of the issuer's equity capitals

In Q1 2017, neither Griffin Premium RE.. N.V. nor any of its subsidiaries issued any guarantees to third parties whose value exceeds 10% of the Company's equity.

15. Other information that the Griffin Premium RE.. N.V. believes to be important to assess the personnel, economic and financial situation, the financial result and any changes in these aspects of business, and information significant for the assessment of Griffin Premium RE Group's capacity to meet its obligations

Appointments and resignation from the board of directors

On 7 March 2017 Intertrust Management B.V. and Intertrust (Netherlands) B.V. voluntarily resigned from the office as directors of Griffin Premium RE.. N.V.

On 13 March 2017 Extraordinary Shareholder Meeting appointed Przemysław T. Krych, Maciej Dyjas, Nebil Senman and Karim Khairallah as non-executive directors of Griffin Premium RE.. N.V. subject to and effective as of conversion of the Company into public entity. On the same date Extraordinary Shareholder Meeting appointed Marcus M.L.J. van Campen, Andreas Segal and Thomas Martinus de Witte as independent non-executive directors of Griffin Premium RE.. N.V subject to and effective as of settlement of the Offering.

16. Factors which, in the opinion of the Management Board, will influence the Capital Group's financial performance for at least the upcoming quarter

Factors to influence the result in the coming periods include:

- regular revenue generated from the lease of space in offices and high-street mixed-use assets
- revaluation of the fair value of investment properties owned by the Group, including:
  1. changes of exchange rates,
  2. changing levels of net operating revenue,
- cost of sales, and general and administrative expenses,
- measurement of liabilities due to bank loans at amortised cost;
- measurement of loans and cash due to changing foreign exchange rates,
- interest on deposits,
- interest on bank loans.

17. Dividend paid (or declared)

Under the adopted dividend policy, the Company plans to pay out regularly in the form of a dividend about 65% of funds from operations (FFO).

(All amounts in EUR thousands unless otherwise stated)

Interim Condensed Separate Financial Statements as of 31 March 2017 and for 3 month period ended 31 March 2017

Interim Standalone Statement of Profit or Loss

	For the period In ths PLN 1.01.2017-31.03.2017
Result on sale of subsidiary	*(1)*
Holding income and (expenses)	***(1)***
Interest income	*2 722*
Foreign exchange result	*(11 144)*
General and administartive expenses	*(4 703)*
Operational income and (expenses)	***(13 125)***
Net result before taxation	***(13 126)***
Income tax (expenses)/gain	*-*
Profit/(loss) for the year	***(13 126)***

Interim Standalone Statement of Other Comprehensive Income

	For the period In ths PLN 1.01.2017-31.03.2017
Profit/(loss) for the period	***(13 126)***
Other comprehensive income transferable later on to the profit/(loss):	
Foreign currency translation reserve	*-*
Other comprehensive income/(loss)	***-***
Total comprehensive income/(loss) for the year, net of tax	***(13 126)***

(All amounts in EUR thousands unless otherwise stated)

Interim Standalone Statement of Financial Position

	As at	
	In ths PLN 31 March 2017	**In ths PLN 31 December 2016**
ASSETS		
Non-current assets		
Investments in subsidiaries	735 474	-
	735 474	**-**
Current assets		
Cash and short-term deposits	195	198
	195	**198**
TOTAL ASSETS	**735 669**	**198**
EQUITY AND LIABILITIES		
Issued share capital	565 166	198
Share premium	162 595	-
Other reserve	16 276	-
Accumulated result	(13 280)	(154)
Total	**730 757**	**44**
LIABILITIES		
Current liabilities		
Accounts payable & accrued expenses	4 912	154
	4 912	**154**
TOTAL LIABILITIES	**4 912**	**154**
TOTAL EQUITY AND LIABILITIES	**735 669**	**198**

(All amounts in EUR thousands unless otherwise stated)

Interim Standalone Statement of Changes in Equity

	Issued capital In ths PLN	Share premium In ths PLN	Foreign currency translation reserve In ths PLN	Accumulated results In ths PLN	Total In ths PLN
At 21 December 2016	-	-	-	-	-
Contribution during the period	198	-	-	-	198
Net results	-	-	-	(154)	(154)
At 31 December 2016	**198**	**-**	**-**	**(154)**	**44**
1 January 2017	**198**	**-**	**-**	**(154)**	**44**
Contribution during the period	581 244	162 595	-	-	743 839
Movements	(16 276)	-	16 276	-	-
Net result	-	-	-	(13 126)	(13 126)
At 31 March 2017	**565 166**	**165 595**	**16 276**	**(13 280)**	**730 757**

(All amounts in EUR thousands unless otherwise stated)

Interim Standalone Statement of Cash Flows

	Period	
	In ths PLN 1.01.2017-31.03.2017	**In ths PLN 1.01.2016-31.03.2016**
Operating activities		
Profit/(loss) before tax	*(13 126)*	*(154)*
Adjustments to reconcile profit before tax to net cash flows		
Interest income	*(2 722)*	
Foreign exchange result	*11 144*	
	(4 704)	*(154)*
Working capital adjustments		
(Decrease)/increase in trade and other payables	*4 757*	*154*
Other Items	*(57)*	
Net cash flow from operating activities	***(4)***	***-***
Investing activities		
Holding entities	*1*	*-*
Net cash flow from investing activities	***1***	***-***
Financing activities		
Share capital contribution	*-*	*198*
Net cash flow from financing activities	***-***	***198***
Net cash flows	***(3)***	***198***
Net increase in cash and cash equivalents	*(3)*	*198*
Cash and cash equivalents at the beginning of the period	*198*	*-*
Cash and cash equivalents at the end of the period	***195***	***198***