

Unaudited interim results to 30 June 2013

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Globalworth Real Estate Investments Limited

Unaudited interim results for the six months ended 30 June 2013

Globalworth Real Estate Investments Ltd. ("Globalworth" or "the Company") (AIM:GWI) is pleased to announce its interim results for the period from 14 February to 30 June 2013.

Highlights

- Euro 53 million raised at IPO from institutional and private investors
- Successful listing on the Alternative Investment Market on 25 July 2013
- Acquisition of the Initial Portfolio at an advanced stage

Ioannis Papalekas, Chief Executive Officer of the Company, commented: "We are pleased to present our first set of results following our IPO, since which time we have made good progress with the acquisition of the Initial Portfolio. We welcome our new shareholders and look forward to reporting on our activities as our investment strategy unfolds."

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About Globalworth:

Globalworth Real Estate Investments Ltd is a real estate investment company founded by real estate investor and developer Ioannis Papalekas to take advantage of investment opportunities in Romania and the broader SEE and CEE regions. The company is Guernsey incorporated and registered as a closed-ended collective investment scheme by the Guernsey FSC.

The Romanian market offers an attractive real estate investment proposition in the medium-to-long term. Globalworth believes that global investor capital flows will gradually move from markets considered as "safe havens" to more peripheral markets such as Romania and the broader SEE and CEE regions in search of higher yielding investments. As a result, Romania and the broader SEE and CEE regions should, in due course, become more attractive destinations for a wide investor audience. Globalworth anticipates holding an early mover advantage in these markets and benefitting from this gradual shift in investor sentiment.

CEO's Report:

Since its formation, Globalworth has successfully raised Euro 53 million from institutional and private investors by way of an IPO followed by a listing on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE). Admission took place on 25 July 2013, after the end of the reporting period.

The main use of the funds raised is the acquisition of a portfolio of real estate assets (the Initial Portfolio), all located in Romania, in respect of all of which the Company had signed sale and purchase agreements with the current owners before the IPO.

Below is an update on key developments since the IPO:

Market Update

The positive economic and real estate trends in the Romanian market witnessed at the end of last year continued in the first half of 2013. On the economic front, key highlights include:

- Romania registered a positive current account balance in H1 2013, for the first time since 1990
- Real GDP grew by 1.7% led by the industrial sector
- The budget deficit decreased in H1 2013, reducing to 1.1% of GDP in June 2013
- Romania was included in JP Morgan's Government Bond Index - Emerging Market

The improved economic confidence, coupled with the country's key macroeconomic fundamentals (low wages, low and stable tax environment, and young and well-educated population) and the availability of significant EU and Romanian government subsidies and grants, has translated into increased activity in the real estate market, predominantly on the lettings side. Demand/supply dynamics continue to be very favourable - over 125,000 square meters were leased in the first half of 2013, whereas supply of new product continues to remain constrained, mainly due to the lack of available financing.

Acquisition of Initial Portfolio

Globalworth Asset Managers (GAM): Globalworth is expecting to close the acquisition of GAM in the next few days.

Tower Center International (TCI): On 11 September 2013 the Company agreed with the vendors of TCI an additional six months (to 31 March 2014) to close the transaction. The vendors of TCI are Stanuta Enterprises Limited, a company controlled by Globalworth's Founder and CEO and a 50% shareholder in TCI, and Pokandro Limited, a company controlled by Mr Dragos Bilteanu, the remaining 50% shareholder.

In consideration of its agreeing to this extended schedule, Pokandro Limited has received an advance payment of Euro 6 million from the total cash consideration payable to it under the TCI Acquisition Agreement. In the event that conditions under the TCI Acquisition Agreement are not satisfied by 31 March 2014, Pokandro Limited will repay this advance payment with interest. The advance payment has also been secured against the shares of Pokandro Limited.

The Company is currently in discussions with a number of banks to obtain the financing to complete the acquisition.

The asset is currently circa 60% let to high quality tenants such as Ernst & Young, Hidroelectrica, Cegeka and Deutsche Bank and active discussions are underway to lease the remaining space.

Upground Towers: The Company has submitted the request to the lender to waive the change of control and is awaiting a response. The retail part of the asset is almost fully let whereas the residential component is circa 45% let.

Bucharest One: The development and permitting process is on track. The demolition of the existing buildings on site has been completed and a general contractor is about to be appointed. The building permit (being the main condition in the relevant Acquisition Agreement) is expected to be obtained by January 2014. Debt financing negotiations are progressing and financing terms have been agreed with a major European financial institution. On the letting side, negotiations with multinational companies for approximately 60% of the space are at an advanced stage.

BOB/BOC: Negotiations with the main shareholder are active and ongoing and the Company is confident that an acquisition agreement will be signed during the course of 2013. The letting status and profile of the two assets has improved as a result of extensions of existing tenants (e.g. Hewlett Packard, Intel and Honeywell) and new tenants (e.g. Deutsche Bank). As a result of these improvements, BOC building is almost fully let and BOB building is circa 71% let.

Future pipeline

The Company is in advanced negotiations with a number of sellers in Romania and in Greece to acquire or develop (on a pre-let basis) high quality assets.

Other Company Matters

The Company has set-up the intermediate holding companies to effect the acquisition of the Initial Portfolio and future pipeline.

Unaudited Interim Statement of comprehensive income

for the period from 14 February 2013 to 30 June 2013

	<u>2013</u>
Notes	€
Other operating expenses	(141)
Operating loss	(141)
	<hr/>
Loss for the period	(141)
Other comprehensive loss for the period, net of tax	-
Total comprehensive loss for the period, net of tax	(141)
Earnings per share	(141)

The accompanying notes are an integral part of these financial statements.

Unaudited Interim Statement of financial position

as at 30 June 2013

		2013
	Notes	€
Assets		
Current assets		
Sundry debtors		1
Total assets		1
Equity and liabilities		
Equity		
Issued capital	4	1
Other reserves	4	(3,371,288)
Accumulated losses		(141)
Total equity		(3,371,428)
Current liabilities		
Trade and other payables	5	3,371,429
Total liabilities		3,371,429
Total equity and liabilities		1

The accompanying notes are an integral part of these financial statements.

Unaudited Interim Statement of changes in equity

for the period from 14 February 2013 to 30 June 2013

	Issued capital	Other reserves	Accumulated losses	Total
	€	€	€	€
Loss for the period			(141)	(141)
Issue of share capital	1	-	-	1
Transaction costs (Note 4)	-	(3,371,288)	-	(3,371,428)
At 30 June 2013	1	(3,371,288)	(141)	(3,371,428)

The accompanying notes are an integral part of these financial statements.

Unaudited Interim Statement of cash flows

for the period from 14 February 2013 to 30 June 2013

	2013
	€
Net cash flows from/(used in) operating activities	-
Net cash flows from/(used in) investing activities	-
Net cash flows from/(used in) financing activities	-
Net increase in cash and cash equivalents*	-
Cash and cash equivalents at 14 February	-
Cash and cash equivalents at 30 June	-

* During the period from 14 February 2013 to 30 June 2013, the Company did not incur any cash movements.

The accompanying notes are an integral part of these financial statements.

1. Corporate information

The financial statements of Globalworth Real Estate Investments Limited (the Company) for the period from 14 February 2013 (date of incorporation) to 30 June 2013, were authorised for issue in accordance with a resolution of the Board of Directors on 26 September 2013.

The Company was incorporated in Guernsey as a non-cellular company with liability limited by shares on 14 February 2013, with registered number 56250.

The Company is domiciled in Guernsey. The registered office and principal place of business of the Company is Anson Place, Mill Court, La Charroterie, St. Peter Port, Guernsey GY1 1EJ. The Company has been formed to take advantage of investment opportunities in real estate assets situated in the SEE and CEE region, with primary focus on properties located in Romania.

Subsequent to the period end, the Company raised EUR 53,093,515 (gross) through the issue of Ordinary Shares in the context of an Initial Public offering in the AIM market of the United Kingdom.

The Group has no employees although, following Admission, the Founder (i.e. Ioannis Papalekas) Dimitris Raptis and Stamatis Sapkas have been employed by the Investment Adviser and, subject to satisfaction of the Conditions in the Asset Manager Acquisition Agreement, the Asset Manager, which has 32 employees, will become a member of the Group.

Upon the completion of the initial public offering, the Company signed Share Sale and Purchase Agreements (the "Acquisition Agreements") for the acquisition of 100% of the shares of Upground Estates SRL, Globalworth Asset Managers SRL ("Asset Manager", also parent of Victoria Holding), Corinthian Five SRL, and Tower Center International SRL. The Acquisition Agreements are subject to the satisfaction of, among others, the conditions below:

- i) the occurrence of Admission;
- ii) the Romanian Official Gazette Condition (other than in the case of the Asset Manager Acquisition Agreement);
- iii) there being no breach of any of the warranties in the relevant Acquisition Agreement;
- iv) getting waivers from existing lenders or obtaining new debt financing (other than in the case of the Corinthian Five SRL Acquisition Agreement).

The Company is expected therefore be the ultimate parent company of a future Group comprising the Company, the Investment Adviser (Globalworth Investment Advisers Limited) and subject to the satisfaction of the conditions of the aforementioned Acquisition Agreements:

- Globalworth Asset Managers SRL - incorporated in Romania - provider of asset management and administration services and owner of the assets within the Initial Portfolio known as City Offices, Herestrau 1, and the 60 per cent equity interest in Victoria Ventures SA. The Asset Manager has also signed an acquisition agreement for the property known as TAP.
- Corinthian Five SRL - incorporated in Romania - owner of Bucharest One
- Tower Center International SRL - incorporated in Romania - owner of Tower Center International
- Upground Estates SRL - incorporated in Romania - owner of Upground Towers
- Pieranu Enterprises Limited - incorporated in Cyprus - Holding Company of the the Asset Manager.

In addition, the Company is in advanced negotiations to acquire 100% of the shares of the shareholders of BOB Development SRL and BOC Property SRL (Oystermouth Holding Limited and Duvant Holding Limited). Subject to the execution of an Acquisition Agreement for Oystermouth Holding Limited and Duvant Holding Limited and the satisfaction of any conditions therein, the Group will also comprise the following wholly owned subsidiaries:

- BOB Development SRL - incorporated in Romania - owner of the BOB Office Building
- Duvant Holding Limited - incorporated in Cyprus - holding Company of BOB Development SRL and BOC Real Property SRL
- BOC Real Property SRL - incorporated in Romania - owner of the BOC Office Building
- Oystermouth Holding Limited - incorporated in Cyprus - holding Company of BOC Real Property SRL and BOB Development SRL.

Directors

The directors of the Company are:

- Ioannis Papalekas, *Chief Executive Officer*
- Dimitris Raptis, *Deputy Chief Executive Officer, Chief Investment Officer and Interim Chief Financial Officer*
- Geoff Miller, *Non-executive Interim Chairman*
- Eli Alroy, *Non-executive*
- David Kanter, *Non-executive*
- John Whittle, *Non-executive (Chairman of the Audit Committee and the Remuneration Committee)* all of the Company's registered office.

2.1 Basis of preparation

The interim financial statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as adopted by EU.

The unaudited interim financial statements have been prepared on a historical cost basis. The unaudited interim financial statements are presented in EUR.

2.2 Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing its unaudited interim financial statements:

a) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. They are subsequently carried at amortised cost using the effective interest rate method.

The Company's financial liabilities consist of only financial liabilities measured at amortised cost and these include trade payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

b) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the 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 Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

c) Transaction costs of equity transactions

The costs of issuing or acquiring equity are recognized in equity (net of any related income tax benefit), as a reduction of equity on the condition that these are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense. Those costs might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties.

2.3 Standards issued but not yet effective and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- IAS 28 Investments in Associates and Joint Ventures (Revised)
- IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities
- IFRS 9 Financial Instruments: Classification and Measurement
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- IFRIC Interpretation 21: Levies
- IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
- IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (amendment)

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's unaudited interim 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, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

Functional currency

The Company management used its judgment, based on the criteria outlined in IAS 21 and taking into account the specifics of the Company's planned future activities (see Notes 1 and 7) , determined that the functional currency is EUR.

4. Issued capital and reserves

On incorporation the share capital of the Company was €1 consisting of one fully paid Ordinary Share issued to the Founder (the "**Subscriber Share**"). By a written, special resolution of the Founder (being the sole shareholder of the Company) passed on 14 July 2013, the Founder agreed that the Subscriber

Share be redesignated as a redeemable share and that the Company is authorised to redeem the Subscriber Share at its issue price of €1 upon Admission. The Company has redeemed the Subscriber Share at its issue price of €1 upon Admission.

The Founder is Ioannis Papalekas, including any company wholly owned.

The issued share capital of the Company following Admission subsequent to the period end i.e. 24 July 2013) is set out below:

<i>Number of Ordinary Shares</i>	<i>Amount credited as paid up (EUR)</i>
10,718,703	€53,593,515

Other reserves

	€
Transaction costs	(3,371,288)
At 30 June 2013	(3,371,288)

The transaction costs were incurred for the Company's listing on the AIM, accumulated up to 30 June 2013 - see Note 5 Trade and other payables below.

5. Trade and other payables

	€
Trade payables	8,911
Accrued transaction costs	3,362,518

In the view of the listing on AIM, up to the date of the listing, the Company has contracted services amounting to EUR 4.3 million. The transactions costs were accrued evenly over the period from the incorporation of the Company (14 February 2013) to the listing date (24 July 2013) unless directly linked with the success of the transaction.

6. Contingent liabilities

Taxation

In response to the European Code of Conduct Group review Guernsey introduced its "zero 10" corporate tax regime on 1 January 2008 and abolished exempt status for the majority of companies.

Under the "zero 10" regime, companies incorporated in Guernsey are resident in Guernsey for tax purposes with the standard rate of income tax being zero per cent. There are exceptions to the standard rate, with banks paying tax at 10 per cent on certain elements of income. Additionally, from 1 January 2013, the 10 per cent rate was extended to include licensed fiduciaries (in respect of regulated activities), licensed insurers (in respect of domestic business), licensed insurance intermediaries and licensed insurance managers. All companies are taxable at twenty per cent on income from rental property located in Guernsey and on income from activities regulated by the Office of the Director General of Utility Regulation.

Collective investment schemes are eligible for and therefore can apply for exempt status for Guernsey tax purposes under The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended (the "Exempt Ordinance"), as these were not identified as being harmful by the European Union Code of Conduct Group. However, it is not intended that the Company apply for exempt status. It will therefore be considered resident in Guernsey and taxable at zero per cent. Interest and dividends can be paid by the Company with no withholding tax. Where actual distributions are made to an individual shareholder resident in Guernsey, the company is required to withhold tax at a rate of 20 per cent at the time of payment. Guernsey does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties, save for a small ad valorem fee for the grant of probate or letters of administration. No stamp duty or capital duty is chargeable in Guernsey on the issue, transfer or redemption of shares.

7. Commitments and contingencies

In the context of an Initial Public offering in the AIM market of the United Kingdom, through the documents issued, the Company took the following commitments:

The Placing Agreement

The Placing Agreement contains, amongst others, the following provisions:

- (a) the Company has appointed the Managers and the Managers have severally agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price, subject to certain conditions;
- (b) the Company has agreed that each of the Managers will receive certain fees as more fully set out in the descriptions of the Panmure Gordon Advisory Agreement, the Cantor Fitzgerald Agreement and the Rosario Agreement as disclosed in the Prospectus. The Company has agreed to issue to Sunrise the Sunrise Shares and to pay to Sunrise fees equal to 2.5 per cent of the aggregate Placing Price of the Ordinary Shares which Sunrise places pursuant to the Placing Agreement;
- (c) the obligations of the Managers to procure subscribers for Placing Shares are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, amongst others, the continuing accuracy of the representations and warranties under the Placing Agreement immediately prior to Admission and Admission occurring by not later than 8.00 a.m. on 2 August 2013 or such later time and/or date as the Managers may agree with the Company. The Managers may terminate the Placing Agreement prior to Admission in certain specified circumstances that are typical for an agreement of this nature. These include certain changes in financial, political or economic conditions. If any of the above-mentioned conditions are not satisfied (or waived, where capable of being waived) by, or the Placing Agreement is terminated prior to, Admission, then the Placing will lapse. The Placing Agreement cannot be terminated after Admission;
- (d) the Company has agreed to pay or cause to be paid (together with certain related value added tax) certain costs, charges, fees, expenses of, or in connection with, or incidental to, amongst other things, the Placing and/or Admission;
- (e) the Company, the Asset Manager, the Directors and the Founder have given certain representations and warranties to the Managers subject to certain limitations;
- (f) each of the Directors (other than the Founder) has agreed that he will not, during a period of one year from Admission, sell, or dispose of, any interest in any Ordinary Shares which he owns; the Founder has agreed not to sell any of his interest in any Ordinary Shares for 1 year and to keep at least 50% of such interest for two years;
- (g) further provisions are included that are typical in the context of the separate private placement in the United States.

Warrant Instrument

On 24 July 2013 the Company executed the Warrant Instrument and thereby constituted up to 5,151,030 Warrants. The Warrants are exercisable during the period commencing on Admission and expiring on the earlier of: (i) ten years from Admission; or (ii) upon an offer or becoming entitled to acquire the entire issued share capital of the Company (other than shares already held by the offeror and any persons acting in concert with the offeror). Each of the Warrant recipients has agreed to certain restrictions on his ability to exercise or transfer the Warrants held by him as summarised in paragraphs 11.6 and 11.7 of this Part XII of the Prospectus.

The exercise price, the vesting thresholds and/or the number of Ordinary Shares relating to such Warrants will be subject to adjustment in respect of dilution events, including the payment by the Company of special dividends, any amalgamation, reorganisation, reclassification, consolidation or merger or sale of all or substantially all of the Group's assets, a rights issue at a discount to market price (but not any other issue of shares) and other dilutive events. The Warrants are freely transferable after the period of one year following Admission, subject to other restrictions agreed on issue of the relevant Warrants. The Company has agreed to take reasonable steps to facilitate a cashless exercise of Warrants.

Founder Warrant Agreement

On 24 July 2013 the Company entered into a warrant agreement with the Founder and Zorviani Limited under which the Company agreed to issue at, and subject to, Admission to Zorviani Limited three tranches of Warrants, each representing 5 per cent of the aggregate of the Placing Shares and the Ordinary Shares subscribed by Zorviani Limited (or other Founder Companies) pursuant to the Founder Admission Subscription and the Founder Equity for Assets Subscriptions, subject to the market price per Ordinary Share being at least EUR 7.50, EUR 10.00 and EUR 12.50 (respectively) as a weighted average over a period of 60 consecutive days (each a "Market Price Vesting Threshold"). In each case, the subscription price will be equal to the Placing Price. The Founder Warrant Agreement provides that:

- (a) subject to paragraph (e) below, the Founder Warrants vest on achieving the applicable Market Price Vesting Threshold and each holder of Founder Warrants has undertaken to the Company not to transfer any Founder Warrants held by it until after the first anniversary following Admission and, during the year after the first anniversary of Admission until vesting, only to other members of the Management Team (or companies wholly owned by any such person);
- (b) notwithstanding the above restrictions, the Founder Warrants shall be freely exercisable or transferable in the event of a general offer for the entire Ordinary Share capital of the Company (other than shares already held by the Offeror and its concert parties) becoming unconditional in all respects;
- (c) the Founder Warrants vest on the Founder leaving the employment of a member of the Group as a "Good Leaver";
- (d) the Founder Warrants are retained (and the Market Price Vesting Threshold is not waived) if the Founder resigns after the second anniversary of Admission;
- (e) subject to paragraphs (c) and (d) above, any unvested Founder Warrants shall terminate (and cease to be capable of vesting) upon the Founder or (if they are then held, directly or indirectly, by another member of the Management Team) that member of the Management Team ceasing to be an employee of a member of the Group and, irrespective of paragraph (d) above, unvested Founder Warrants shall terminate if the Founder breaches the restrictive covenants or confidentiality obligations after his employment with a member of the Group ceases.

Director Warrant Agreement

On 24 July 2013 the Company entered into a warrant agreement with Dimitris Raptis, Eli Alroy, Geoff Miller and John Whittle under which the Company agreed to issue to such persons (or companies controlled by them) at, and subject to, Admission, Warrants over 110,000, 260,000, 11,000 and 9,000 (respectively) Ordinary Shares, subject to the market price per Ordinary Share being at least EUR 7.50 as a weighted average over a period of 60 consecutive days (the "Market Price Vesting Threshold"). In each case, the subscription price will be equal to the Placing Price. The Directors Warrant Agreement provides that:

- (a) subject to paragraph (d) below, the Director Warrants vest when the Market Price Vesting Threshold is satisfied;
- (b) each holder of Director Warrants shall not transfer any Warrants held by him, or any Ordinary Shares issued to him on exercise of the Warrants, for a period of one year following Admission;
- (c) notwithstanding the above restrictions, the Director Warrants shall be freely exercisable or transferable (subject to the restrictions in (b) above) in the event of an offer made for the entire ordinary share capital of the Company (other than shares already held by the offer or and any persons acting in concert with it) becoming unconditional in all respects; and
- (d) any unvested Director Warrants shall terminate (and cease to be capable of vesting) upon the relevant Director ceasing to be an employee of a member of the Group.

Acquisition Agreements:

(a) Asset Manager Acquisition Agreement

On 24 July 2013 the Company entered into the Asset Manager Acquisition Agreement with Zakiono Enterprise Limited (the "vendor") pursuant to which the Company agreed to purchase (or to nominate another member of the Group to purchase), and the vendors agreed to sell, the whole of the issued share capital of Pieranu Enterprises Limited (which owns 99.99 per cent of the Asset Manager) and the benefit of any and all loans from shareholders, other Founder Companies or the Founder as a director (or their related parties), conditional upon

- (i) Admission,
- (ii) there being no breach of any warranties at completion and
- (iii) title insurance being available in respect of Herastrau 1 for EUR 6 million and in respect of City Offices in the amount of EUR 51 million.

If the conditions are not satisfied or waived by the Company within three months (or such longer period as the parties may agree), the Asset Manager Acquisition Agreement will terminate.

The Acquisition Cost is EUR 37 million in respect of City Offices, EUR 6 million in respect of Herastrau 1, EUR 14 million in respect of TAP, EUR 1,972,200 in respect of the 60 per cent interest in Floreasca 1, EUR 6 million in respect of the Upground apartments and EUR 15 million in respect of the operations of the Asset Manager. As the purchase price is payable to a Founder Company (any company wholly owned or substantially owned, directly or indirectly, by the Founder), the extent to which it is to be satisfied by the issue of Ordinary Shares is determined by the Founder Subscription Agreement. The purchase price is subject to adjustment following final determination of the completion balance sheet in respect of cash and debt movements since the management accounts prepared as at 31 May 2013 and any shareholder loans granted after signing.

(b) Bucharest One Acquisition Agreement

On 24 July 2013 the Company entered into the Bucharest One Acquisition Agreement with Bakaso Holdings Limited (the "vendor") and Corinthian Five SRL pursuant to which the Company agreed to purchase (or to nominate another member of the Group to purchase), and the vendor agreed to sell, the whole of the issued share capital of SC Corinthian Five SRL and the benefit of any and all loans to Corinthian Five SRL by shareholders, other Founder Companies or the Founder as a director (or their related parties), conditional upon

- (i) Admission,
- (ii) satisfying the Romanian Official Gazette Condition,
- (iii) there being no breach of any warranties at completion and
- (iv) the building permit in relation to the construction of an office building with an unfolded area of approximately 48,000 sqm are obtained at a CUT (land use coefficient) of 4 or, cumulatively, the traffic solution and the approvals from Metrorex SA necessary to obtain the Project building permit and a CUT of 4 being achieved.

If the conditions are not satisfied or waived by the Company within three months (or such longer period as the parties may agree), the Agreement will terminate (provided that, if the condition in (iv) above is not satisfied by such time that shall automatically be a further three months to allow satisfaction of such condition).

The Acquisition Cost is EUR 30 million. EUR 10 million of the purchase price shall be paid to Bakaso Holdings Limited within 10 business days following signing (subject to Admission), with the remainder payable on completion. If the Agreement terminates, the EUR 10 million advance payment shall be repaid within 10 business days following any such termination. As the purchase price is payable to a Founder Company, the extent to which it is to be satisfied by the issue of Ordinary Shares is determined by the Founder Subscription Agreement. The purchase price is subject to adjustment following final determination of the completion balance sheet in respect of cash and debt movements since the management accounts prepared as at 31 May 2013 and any shareholder loans made in respect of construction and other related costs after signing. The vendor has given warranties regarding the title and underlying business and assets referable to Bucharest One. The maximum liability of the vendor for breach of warranty (other than title and tax) is capped at 5 per cent of the Acquisition Cost.

(c) TCI Acquisition Agreement

On 24 July 2013 the Company entered into the TCI Acquisition Agreement with Stanuta Enterprises Limited and Pokandro Limited (together, the "vendors") and Tower Center International SRL pursuant to which the Company agreed to purchase (or to nominate another member of the Group to purchase), and the vendors agreed to sell, the whole of the issued share capital of Tower Center International Srl ("TCI") and the benefit of any and all loans to Tower Center International SRL by shareholders and related parties, conditional upon

- (i) Admission,
- (ii) satisfaction of the Romanian Official Gazette Condition,
- (iii) there being no breach of any warranties at completion,
- (iv) title insurance being available in respect of TCI in the amount of EUR 70 million and
- (v) the Company obtaining a commitment from a third party bank in the amount of EUR 25 million in respect of the acquisition of TCI and the refinancing of the third party debt currently applicable to TCI.

If the conditions are not satisfied or waived by the Company within three months (or such longer period as the parties may agree), the Agreement will terminate. The Acquisition Cost is EUR 58 million. The extent to which the portion of the purchase price payable to Stanuta Enterprises Limited (a Founder Company) is to be satisfied by the issue of Ordinary Shares is determined by the Founder Subscription Agreement. Up to EUR 5 million of the purchase price payable to Pokandro Limited will be satisfied by the issue of Ordinary Shares at the Placing Price. The purchase price is subject to adjustment following final determination of the completion balance sheet in respect of cash and debt movements since the management accounts prepared as at 31 May 2013 and any shareholder loans made after signing. The vendors have given warranties regarding the title and underlying business and assets referable to TCI. The maximum liability of the vendors for breach of such warranties (other than title and tax) is capped at 5 per cent of the Acquisition Cost.

(d) Upground Acquisition Agreement

On 24 July 2013 the Company entered into the Upground Acquisition Agreement with Milabrin Limited and Tomafer Limited (together, the "vendors") and Upground Estates SRL pursuant to which the Company agreed to purchase (or to nominate another member of the Group to purchase), and the vendors agreed to sell, the whole of the issued share capital of Upground Estates SRL and the benefit of any and all loans to Upground Estates SRL by shareholders and related parties, conditional upon

- (i) Admission,
- (ii) satisfaction of the Romanian Official Gazette Condition, the banks currently providing financing to Upground Estates SRL consenting to the proposed change of control (which would otherwise be an event of default under such financing) and
- (iii) there being no breach of any warranties at completion.

If the conditions are not satisfied or waived by the Company within three months (or such longer period as the parties may agree), the Agreement will

terminate. The purchase price is EUR 14 million, of which EUR 13 million is to be satisfied by the issue of Ordinary Shares at the Placing Price. The vendors have given warranties regarding the title and underlying business and asset referable to Upground Estates SRL. The maximum liability for breach of such warranties (other than title and tax) is capped at 5 per cent of the Acquisition Cost.

8. Related parties

There were no related parties transactions throughout the period.

Related parties are listed as follows:

Directors

- Ioannis Papalekas
- Dimitris Raptis
- Geoff Miller
- Eli Alroy
- David Kanter
- John Whittle

Companies subject to or related to the Acquisition agreements

- Globalworth Investment Advisers Limited
- Globalworth Asset Managers SRL
- Corinthian Five SRL
- Tower Center International SRL
- Upground Estates SRL
- Pieranu Enterprises Limited
- BOB Development SRL
- Dunvant Holding Limited
- BOC Real Property SRL
- Oystermouth Holding Limited

The Company's related parties are also its shareholders and all entities controlled by Ioannis Papalekas as well as the Company's Directors.

9. Risk management

The Company will employ active risk management as an integral part of the management of its investments.

Among others, the relevant processes are expected to include: valuation and auditing; interest rate and currency hedging; investment tracking; monitoring of leverage (compliance with covenants, debt maturities etc.); insurance; and liquidity and cash flow monitoring.

Cash management

The Company intends to adopt a cash management policy, which is expected to provide for matters such as the spread of risk (so that cash, as distinct from cash-equivalent securities, is held by, or the Company's risk is otherwise spread between, a minimum of three financial or other institutions with the relevant credit rating) and for the implementation of such policy to be managed by a committee comprising at least three employees or directors of the Group (including at least one non-executive Director and, when appointed, the Group's Chief Financial Officer).

10. Events after the reporting period

The Company has raised EUR 53,093,515 (gross) through the issue of Ordinary Shares pursuant to the Placing and the Founder Admission Subscription.

Placing price = EUR 5

Number of placing shares = 7,618,703

Number of Founder Admission Shares = 3,000,000

Number of ordinary shares in issue immediately following admission = 10,718,703

Market capitalization of the Company on admission at the placing price = 53,593,515

On September 11, 2013 the Company agreed with the vendors of TCI an additional six months (to 31 March 2014) to close the transaction. The vendors of TCI are Stanuta Enterprises Limited, a company controlled by Globalworth's Founder and CEO Ioannis Papalekas and a 50% shareholder in TCI, and Pokandro Limited, a company controlled by Mr Dragos Bilteanu, the remaining 50% shareholder.

In consideration of its agreeing to this extended schedule, Pokandro Limited has received an advance payment of EUR 6 million from the total cash consideration payable to it under the TCI Acquisition Agreement. In the event that conditions under the TCI Acquisition Agreement are not satisfied by 31 March 2014, Pokandro Limited will repay this advance payment with interest. The advance payment will also be secured against the shares of Pokandro Limited.

This information is provided by RNS
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