GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

INTERIM REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2020

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FINANCIAL HIGHLIGHTS: H1-20

Combined portfolio open market value	Shareholders' equity	EPRA NAV per share
€3.0bn	€1.8bn	€8.80
-1.1% on YE-19	-6.0% on YE-19	-5.4% on YE-19

IFRS Earnings before tax	Adjusted normalised EBITDA	Net Operating Income
-€46.1m	€71.5m	€79.6m
+€88.0m in H1-19	+16.1% on H1-19	+17.1% on H1-19

IFRS Earnings per share	EPRA Earnings per share	Dividends paid in H1-20
-22 cents	21 cents	30 cents
+44 cents in H1-19	-8.7% on H1-19	+11.1% on H1-19

CHIEF EXECUTIVE'S REVIEW

2020 has been a year of significant challenges, with a first quarter full of optimism and strong performance coming to an abrupt halt due to the Covid-19 pandemic in March which has carried on ever since. The rapid spread of the Covid-19 pandemic has created significant uncertainty regarding the future, and the way we live and operate. For us, the safety and wellbeing of our people, partners, communities, and other stakeholders, is and will continue to be our top priority, as we focus on safeguarding our business, protecting our assets and minimising our exposure to the impact of Covid-19.

I, and the entire Globalworth team, are committed to fight and overcome this crisis, following regulations and recommendations issued by the World Health Organisation as well as national, regional and local governments and adapting our operations accordingly.

To this end, since the very early days of the pandemic we took several measures in Poland and Romania, aiming at ensuring not only the maximum possible protection for all parties concerned, but also business continuity and long-term viability. I am pleased to report that our proactive approach, and in certain cases assertive measures, have been in the right direction.

Country update

There has been an increase in confirmed cases of Covid-19 during the pandemic, especially over the summer period, with more than 20.5 million and 3.1 million cases globally and in Europe respectively as at 27 August 2020. Poland and Romania rank 13th and 9th in Europe with 64.7k (2.0kdeaths) and 83.2k (3.5k deaths) in terms of confirmed cases, respectively.

Since March the authorities in both countries, in line with many other countries, declared a "state of emergency" for part of this period, and adopted several measures in order to address the pandemic, including restrictions on peoples' movement, travelling, opening hours of commercial spaces and so on. They also imposed emergency measures to protect affected businesses. Such measures included rent reductions and/or suspensions for non-essential retail businesses for as long as the state of emergency applies. In both countries, non-essential retail premises were ordered to close whereas certain types of restaurants were only allowed to operate a take-away or delivery service. There has been no government measure in either country forcing the closure of office, industrial premises or essential retail businesses (supermarkets, pharmacies, convenience stores etc.).

Although currently most of the above restrictions were lifted since June/early July, should the spike in confirmed cases over the summer period continue, we cannot preclude some of these restrictive measures being re-introduced.

Our Active Approach During the Pandemic

The Covid-19 pandemic has caused us to rethink our overall strategy, while looking to our long-term activities and investments.

During the period, in order to ensure the health and safety of the people who work at or visit our properties, and to maintain business continuity for our tenants and ourselves, we implemented several preventative measures such as performing frequent disinfections with specialised products in areas of high traffic, installed hand disinfection stations in common areas of the properties, maintained a continuous open communication with our tenants and suppliers on matters related to Covid-19 and established a detailed action plan in place should a Covid-19 case be detected in one of our buildings.

In addition, we reviewed all our suppliers and supplier contracts, resulting in the termination and/or suspension or renegotiation of several agreements, aiming at achieving significant savings which will benefit mainly our tenants. As most of our leases are triple net, the cost savings which form part of the service charges paid by tenants will be lower thus reducing their overall occupational cost in our properties. The approach we have taken as a result during this period is to reduce the service charge cost based on the projected amounts in the interim period, reducing the burden of our tenants, until we perform the final 2020 service charge reconciliation early next year.

In terms of investments, we have utilised a risk-adjusted approach aiming at preserving as much cash in the business without jeopardising safety and future growth of the Group. We substantially reduced our renovation & upgrade capex for our standing properties, focusing on the absolute essential requirements relating to health and safety, and maintenance. Furthermore, we continued focusing our investment capex on development projects with either significant pre-lets or for which construction was substantially completed or was very advanced at the time the pandemic started, while we suspended all other developments or new acquisitions. We continue to closely monitor the market and should an investment opportunity with particularly attractive potential returns arise in the future we have ample liquidity to pursue it.

Despite the challenging economic environment, we have remained committed in supporting our communities of which we are an integral part, and have directed a substantial amount of our ESG funds for this year in assisting hospitals and related staff in Romania and Poland by donating more than €650k in the fight against Covid-19.

CHIEF EXECUTIVE'S REVIEW

Our Portfolio

During this period, our efforts have been exclusively focused in actively managing our portfolio of standing properties and development projects.

The quality of our portfolio and the ability to effectively and efficiently manage our properties has been reflected in our performance during this period of increased uncertainty.

Our overall portfolio value stood at €3.0billion as at 30 June 2020, remaining effectively unchanged during the first 6 months of the year, as the delivery of a new class A office in Bucharest at the beginning of 2020, and further progress made in our development projects, offset the revaluation decrease mainly attributed to the Covid-19 pandemic.

Furthermore, I am pleased that we have been able during the first six months of 2020, to have successfully negotiated the take-up (including expansions) or extension of 115.5k sqm of commercial spaces, with an average WALL of 3.2 years. More importantly, in the second quarter alone, where the pandemic crisis has been ongoing, we negotiated the take-up (including expansions) or extensions of 76.2k sqm of commercial spaces at with an average WALL of 2.1 years. The overall shorter duration of the leases signed reflects the prevailing market environment, where several companies are forced to re-assess their occupational plans (extensions, expansions, relocations, release of spaces etc.), as well as the duration of the leases signed and the fact that a significant part of the Covid-related tenant claims has been settled by offering rent concessions in exchange for extensions in lease duration.

Occupancy of our standing commercial portfolio remained high at 93.3% (94.2% including tenant options), albeit modestly decreasing from the 2019 year-end level (94.7% / 95.0% including tenant options), due to the lower occupancy than the average of the Globalworth Campus Tower 3 office in Bucharest which was added in the period and is in the lease-up phase, and the negative impact of the expiration of certain leases mainly in our Polish portfolio resulting in 0.8% decrease on like-for-like occupancy basis, (94.0% as at 30 June 2020), however considering our active discussions with potential new tenants, we remain confident that we will be able to lease a significant part of the available spaces in our portfolio in the near term.

The benefits of our strategy, since inception of the Company, to establish long-term partnerships with high-quality national and multinational tenants, thus ensuring sustainable cash-flow generation, could not be more evident than during a period of pandemic, where we have been able to maintain a high rate of collection with over 95.5% of the rents invoiced being received in line with their customary cycle, while the level of claims received by tenants accounted for only 5.0% of our contracted rents, with more than 80% settled with tenants and the remaining under negotiation.

Our Results and Corporate Activity

The first half of 2020, marks the first such period since our initial investment in Poland, where we have 100% consolidated results of our Polish activities, following the acquisition and delisting of our Globalworth Poland subsidiary at the end of September 2019. The Group during this period reported a solid uplift in its first half earnings with an increase of 17.1% in our net operating income to €79.6 million, 16.1% in our adjusted normalised EBITDA to €71.5 million and 24.4% in our EPRA earnings to €46.4 million, as compared to the same period in 2019. Improvement in our performance is mainly attributed to our asset management initiatives and the impact of acquisitions and other property additions to our portfolio which were not fully reflected in 2019 (and 2020 year to date).

In February we paid a second interim dividend of 30 Euro cents per share in respect of the 2019 financial year resulting in 60 Euro cents in total. In addition, on 26 August 2020 we announced the first interim dividend of 2020 of 19 Euro cents per share, being 90% of the EPRA Earnings for the first six months of the year, as stipulated by our articles of incorporation.

Liquidity has always been key area of focus, and especially following the Covid-19 pandemic outbreak, we have taken several steps to ensure that we have sufficient cash in this period of uncertainty and capital markets volatility, to safeguard our business, maintain continuity and potentially take advantage of opportunities that may appear in the future. During this period we drew down on existing committed facilities, such as the €200 million RCF (subsequently repaid in August), and other new facilities, with most of the cash remaining essentially unutilised during this period. New draw downs in addition to funds from operations resulted in c.€570 million of liquidity and a Net LTV of 36.9% as at 30 June 2020.

CHIEF EXECUTIVE'S REVIEW

The majority of our debt financing (€1.1 billion) in the first half of the year was in two Eurobond instruments expiring in 2022 and 2025 respectively. As part of our ongoing effort to effectively manage and further improve our debt maturity profile, at the end of July we successfully closed our inaugural green bond raising €400 million, with a 2.95% coupon, while at the same time repurchasing c.41% of our 2022 notes at a premium of 2.0% over par from the debt capital markets, essentially extending the maturity of a significant part of the notes maturing in June 2022 to July 2026. Furthermore, in August we repaid our €200 million RCF, but maintained the flexibility of re-drawing funds at the increased limit of €215 million in the future, with our overall liquidity as at 31 August 2020 being €524 million.

Overall, we are very pleased with the outcome of our efforts, as our inaugural green bond was more than 2x oversubscribed by existing and new bond investors, further confirming our strong performance, the quality of our portfolio and team, as well our overall approach to sustainable development and the creation of long term value for our stakeholders, in the period of increased uncertainty due to the Covid-19 pandemic.

In addition, all three major rating agencies, following their 2020 review of Globalworth, maintained their investment grade status for the Group, with Moody's changing their outlook from "Stable" to "Negative", while S&P and Fitch outlooks remained "neutral".

The high level of confidence received from the debt capital markets and the rating agencies, followed that of the CPI Property Group, one of the largest property companies in Western Europe and the CEE, which in February 2020 became the largest equity shareholder in Globalworth holding 29.4% of the share capital.

Our EPRA net asset value decreased by 5.4% to €1,957.5 million predominantly as a consequence of the revaluation of our like-for-like standing portfolio which was 1.1% lower compared to the year-end, and payment in February of €66.4 million of dividend relating to the second half of 2019, resulting in an EPRA NAV/Share of €8.80 (31 December 2019: €9.30).

Corporate Governance

Our Board of Directors was partially reshaped in 2020, because of corporate activity and the overall effort of reducing costs and creating a leaner board. As a result Mr Ioannis Papalekas, Mr Eli Alroy, Mr Peter Fechter, Mr George Muchanya and Mr Bruce Buck stepped down from their positions, with Mr Martin Bartyzal and Mr David Maimon being appointed new members on the board. I would like to personally thank parting members for their significant contributions to the Board, and wish the new members a successful tenor and look forward working closely with them and the rest of the board in steering Globalworth to the future. At the same time, I am pleased to share since March the honour and responsibility of the CEO role together with our Founder Ioannis Papalekas.

Outlook

We will continue to actively manage our portfolio of high-quality properties (standing and developments) in Poland and Romania, while respecting the regulations and recommendations issued by the World Health Organisation as well as national, regional and local governments and adapt our operations accordingly. At the same time, we are ready and have the financial resources to act quickly if new attractive opportunities become available in the future.

We are committed in ensuring the safety and wellbeing of our people, partners, communities, and other stakeholders, as we continue to safeguard our business, protect our assets and minimise our exposure to the impact of Covid-19, in this period of increased uncertainty. We firmly believe that we will emerge stronger and a relative winner from the current turbulent times.

Stay safe and healthy!

Dimitris Raptis
Co-Chief Executive Officer
& Chief Investment Officer
15 September 2020

MANAGEMENT REVIEW

REAL ESTATE INVESTMENT ACTIVITY

- Reviewed our development and investment pipeline considering the Covid-19 pandemic outbreak
- Completed the development of the Globalworth Campus project in Bucharest with Tower 3 delivered in January
- Progressed with the construction of:
  - two class "A" office projects in the new CBD of Bucharest and in Krakow, which upon completion will offer 47.1k sqm of GLA
  - two high-quality industrial facilities (44.3k sqm on completion) in Bucharest and Constanta, part of the joint venture partnership the Group formed in 2019 for the development of high-quality real estate projects in Romania
- Suspended or put on hold / review all other new investments

Developments

Globalworth, in the first half of 2020, amid of the Covid-19 pandemic, significantly scaled back on its active construction and development programme. Following further review of our projects we decided to focus only on projects which have significant pre-lets in place or construction was well underway or substantially completed. As a result, we reduced our original expected construction and development expenditure for 2020 by more than €36.0 million to €53.9 million by focusing on these selected projects, with €47.8 million remained to be invested to completion.

In the first six months of the year we delivered one office property and progressed with four other developments, three in Romania and one in Poland.

New Deliveries

In January 2020, we delivered Tower 3 (centre tower) of the Globalworth Campus development in the New CBD of Bucharest. The third tower, which represents the second and final phase of the project, offers 32.2k sqm of Class "A" office space (c.96% of total GLA) as well as other amenities such as a 750-seat conference centre (1.9k sqm) and c.500 parking spaces.

The main office building extends over 14 floors above ground and two underground levels, was 71.2% let as at 30 June, and had its first tenants arriving in January 2020. Fitouts for the interconnected conference centre remain in progress (delayed due to Covid-19) and expected to be completed in Q3-2020

The Globalworth Campus project, overall, offers 92.0k sqm of high-quality space balanced between three main towers offering Class "A" offices, commercial and other supporting facilities, and a 750-seat conference centre.

Review of Projects Under Development

Globalworth, as at the 30 June 2020, had two active developments in Bucharest, one in Krakow and one in Constanta, which together are expected to further increase our footprint by 91.5k sqm of GLA on completion.

<u>Industrial Developments</u>

Our active development of new high-quality industrial facilities continued in 2020, with two new facilities being at an advanced stage of completion at the end of June 2020. Both these facilities are developed within a joint venture partnership, in which we have a 50% interest, and are located in Bucharest and Constanta.

In Constanta, phase A of the mixed-use Constanta Business Park project is also under construction, involving the development of a 21.3 sqm logistics/light-industrial facility. The construction of our first development project in the Eastern part of Romania was delivered in Q3-2020, with the remaining to be developed in phases.

The Chitila Logistics Hub is in the greater Bucharest area and, on completion, is expected to offer a GLA of 23.1k sqm. The facility which is partially leased to Mega Image, part of the Delhaize Group, and Green Net (retailer), is the first industrial facility the Group is developing in the capital, and works are expected to be completed in Q3-2020.

Office Developments

Podium Park II is the first class "A" office the Group is developing in Poland. It is part of the office complex known as Podium Park which will be developed in phases and on completion will comprise three interconnected buildings in the east of Krakow. The first office of the complex was completed in 2018 (also owned by Globalworth), with the second currently under construction. As at end of June 2020, the structure of the building has been completed, with the façade currently been fitted, and mechanical and other installations in progress. Podium Park II on completion, estimated in Q4-2020, will offer high-quality GLA of 18.8k sqm and c.450 parking spaces over 11 floors above ground and two underground levels. This multi-tenant office, is currently 82.6% pre-let to tenants including Ailleron and FMC Technologies.

Globalworth Square is a class "A" office under construction in the New CBD of Bucharest. The property is located between our own Globalworth Plaza and Green Court B offices, and on completion, estimated in Q1-2021 will offer 28.4k sqm of high-quality GLA and c.450 parking spaces over 15 floors above ground and three underground levels. As at the end of June 2020, construction is in progress with the building structure been completed and the façade and other installations in progress.

Review of Other Future Developments

As part of the review of our development projects amid the Covid-19 pandemic, two offices in Bucharest (Globalworth West) and Krakow (Podium Park III) which were at an early stage of development at the time of the outbreak were postponed and reclassified as Projects for Future Development. These two class-A office developments, upon completion are expected to add in total 51.1k sqm to our portfolio and had an appraised value of €17.4 million at 30 June 2020 (€16.4 million as at 31 December 2019).

In addition, we own, directly or through JV partnerships, land plots in prime locations in Bucharest and other regional cities in Romania, covering a total land surface of 1.4 million sqm (comprising 2.1% of the Group's combined GAV), for future developments of office, industrial or mixed-use properties. We are currently progressing with select preparatory activities, including performing planning and/or permitting for this land bank, which when fully developed, has the potential to add in total a further 829.5k sqm (mainly office and logistics / light-industrial) of high quality GLA to our standing portfolio footprint.

Projects classified for "Future Development", are periodically reviewed by the Group, with the pace at which these projects are being developed being subject to tenant demand and general market conditions.

Developments - Under Construction

	Constanta Business Park (Phase A)*	Chitila Logistics Hub (Phase A)*	Podium Park II	Globalworth Square
Location	Constanta	Bucharest	Krakow	New CBD
Status	Development	Development	Under Construction	Under Construction
Expected Delivery	2020E	2020E	2020E	2021E
GLA (k sqm)	21.3	23.1	18.8	28.4
CAPEX to 30 Jun 20 (€ m)	8.9	9.9	24.0	31.9
GAV (€ m)	11.9	11.9	29.2	36.6
Estimated CAPEX to Go (€ m)	0.9	1.3	21.7	23.9
ERV (€ m)	1.1	1.1	3.4	5.4
Estimated Yield on Development Cost	10.8%	10.1%	7.5%	9.7%

(*) 50:50 Joint Venture; figures shown on 100% basis

Future Developments

	Podium Park III	Globalworth West	Chitila Logistics Hub (Phased)*	Constanta Business Park (Phased)*	Timisoara Industrial Park I&II (Phased)	Luterana	Green Court D
Location	Krakow	West Bucharest	Bucharest	Constanta	Timisoara	CBD	New CBD
Status	Construction Postponed	Construction Postponed	Planned	Planned	Planned	Planned	Planned
GLA (k sqm)	17.7	33.4	53.0	549.6	184.2	26.4	16.2
CAPEX to 30 Jun 20 (€ m)	8.5	5.1	3.3	12.1	7.2	7.2	2.9
GAV (€ m)	9.6	7.8	3.8	19.3	10.9	14.0	5.9
Estimated CAPEX to Go (€m)	33.1	40.3	19.6	220.2	67.9	40.4	25.1
ERV (€ m)	3.1	5.1	2.3	28.6	7.5	5.8	3.0
Est. Yield on Development Cost	7.5%	11.1%	10.2%	12.3%	10.0%	12.2%	10.7%

(*) 50:50 Joint Venture; figures shown on 100% basis

MANAGEMENT REVIEW

New Acquisitions

Following the Covid-19 pandemic outbreak in 2020 we suspended all new investments as part of our initiatives to safeguard our business and liquidity during this period of increased uncertainty.

As a result, the acquisition of two office developments in Warsaw (Chmielna 89) and Krakow (Tischnera Office) signed and announced in November 2019 was cancelled.

We continue to monitor the investment market for new investment opportunities, and we may decide at a later stage, and subject to market conditions, to pursue investments which will be considered to provide particularly attractive risk-adjusted returns for the Group.

ASSET MANAGEMENT REVIEW

- 115.5k sqm of commercial space taken-up or extended at an average WALL of 3.2 years
- Leases renewed accounted for 74% of our leasing activity, resulting in our WALL remaining substantially the same over the period (4.5 years as at 30 June 2020 vs 4.6 years as at 31 December 2019).
- Standing portfolio footprint increased by 34.8k sqm mainly attributed to the addition of Globalworth Campus T3 in Bucharest, to 1,248.5k sqm of GLA.
- Average standing occupancy of our commercial portfolio of 93.3% (94.2% including tenant options), decreasing from 94.7% (95.0% including tenant options) at year end 2019. Like-for-like occupancy decreased by 0.8%.
- Most of our contracted rent is from office and industrial spaces (89.9% of annualised contracted rent) which have remained largely unaffected by measures taken by the authorities against Covid-19.
- Claims received principally by occupiers of space who have been impacted by the Covid-19 pandemic, with claims accounting for 4.2% of annualised contracted rent received and settled with tenants, and further claims accounting for 0.8% of annualised contracted rent under negotiations.
- The modest economic impact of claims is expected to be substantially mitigated by the cost cutting initiatives already implemented by the Group and through the extensions of leases in place negotiated as part of the Covid-related agreements reached with our tenants.
- Rate of collections for rents invoiced and due remained high at 95.5% during the first half of 2020
- Total combined value of our real estate portfolio in Poland and Romania, remained effectively unchanged at €3.0 billion, mainly due to the positive impact from our developments (delivered or in progress) offsetting most of the revaluation decrease due to the Covid-19 pandemic.
  - Like-for-like appraised value of our standing commercial properties at €2.7 billion, 2.8% lower compared to year-end 2019, mainly due to widening of yields and/or discount rates
- Green certified portfolio of 48 standing properties with appraised value of €2.3 billion

Leasing Review

The strong leasing momentum of the previous years in our markets of focus in Poland and Romania, came to a sudden slowdown in the last three months of the period due to the Covid-19 pandemic, with several companies forced to re-assess their occupational plans (extensions, expansions, relocations, release of spaces etc), as well as the duration of the leases signed.

New Leases

In the first six months of 2020, the Group successfully negotiated the take-up (including expansions) or extension of 115.5k sqm of commercial spaces in Poland (40.3% of transacted GLA) and Romania (59.7% of transacted GLA), with an average WALL of 3.2 years.

More importantly, within the last three months that the pandemic crisis has been ongoing, the Group negotiated the take-up (including expansions) or extensions of 76.2k sqm of commercial spaces in Poland (33.9% of transacted GLA) and Romania (66.1% of transacted GLA), with an average WALL of 2.1 years.

A significant part of our efforts over the period has been focused on lease extensions due to:

- the high occupancy of our portfolio;
- the expiration profile of our leases, with 80.0k sqm of GLA initially expiring in 2020 (5.0% of contracted rent), and a further 113.5k sqm (11.0% of contracted rent) in 2021; and

- the prevailing market environment, and in particular the fact that a significant part of the tenant claims has been settled by offering rent concessions in exchange for extensions in lease duration.

Lease renewals were signed with 92 of our tenants, for a total of 85.5k sqm of GLA, at a WALL of 2.2 years, with the most notable extensions involving Unicredit, DXC, InOffice, Patria Bank, Cegedim and Mazars. We are pleased that c.80% of the renewals by GLA signed in the first half of 2020 were for leases that were expiring in 2021 or onwards. The shorter WALL of these extensions is a reflection of the cautious approach taken by many corporates in this period of higher volatility in the global economy.

New leases for 17.1k sqm of GLA were signed at a WALL of 8.3 years, accounting for 56.9% of total new take-up, and included tenants such as BRD (part of Societe Generale Group), Green Net and Adecco as well as 21 other corporates. The remaining 12.9k sqm of space signed in the period related to expansions by 16 tenants, with an average WALL of 4.5 years.

Signing of new leases, typically for large multinational and national corporates, takes longer in the current environment as potential tenants are re-assessing their future occupational plans.

Summary Leasing Activity for Combined Portfolio in H1-20

	GLA (k sqm)	No. of Tenants*	WALL (yrs)
New Leases / New Contracts	17.1	24	8.3
New Leases / Expansion	12.9	16	4.5
Renewals / Extensions	85.5	92	2.2
Total	**115.5**	**123**	**3.2**

**Number of individual tenants*

Overall occupancy of our combined standing commercial portfolio as at 30 June 2020 was 93.3% (94.2% including tenant options), representing a 1.4% decrease over the past six months (94.7% as at 31 December 2019 / 95.0% including tenant options). The addition (through delivery) of Globalworth Campus Tower 3 to the standing portfolio during the period, with occupancy lower than the Group average, and the negative net uptake of space despite the signing of new contracts, resulted in a lower average occupancy rate of our portfolio.

On a like-for-like basis, occupancy decreased by 0.8% to 94.0% over H1-20, negatively impacted by the expiration of certain leases mainly in our Polish portfolio, however considering our active discussions with potential new tenants, we remain confident that we will be able to lease the available spaces in our portfolio in the near term.

Across the portfolio, as at 30 June 2020, we had 1,157.0k sqm of commercial GLA (98.1% of the standing GLA) leased to approximately 690 tenants, at an average WALL of 4.5 years (4.4 years on standing GLA), the majority of which is let to national and multinational corporates that are well-known within their respective markets.

Occupancy Evolution H1 2020 (GLA 'k sqm) – Commercial Portfolio

	Poland	Occupancy Rate (%)	Romania	Occupancy Rate (%)	Group	Occupancy Rate (%)
Standing Available GLA - 31 Dec. 19	**586.3**	**94.1%**	**593.4**	**95.3%**	**1,180.1**	**94.7%**
Acquired GLA	-		-		-	
New Built GLA	-		33.6		33.6	
Remeasurements	(0.0)		1.9		1.8	
Standing Available GLA - 30 Jun. 20	**586.3**	**92.0%**	**629.2**	**94.5%**	**1,215.5**	**93.3%**
Vacant Standing GLA - 31 Dec. 19	**34.7**	**5.9%**	**28.0**	**4.7%**	**62.7**	**5.3%**
Acquired/Developed Vacant GLA	-		9.7		9.7	
Expiries & Breaks	18.2		15.5		33.7	
Renewals	40.3		45.1		85.5	
New Take-up	(6.3)		(21.0)		(27.3)	
Other Adj. (relocations, remeasurements)	0.0		2.2		2.3	
Vacant Standing GLA - 30 Jun. 20	**46.7**	**8.0%**	**34.4**	**5.5%**	**81.1**	**6.7%**

Rental Levels

Market rental levels, although they can vary significantly between type of spaces, buildings and submarkets, remained relatively stable in our portfolio in both Poland and Romania during the first half of the year, with new leases and leases prolonged signed at 15.8% higher rents compared to the previously prevailing averages.

Office leases were negotiated at an average rent of €15.2/sqm/month (€14.2/sqm/month for FY2019), above our office portfolio overall average of €14.2/sqm/month as at 30 June 2020, mainly due to signing renewals with tenants occupying spaces with higher rent (e.g.

co-working and banking institutions). Our overall commercial GLA take-up during in the first six months of 2020 was agreed at an average rent of €14.8/sqm/month (€12.8/sqm/month for FY2019), with industrial and retail spaces leased at €4.8 and €14.3/sqm/month respectively.

Contracted Rents (on annualised basis)

Total annualised contracted rents in our standing commercial portfolio were €186.1 million at 30 June 2020, +1.5% compared to 31 December 2019, further increasing to €189.3 million when including pre-lets in place in our development projects. In addition, €0.9 million of annualised rental income is generated by renting 150 residential units and other auxiliary spaces in Upground, the residential complex in Bucharest which we partially own.

Like-for-like annualised contracted rents in our standing commercial portfolio decreased by 0.7% to €182.1 million at 30 June 2020 compared to year end 2019, as the increase in rents (1.0% on average) due to indexation was outweighed primarily by lower occupancy.

Annualised Contracted Rent Evolution H1 2020 (€m)

	Poland	Romania	Group
Rent from Standing Commercial Properties 31 Dec. 19	**105.0**	**78.3**	**183.3**
Less: Space Returned	(3.5)	(3.1)	(6.6)
Plus: Rent Indexation	0.9	0.9	1.8
Plus: Lease Renewals (net impact) & Other	(0.3)	(0.9)	(1.2)
Plus: New Take-up	1.3	3.4	4.8
Total L-f-L Rent from Standing Commercial Properties	**103.5**	**78.6**	**182.1**
Plus: Developments Completed During the Period	-	4.0	4.0
Total Rent from Standing Commercial Properties	**103.5**	**82.6**	**186.1**
Plus: Residential Rent	-	0.9	0.9
Total Rent from Standing Properties	**103.5**	**83.6**	**187.0**
Plus: Pre-lets of Space on Developments projects	2.9	0.3	3.2
Total Contracted Rent at the 30 June 2020	**106.3**	**83.9**	**190.2**

Combined Annualised Commercial Portfolio Contracted Rent Profile as at 30 June 2020

	Poland	Romania	Group
Contracted Rent (€ m)	**106.3**	**83.0**	**189.3**
Tenant Origin - %			
Multinational	65.0%	91.5%	76.6%
National	32.8%	7.2%	21.6%
State Owned	2.0%	1.3%	1.7%
Master Lease	0.2%	-	0.1%

Note: Contracted Rent excludes c.€0.9 million from residential space as at 30 June 2020

Annualised Contracted Rent by Period of Commencement Date as at 30 June 2020 (€m)

	Active Leases	H2-2020	H1-2021	H2-2021	H1-2022	H2-2022	>2022	Total
Standing Properties	182.1	2.5	1.5	-	-	0.0	-	186.1
Developments	-	2.6	-	-	0.3	-	0.3	3.2
Total	**182.1**	**5.1**	**1.5**	**0.0**	**0.3**	**0.0**	**0.3**	**189.3**

Annualised Commercial Portfolio Lease Expiration Profile as at 30 June 2020 (€m)

Year	2020H2	2021	2022	2023	2024	2025	2026	2027	2028	≥2029
Leases	8.9	20.3	23.5	23.5	34.1	26.4	11.8	9.8	6.1	24.4
Master Lease	0.3	-	-	-	0.2	-	-	-	-	-
Total	**9.2**	**20.3**	**23.5**	**23.5**	**34.5**	**26.4**	**11.8**	**9.8**	**6.1**	**24.4**
% of total	*4.9%*	*10.7%*	*12.4%*	*12.4%*	*18.1%*	*13.9%*	*6.2%*	*5.2%*	*3.2%*	*12.9%*

The Group's rent roll across its combined portfolio is well diversified, with the largest tenant accounting for 5.3% of contracted rents, while the top three tenants account for 10.7% and the top 10 account for 26.2%. We expect this diversity to grow further as the portfolio continues to expand.

MANAGEMENT REVIEW

Cost of Renting Spaces

Renting spaces typically involves certain costs which are incurred by the landlord. The base rent is the figure generally used as reference point in the real estate market, but in assessing the profitability of a rental agreement, the effective rent can be a more useful indicator.

The difference between the base rent and the effective rent is determined by the level of incentives awarded to tenants as part of the lease agreement, including rent-free periods, fit-out costs for the space leased, and brokerage fees. These incentives can vary significantly between leases, and range depending on type of lease (new take-up or lease extension), space leased (office, commercial, etc), duration of the contract and other factors considered.

For leases typically signed by Globalworth the difference between base and effective rents ranges from 10% to 30%, however due to the high-level of renewals with a shorter term duration than what we normally sign, the average for H1-2020 was c.20%.

Weighted Average Effective Rent (€ / sqm / m) – H1 2020

	Poland	Romania	Group
Headline Commercial Rent	**16.2**	**13.8**	**14.8**
Less: Rent Free Concessions	(1.6)	(1.3)	(1.4)
Less: Tenant Fitouts	(1.8)	(1.0)	(1.3)
Less: Broker Fees	(0.1)	(0.2)	(0.2)
Effective Commercial Rent	**12.7**	**11.2**	**11.8**
WALL (in years)	2.3	3.8	3.2

Tenant Demands / Claims Review[1]

As previously reported, for a period of about 3 months since the pandemic broke-out in mid-March, authorities in Poland and Romania adopted very restrictive measures in terms of movement of people and travelling, as well as enforcing the closure of all but essential retail premises. They also imposed emergency measures to protect affected businesses, including rent reductions and / or deferrals for non-essential retail businesses for as long as the state of emergency applies. There has been no government measure in either country forcing the closure of office premises, logistics / light industrial assets or essential retail businesses (supermarkets, pharmacies, convenience stores etc.).

Our portfolio comprises mainly of office and industrial spaces, with our exposure to retail / commercial spaces limited to our three mixed-use properties in Poland and (typically) on the ground floors of our offices across our portfolio.

Of our €190.2million of total contracted rent, at the end of June 2020, office rent accounted for 85.1% (parking rent assimilated to office rent), with retail / commercial, industrial and other for 7.9%, 4.8% and 2.2% respectively.

As a result of the restrictive and protective measures imposed in both countries as well as the severe impact that the crisis has had on certain business and industries, between April and June we received a growing number of tenant demands and claims. We have been very proactive in managing this evolving situation by being in constant communication with all our tenants and adopting an open and collaborative approach, which on the one hand, targets to assist them to weather this crisis and on the other hand, protects the sustainability and longevity of our income.

Rather than applying a horizontal or vertical approach on dealing with tenant claims, we have considered each case separately. Some of the solutions implemented have been bringing forward to this year rent frees that were applicable in later years, and rent frees/reductions this year in exchange for lease extensions or delayed payment dates on rent invoices.

Overall, we have estimated the value of the claims received at c.€9.6 million[2], reflecting c.5.0% of our contracted annual rent, of which most of them are attributed to office tenants (€5.7 million or 60.1%) and retail tenants (€3.3 million or 34.3%). We expect that the modest economic impact of these claims will be substantially mitigated by the cost cutting initiatives already implemented by the Group and through the extension of leases in place negotiated as part of the Covid-related agreements reached with our tenants.

Approximately 33.8% of the claims by value were settled without a cash impact on the rental income (of which ¾ were rejected), 49.5% of the claims by value were agreed with tenants (44.4% of the accepted claims resulted to a lease maturity extension) and the remainder are still under negotiation (16.7% of claims value).

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[1] Data as of 31st of August 2020

[2] The estimate results from the fact that a number of tenant claims received had no value attached to them or are still under negotiation. The estimated claims value also excludes certain ones related to lease agreements which were already under extension negotiations before the start of the crisis.

On the retail side, as over the last three months of the period the operations of the majority of occupiers of such spaces in our portfolio were closed down by the authorities or have been materially impacted (e.g. like restaurants/canteens etc.), we have received notifications from most of them.

On the office side, notifications have been received both from tenants operating in industries who have seen an immediate impact in their businesses (e.g. co-working accounting for c.2.9% of our annual contracted rent as at 30 June 2020) as well as from a number of multinationals seeking to reduce costs.

In the last few weeks of June, and in line with many other countries, most of the restrictive measures in Poland and Romania have been lifted. As a result, we have also witnessed a material decrease in the number of new tenant claims or demands.

Collections Review[3]

The ability to collect – cash in – of contracted rents is a key determinant for the success of a real estate company.

Our strategy at Globalworth, since inception of the Group has been to establish long-term partnerships with high-quality national and multinational tenants to ensure sustainable cash-flow generation. As such, in the first half of 2020, we were able to minimise the impact on rent collections of the Covid-19 pandemic in our portfolio. The collection rate of rents invoiced and due during the period remained high at 95.5% (95.8% for H1-2019).

More specifically, considering the current market environment, rent to be collected in the period was classified as:

- **Rent eligible for invoicing**: Includes rents to be invoiced to tenants in accordance with the terms of their lease agreements. Such rents were either collected or subject to collection; and
- **Rent impacted by measures imposed by the authorities**: Such rent was to be collected based on the contractual agreements in place, however due to measures taken by the authorities in Poland and Romania, tenants were excluded from paying, and as such no invoices were issued by the Group.

From the €82.0 million of rent to be invoiced and due under normal conditions during the first half of the year, €1.4 million was not invoiced due to measures taken by the authorities.

Portfolio Valuation

Our entire portfolio in Poland and Romania was revalued, by independent appraisers, as at 30 June 2020. Valuations were performed in accordance with our policy of revaluing our properties twice a year, at the end of June and December respectively. CBRE and Knight Frank valued our properties in Poland, with Colliers and Cushman and Wakefield valuing our properties in Romania (more information is available under note 4 of the unaudited interim condensed consolidated financial statements as of and for the period ended 30 June 2020).

Our portfolio over the past periods has been growing in value, both on a like-for-like and absolute value basis, as a result of our asset management initiatives, and the performance of the real estate markets in Poland and Romania, resulting in healthy investor interest, tenant demand meeting or exceeding supply for quality real estate spaces, which led to contracting yields, stable or growing rental levels and lowering tenant incentives.

The Covid-19 pandemic, however has created uncertainty in the market which has also been reflected in the independent appraised valuation of our portfolio.

The total combined value of our real estate portfolio in Poland and Romania, as at 30 June 2020 remained effectively unchanged at €3.0 billion, compared to 31 December 2019, as the positive impact from our developments (delivered or in progress) was partially offset from the negative revaluation from our standing portfolio. Like-for-like appraised value of our standing commercial properties was €2.7 billion as at 30 June 2020, 2.8% lower compared to year-end 2019.

Appraisers have taken a more cautious approach when valuing our properties, typically applying wider yields and higher discount rates (when applicable) for our office and mixed-used properties. The level at which yields and discount rates have been considered, vary taking into account factors such as the commercial profile of the property, its location and the country in which it is situated. For the majority of our office and mixed-use properties yields and/or discount rates considered, were 10 – 50bps wider compared to December 2019. Our industrial properties, as well as the overall sector in Romania, continue to perform well, with valuations remaining constant compared to year end 2019.

[3] Data as of 31st of August 2020

MANAGEMENT REVIEW

Combined Portfolio Value Evolution H1 2020 (€m)

	Poland	Romania	Group
Total Investment Properties at 31 Dec. 2019	**1,647.4**	**1,397.7**	**3,045.1**
Plus: Transactions			
o/w New Acquisitions	-	-	-
o/w Disposals	-	(0.9)	(0.9)
Plus: Capital Expenditure			
o/w Developments	11.4	15.8	27.2
o/w Standing Properties	2.5	-	2.5
Plus: Net Revaluations Adjustments			
o/w Developments	(0.7)	2.8	2.2
o/w Standing Properties	(54.2)	(25.9)	(80.0)
o/w Lands	-	(0.5)	(0.5)
Total Investment Properties at 30 Jun. 2020	**1,606.5**	**1,389.0**	**2,995.5**
Plus: Properties Held in Joint Venture (*)			
o/w Capital Expenditure	-	13.8	13.8
o/w Net Revaluation Adjustments	-	3.6	3.6
Total Portfolio Value at 30 June 2020	**1,606.5**	**1,406.4**	**3,012.9**

(*) Properties held through joint ventures are shown at 100%, Globalworth owns 50% stake in the respective joint ventures

Combined Portfolio Value Overview H1 2020 (€m)

	Poland	Romania	Group
Office	**1,325.7**	**1,132.7**	**2,458.4**
o/w Standing Properties	1,286.9	1,088.3	**2,375.2**
o/w Developments	38.8	44.4	**83.2**
Mixed-Used	**280.8**	**-**	**280.8**
o/w Standing Properties	280.8	-	**280.8**
o/w Developments	-	-	**-**
Industrial	**-**	**141.5**	**141.5**
o/w Standing Properties	-	117.7	**117.7**
o/w Developments	-	23.8	**23.8**
Other	**-**	**132.2**	**132.2**
o/w Developments	-	-	**-**
o/w Standing Properties	-	70.4	**70.4**
o/w Lands	-	61.8	61.8
Total Portfolio at 30 Jun. 2020	**1,606.5**	**1,406.4**	**3,012.9**

(*) Properties held through joint ventures are shown at 100%, Globalworth owns 50% stake in the respective joint ventures

STANDING PORTFOLIO REVIEW

- Globalworth Campus Tower 3 in Bucharest was added to our portfolio of standing properties which comprises of 62 standing properties in Poland and Romania
- Total standing GLA of over 1.2 million sqm, with total standing portfolio value remaining effectively unchanged at €2.8 billion
- Total contracted rent of €187 million (over 99% of rent from office, industrial or other commercial spaces) in our standing properties
- Standing WALL remaining high at 4.4 years (versus 4.5 years at year-end 2019)
- Green portfolio further expanded with the addition of 6 new certified properties in H1-2020, and Tower 3 of the Globalworth Campus being certified in Q3
- 48 green certified properties in our portfolio as at 30 June valued at €2.3bn, accounting for 83.8% of our standing commercial portfolio
- 83.6% of our standing commercial portfolio by value (87.6% of office and mixed-use standing properties) is internally managed by the Group, with new properties being added in Q3-2020
- €4.2 million were invested in our renovation and upgrade programme in the first half of 2020, with additional works of over €12.0 million deferred to the future
    - Repositioning / renovation of our landmark Renoma mixed-used property in Wroclaw to continue as planned, with works commencing in Q3 2020 and expected to be completed by the end of 2022

Standing Portfolio Evolution

Our portfolio of standing properties further grew in the first half of 2020, with the addition of Globalworth Campus Tower 3 in Bucharest, and as at 30 June 2020, there were 37 standing investments in our portfolio comprising a total of 62 standing properties in Poland and Romania.

Our standing portfolio comprised 30 Class "A" office investments (48 properties in total) and three mixed-use investments (with seven properties in total) in central locations in Bucharest (Romania), Warsaw (Poland) and five of the largest office markets/cities of Poland (Krakow, Wroclaw, Katowice, Gdansk and Lodz). In addition, we own two light industrial parks with five facilities in Timisoara (Romania), a modern warehouse in Pitesti (Romania), and part of a residential complex in Bucharest (Romania).

Globalworth Combined Portfolio: Key Metrics

Total Standing Properties	30 Jun. 2019	31 Dec. 2019	30 Jun. 2020
Number of Investments	34	37	37
Number of Assets	57	61	62
GLA (k sqm)	1,138.8	1,213.7	1,248.5
GAV (€ m)	2,612.8	2,844.7	2,844.1
Contracted Rent (€ m)	172.3	184.5	187.0

Of which Commercial Properties	30 Jun. 2019	31 Dec. 2019	30 Jun. 2020
Number of Investments	33	36	36
Number of Assets	56	60	61
GLA (k sqm)	1,103.9	1,180.1	1,215.5
GAV (€ m)	2,548.8	2,783.1	2,783.5
Occupancy (%)	93.9% (/ 94.8%*)	94.7% (95.0%*)	93.3% (94.2%)
Contracted Rent (€ m)	171.1	183.3	186.1
Potential rent at 100% occupancy (€ m)	183.6	195.9	202.7
WALL (years)	4.8	4.5	4.4

(*) Including tenant options

The total gross leasable area of Globalworth's combined standing commercial portfolio increased by 35.4k or 3.0% over the six months to 30 June 2020 to reach 1,215.5k sqm, with the overall combined standing portfolio GLA increasing 2.9% to 1,248.5k sqm. The increase in the size of our portfolio was attributed to the addition of Tower 3 of Globalworth Campus and the re-measurement of certain of our properties (1.8k sqm), marginally offset by the sale of certain residential and retail units in our Upground residential complex.

The appraised value of our combined standing portfolio as at 30 June 2020 was €2.8bn. The inherent increase in total value from the addition of a new property to our combined standing portfolio, was offset by the revaluations of properties held throughout the period (like-for-like), mainly as a result of the increased uncertainty resulting from the Covid-19 pandemic. Value of like-for-like properties was 2.8% lower at the end of the first half of 2020 compared to 31 December 2019.

Evolution of Combined Standing Portfolio over H1-20

	31 Dec '19	Like – for – Like Change*	New Acquisitions	New Deliveries	Sales (& Other Adj**)	30 Jun '20
GLA (k sqm)	**1,213.7**	-	-	33.6	1.1	**1,248.5**
GAV (€ m)	**2,844.7**	-80.0	-	77.9	1.6	**2,844.1**

(*) Like-for-Like change represents the changes in GLA or GAV of standing properties owned by the Group at 31 December 2019 and 30 June 2020.
(**) Includes impact in areas (sqm) from the remeasurement of certain properties and other GAV adjustments (redevelopment capex)

We consider our portfolio to be modern with 42 of our standing properties, accounting for 69.3% of our GLA and 71.9% of our standing combined portfolio value, having been delivered or significantly refurbished in or after 2014.

Standing Properties Operation, Renovation and Upgrade Programme

Offering best-in-class real estate space to our business partners is a key component of our strategy at Globalworth.

We continued to implement this strategy in the first half of 2020, focusing on a more hands-on approach to the management and operation of our properties. Internalising the property management of our portfolio is a prime area of focus for the Group, and we are pleased to have been able to increase the number or properties we manage in-house in 2020. Overall, we internally manage almost all of our office properties in Romania and c.84.2% of our properties in Poland, accounting for 83.6% of the total standing commercial portfolio by value (87.6% of office and mixed-use standing properties) as at 30 June 2020, and we actively continue to increase this.

During this period we performed a detailed review of how we conduct our business, resulting in the termination and/or suspension or negotiation of our supplier contracts, achieving significant savings, the majority of which will benefit our tenants in the future.

With the largest part of leases being triple net (i.e. the tenant is responsible for all the expenses of the property including real estate taxes, building insurance, and ordinary maintenance), the majority of the savings achieved will be passed on to the tenants, with the typical approach used was “capping” the service charge costs paid by the tenants in 2020, with the final reconciliation to take place early next year, thereby assisting our tenants during this very difficult period.

Our renovation and upgrade programme was well underway in the first quarter, however due to the Covid-19 pandemic we have significantly revised it, reducing our capital expenditure to the absolute essential from a health, safety and maintenance perspective.

In the first half of 2020, €4.2 million were invested in our standing portfolio, with additional works of over €12.0 million planned for this year have been deferred to the future. Tenant fitout works, were not affected during this period which continued as normal, but at renegotiated prices with suppliers and/or contractors.

One repositioning / redevelopment project that has been planned, and for which we have taken the decision to undertake starting in Q3 has been Renoma. Works involving this landmark mixed-use property in Wroclaw, will involve the conversion of certain retail / commercial spaces to office, as well as the re-allocation of certain commercial uses, which are expected to be completed by the end of 2022.

SUSTAINABLE DEVELOPMENT UPDATE / OTHER INITIATIVES

- Added 6 environmentally certified properties to our portfolio in the first half of 2020
- 48 green certified properties, accounting for 83.8% of our standing commercial portfolio
- Issued the second sustainable development report for the Group for the FY 2019
- Further formalised our commitment to green financing initiatives, though our Green Bond Framework for which received a second party confirmation by Sustainalytics
- Over €650k donated in the fight against Covid-19 in Romania and Poland

Sustainable Development Update

Sustainability has always been an important focus for Globalworth. Consistent with our commitment to energy efficient properties, we added 6 environmentally certified properties to our portfolio in the first half of 2020.

We are very pleased that one of our landmark assets, Tower Center International in Bucharest, was awarded BREEAM Very Good certification in the first half of 2020, and one more industrial facility in Timisoara received BREEAM Very Good certification. In addition, all office buildings from our Hala Koszyki mixed-use property in Warsaw are now BREEAM Very Good certified.

Overall, as at 30 June 2020 our combined standing portfolio comprised 48 green certified properties, accounting for 83.8% of our standing commercial portfolio. BREEAM accredited properties account for 77.9% of our green certified portfolio by value (BREEAM Excellent: 45.1%, BREEAM Very Good: 31.0% and BREEAM Outstanding: 1.8%), with the remainder of properties being of other certification (LEED Gold or Platinum, Edge). In addition, we are aiming for 100% of our portfolio to be green accredited and are currently in the process of certifying or re-certifying 13 other properties in our portfolio principally targeting BREEAM certifications. In addition, in August Tower 3 in the Globalworth Campus project in Bucharest received BREEAM Excellent accreditation, receiving the highest Excellent rating among our properties.

In our efforts to demonstrate further our commitment in sustainable development and access to Green Financing (additional information under the “Capital Markets & Shareholder Structure Update” section of the report), we issued our Green Bond Framework

("GBF") for which received a second party confirmation by Sustainalytics, one of the leading providers for external reviews in the Green Bond Market.

Sustainalytics, following their review, confirmed that our Green Bond Framework aligns with the four core components – Use of Proceeds, Project Evaluation / Selection, Management of Proceeds and Reporting – of the Green Bond Principles 2018. Additionally, Sustainalytics considered that the projects to be funded by green bond proceeds will provide a positive environmental impact by improving the energy efficiency of the building portfolio owned and operated by Globalworth. Finally, Sustainalytics considered that Globalworth's Sustainable Development Strategy demonstrates a strong commitment to sustainability, with a focus on three key environmental principles:

- integrate efficient and sustainable operating policies, procedures and actions;
- be accountable as a team of professionals for environmental stewardship; and
- work with its shareholders and other stakeholders to make environmentally responsible decisions.

Globalworth Foundation Initiatives

In the first half of 2020, the Globalworth Foundation focused its efforts primarily in the fight against the Covid-19 pandemic in Romania and Poland.

The Foundation, together with the entire Globalworth team, have been working to ensure the safety and wellbeing of our people, communities, and wider stakeholder universe.

Since the outbreak of the pandemic, the Foundation has donated over €650k to help fund medical supplies, as well as logistical, human and material support to hospitals, the red cross and related staff.

PORTFOLIO SNAPSHOT

Our real estate investments are in Poland and Romania, the two largest markets in the CEE. As at 30 June 2020, our portfolio was spread across 10 cities, with Poland accounting for 53.3% by value and Romania 46.7%.

Combined Portfolio Snapshot (as at 30 June 2020)

	Romania	Poland	Combined Portfolio
Standing Investments(1)	15	22	**37**
GAV(2) / Standing GAV (€m)	€1,406m / €1,276m	€1,606m / €1,568m	**€3,013m / €2,844m**
Occupancy(3)	94.5% (96.3% including tenant options)	92.0%	**93.3% (94.2% including tenant options)**
WALL(4)	5.7 years	3.5 years	**4.5 years**
Standing GLA (k sqm)(5)	662.2k sqm	586.3k sqm	**1,248.5k sqm**
Contracted Rent (€m)(6)	€83.9m	€106.3m	**€190.2m**
GAV Split by Asset Usage			
Office	80.5%	82.5%	**81.6%**
Mixed-Use	0.0%	17.5%	**9.3%**
Logistics	10.1%	0.0%	**4.7%**
Others	9.4%	0.0%	**4.4%**
GAV Split by City			
Bucharest	88.6%	-	**41.4%**
Timisoara	5.6%	-	**2.6%**
Pitesti	3.5%	-	**1.6%**
Constanta	2.2%	-	**1.0%**
Warsaw	-	44.5%	**23.7%**
Wroclaw	-	15.5%	**8.3%**
Katowice	-	11.0%	**5.9%**
Lodz	-	4.4%	**2.3%**
Krakow	-	21.0%	**11.2%**
Gdansk	-	3.5%	**1.9%**
GAV as % of Total	**46.7%**	**53.3%**	**100.0%**

1. Standing Investments representing income producing properties. One investment can comprise multiple buildings. e.g. Green Court Complex comprises three buildings or one investment
2. Includes all property assets, land and development projects valued at 30 Jun. 2020, but excludes ROFO assets in Poland.
3. Occupancy of standing commercial properties, and in the case of Poland, including office rental guarantees
4. Includes pre-let commercial standing and development assets. WALL of standing commercial properties in Romania, Poland and the Combined portfolio are 5.7 years, 3.5 years and 4.4 years, respectively.
5. Including 33.0k sqm of residential assets in Romania
6. Total rent comprises commercial (€186.1 million) and residential (€0.9 million in Romania) standing properties and development pre-lets (€3.2 million in Romania), and includes contracted rent under master lease agreement.

MANAGEMENT REVIEW

CAPITAL MARKETS UPDATE

- The CPI Property Group became the largest shareholder in Globalworth, holding 29.4% of the share capital
- Share price performance impacted by the Covid-19 pandemic, closing 34% lower at 30 June 2020 compared to year-end 2019
- Globalworth maintained its investment grade rating by all three major agencies post their 2020 review of the Group
- In July Globalworth issued its inaugural green bond, raising €400m with a 6 year term (coupon 2.95%) from the debt capital markets, in a transaction which was 2x oversubscribed
- Further improved its debt maturity profile in July, through the repurchase of €226.9m of the €550.0m of notes maturing in 2022 at a 2.0% premium to their par value

Equity Capital Market and Shareholder Structure Update

In the first quarter of 2020 we welcomed CPI Property Group ("CPIPG") who became the largest shareholder in Globalworth, holding 29.4% of the share capital. CPIPG acquired its stake through a series of share purchases, including the stake of Globalworth's Founder and CEO, Mr Papalekas.

CPIPG is one of the largest owners of real estate in the CEE with a portfolio of €9.1 billion as at December 31st, 2019.

Globalworth's share price performed well in the first part of 2020, trading at par or above its EPRA NAV level at a weighted average trading price of €9.71 per share between 1 January and 4 March, and reaching its year high at the end of January at €10.1 / share.

Since then, our share price has been impacted by the Covid-19 pandemic, gradually decreasing over time, and underperforming both FTSE EPRA Developed Europe and the FTSE EPRA Global indices since mid-April, mainly due to very limited trading volumes. On the last trading day of June, Globalworth's share price stood at €6.18, representing a 34% decrease since the beginning of the year.

Globalworth Shareholding
(Information as at 30 June 2020)

CPI Property Group	29.4%
Growthpoint Properties	29.4%
Aroundtown	21.9%
EBRD	5.0%
Other	14.3%

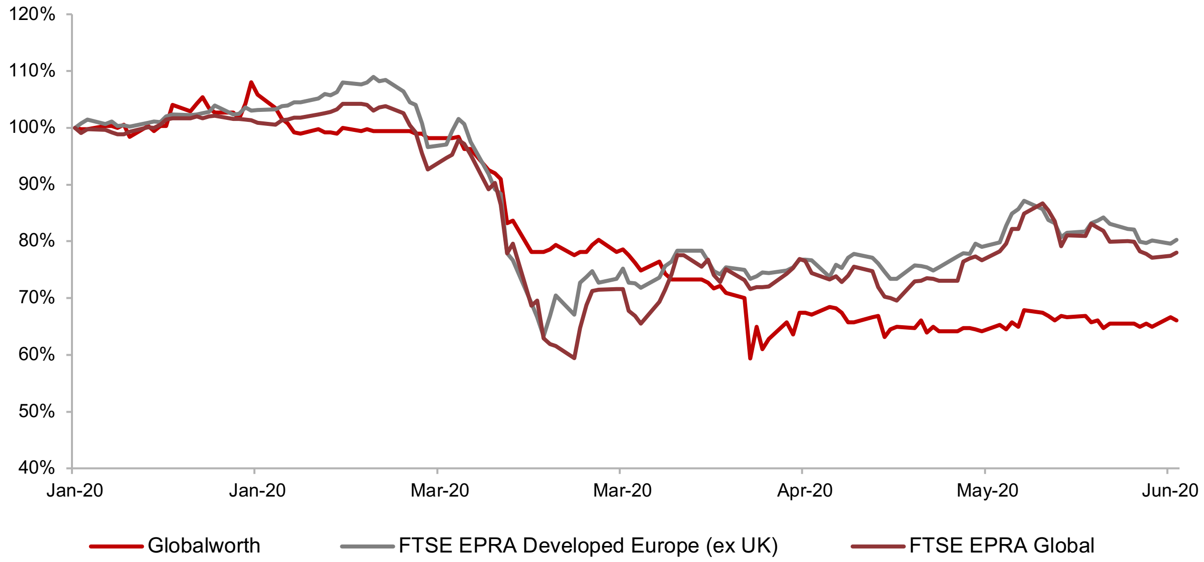
Basic Data on Globalworth Shares
(Information as at 30 June 2020)

Number of Shares	221,749,411 (plus 657,676 shares held in treasury)
Share Capital	€1,704,374k
WKN / ISIN	GG 00B979FD04
Symbol	GWI
Free Float	18.8%
Exchange	London AIM

Globalworth Share Performance

	H1-2020	H1-2019
Market Capitalisation (€ million) (*)	1,369	1,695
30-June Closing Price (€)	6.18	8.90
52-week high (€)	10.10	9.50
52-week low (€)	5.55	7.90
Dividend per share	n/a	n/a

Globalworth H1-2020 Share Price Performance



Bonds Update

Globalworth in the first half of 2020 had two Eurobonds outstanding for a total of €1.1 billion. The two Eurobonds issued in June 2017 and March 2018 were of equal value, expiring in 2022 and 2025 respectively.

In our continuous effort to effectively manage the liabilities of the Group and further improve our debt maturity profile, at the end of July we initiated a parallel process resulting in:

- The issue of our inaugural green bond as part of our Euro Medium Term Notes Programme (EMTN), raising €400.0 million, with a 2.95% coupon and maturing in July 2026 from the debt capital markets
- The purchase of c.41% (€226.9 million) of GWI 17/22 outstanding Eurobond, at a premium of 2.0% over par. As part of the transaction any accrued and unpaid interest in respect purchased notes was also settled in cash. Following the transaction, c.€323.1 million of the GWI 17/22 Eurobond remain outstanding

Overall, we are very pleased with the outcome of our efforts, as our inaugural Green Bond was more than 2x oversubscribed by existing and new bond investors, further confirming of our strong performance, the quality of our portfolio and team, as well our overall approach to sustainable development and the creation of long term value for our stakeholders, in the period of increased uncertainty due to the Covid-19 pandemic.

Following the issue of the GWI 20/26 Green Bond, Globalworth has in total €1.3 billion in outstanding bonds, of which €950 million are part of its €1.5 billion EMTN Programme (additional €550 million capacity).

Globalworth is rated from all three major agencies, with all S&P, Fitch and Moody's maintaining their investment credit rating following the 2020 review of the Group, which is testament to the nature and quality of our portfolio, the resilience of our cash flow, and the protective measures we have taken to protect the business and its assets amidst very challenging market conditions.

We maintained our "BBB –" rating and "Stable" outlook from S&P and Fitch, with Moody's maintaining our "Baa3" rating, but changing their outlook from "Stable" to "Negative" mainly due to their house view on the Romanian economy.

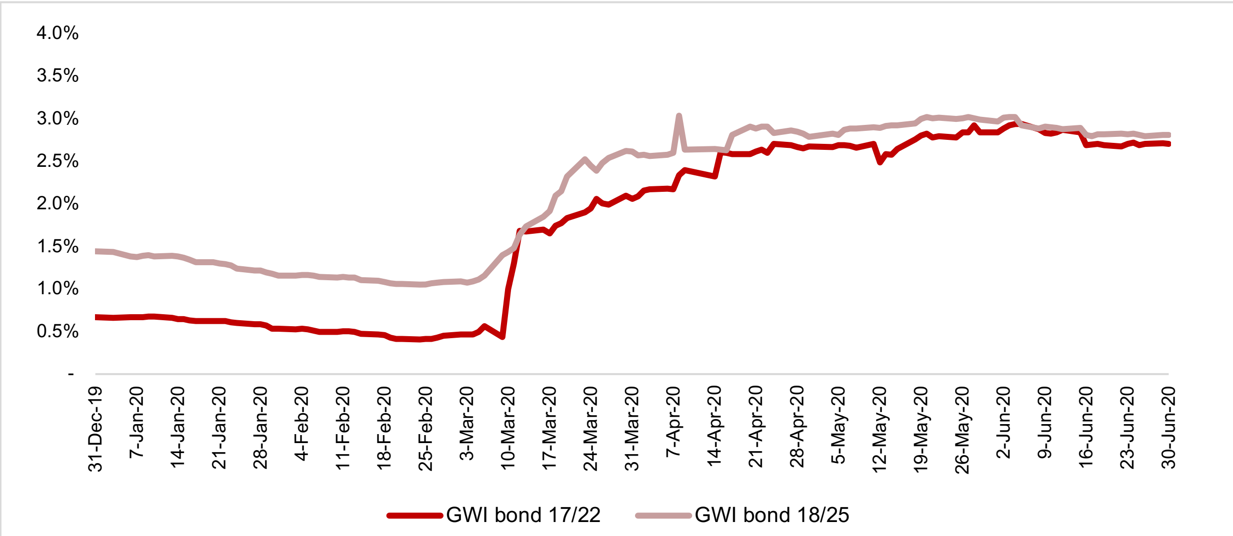
Basic Data on the Globalworth Bonds

	GWI bond 17/22	GWI bond 18/25	GWI bond 20/26*
ISIN	XS1577957837	XS1799975922	XS2208868914
SEDOL	BD8Q3P6	BD9MPV3	
Segment	Euronext Dublin, BVB	Euronext Dublin, BVB	Euronext Dublin
Minimum investment amount	100,000 EUR	100,000 EUR and €1,000 thereafter	100,000 EUR and €1,000 thereafter
Coupon	2.875%	3.000%	2.950%
Issuance volume	EUR 550 million	EUR 550 million	EUR 400 million
Maturity	20 June 2022	29 March 2025	29 July 2026

Performance of the Globalworth Bonds

	H1-2020	H1-2019
GWI bond 17/22		
30 June closing price	100.31	106.19
Yield to maturity at 30 June	2.71%	0.76%
GWI bond 18/25		
30 June closing price	100.82	106.28
Yield to maturity at 30 June	2.81%	1.84%

Globalworth H1-2020 Eurobond Yield Performance



FINANCIAL REVIEW

1. Highlights

Globalworth maintained its operational profitability growth trend despite the global impact of Covid-19 in Q2-20 aided by the further expansion of its platform during 2019.

Revenues €114.0m +9.9% on H1-19	NOI[1] €79.6m +17.1% on H1-19
IFRS Earnings per share[2] -22 cents +44 cents in H1-19	Combined Portfolio Value (OMV)[1] €3.0bn -1.1% on 31 Dec. 2019
EPRA NAV[1,3] €1,957.5m -5.4% on 31 Dec. 2019	EPRA NAV per share[1,3] €8.80 -5.4% on 31 Dec. 2019
Adjusted normalised EBITDA[1,4] €71.5m +16.1% on H1-19	EPRA Earnings per share[1,2] 21 cents -8.7% on H1-19
LTV[1,5] 36.9% 34.7% at 31 Dec. 2019	Dividends paid in H1- 20 per share 30 cents +11.1% on H1-19

1. See Glossary (pages 75-77) for definitions.
2. See note 12 of the unaudited condensed consolidated financial statements for calculation.
3. See note 19 of the unaudited condensed consolidated financial statements for calculation.
4. See page 21 for further details.
5. See note 21 of the unaudited condensed consolidated financial statements for calculation.

2. Revenues and Profitability

Consolidated revenues of €114.0 million in H1-20 up by 9.9% on H1-19 (€103.8 million), primarily as a result of a 13.1% increase in rental income to €81.2 million (H1-19: €71.8 million). The main drivers for this increase were:

- additional rental income of €7.3 million recognised in H1-20 versus H1-19 following the acquisition of standing properties in Poland after 1 January 2019, representing a 10.2% increase in rental income;
- a 4.0% increase in rental income contributed from RBC (50% JV partner's share acquired in Dec. 19), and 1.4% increase in rental income contributed from Globalworth Campus Tower 3 and TIP2-B2; and
- an offsetting impact resulting from a 2.5% reduction in underlying rental income derived from standing properties owned throughout both periods (Romania -0.2%, Poland -2.3%).

As a result of acquisition activity in Poland during 2019, Group revenues in H1-20 were split 56% Poland / 44% Romania, compared to 55% Poland / 45% Romania in H1-19.

Net Operating Income rose to €79.6 million, a 17.1% increase over H1-19 (€68.0 million) and in line with the increase in Group revenue. The growth in NOI reflected an increase of €6.1 million in Poland and an additional €5.5 million in Romania. NOI was split 57% Poland / 43% Romania, compared to 58% Poland / 42% Romania in H1-19.

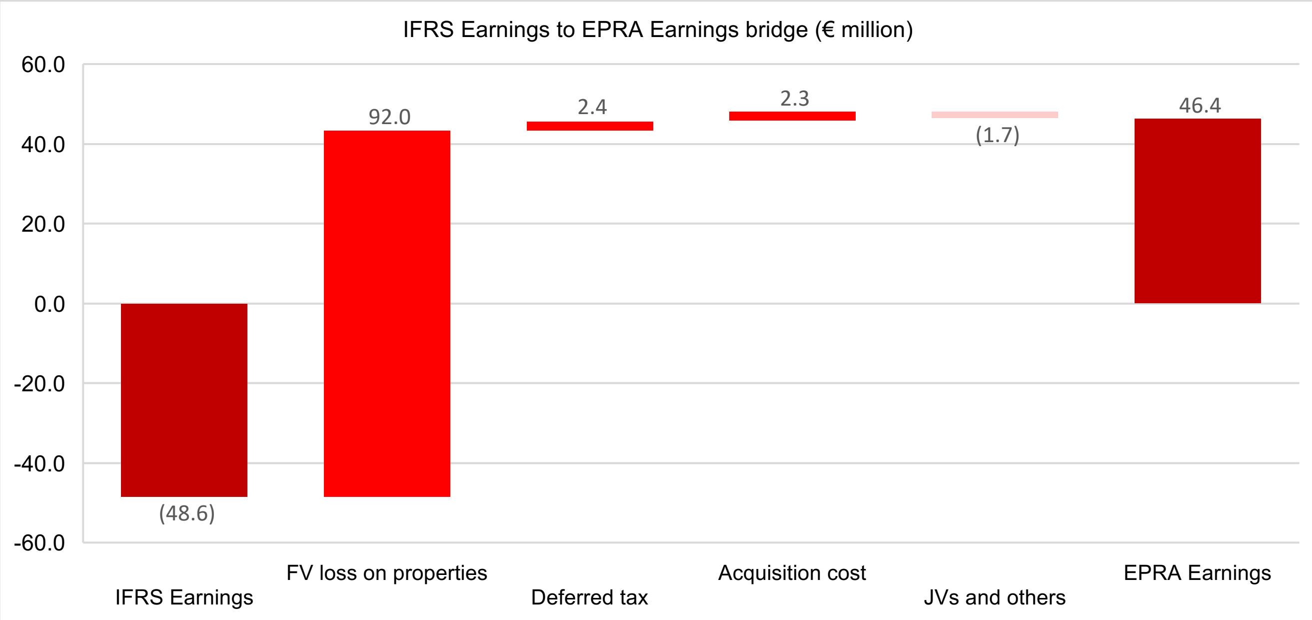
Adjusted normalised EBITDA[1] amounted to €71.5 million, which includes the share of minority interests, an increase of 16.1% over H1-19 (€61.6 million, which includes the share of minority interests eliminated in Q4-19), resulting from the net effect of the increase of NOI (by €11.6 million) and the increase in administrative expenses (by €1.8 million).

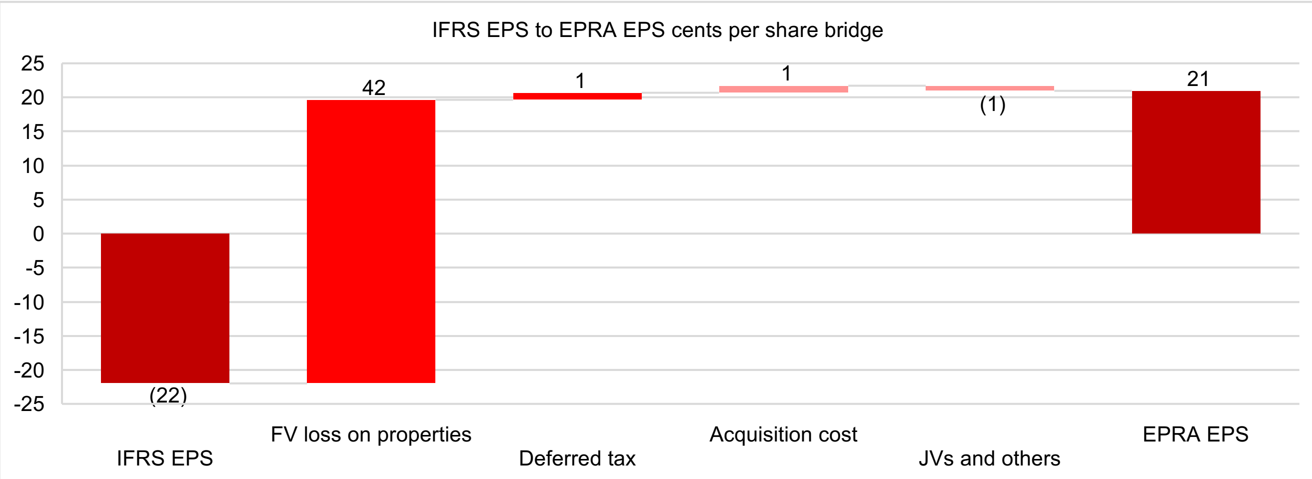
Net finance costs amounted to €22.3 million, a 6.6% increase over H1-19 (€20.9 million) reflecting the additional interest on bank loan financing and RCF facility drawn down during the period and lower interest income.

Joint ventures, including two light industrial properties under development in Romania, contributed €1.3m to the Group's result, a significant decrease on H1-19 (€4.4 million) resulting from the acquisition of the 50% joint venture partner for the RBC property and the recording of 100% of the revenues from this property (€2.9 million) under the Group's revenues. Our share of revaluation gains was €1.7 million while our share of deferred tax expense related to the valuation gains recorded by the joint ventures amounted to €0.3 million.

Earnings before tax turned to a loss of €46.1 million in H1-20 (H1-19: €88.0 million profit), mainly as a result of the €92.0 million revaluation loss recorded versus the valuation gain recorded in H1-19 (€49.0 million). EPRA earnings, however, amounted to €46.4 million, an increase of 24.4% over H1-19 (€37.3 million) as a result of the improvement in operational performance, as indicated by the increase in NOI and adjusted normalised EBITDA. EPRA Earnings per share for H1-20 was influenced by the higher weighted average number of shares in H1-20 (221.5 million) as compared to H1-19 (158.9 million), which resulted from the equity raise in October 2019, hence the reduction from 23 cents in H1-19 to 21 cents in H1-20.

[1] Earnings before finance cost, tax, depreciation, amortisation of other non-current assets and purchase gain on acquisition of subsidiaries (H1-20: 24.8 million negative; H1-19: 104.7 million positive), (plus)/less: net fair value gains/(loss) on investment property and financial instruments (H1-20: €91.8 million loss; H1-19: €50.6 million gain), less: other income (H1-20: €0.3 million; H1-19: €0.6 million); plus: acquisition costs (H1-20: €2.3 million; H1-19: €0.0 million); plus: non-recurring administration and other expense items (H1-20: €2.5 million; H1-19: €8.1 million). The adjustments listed include the share of minority interests.





Following the earnings before tax, which turned to a loss in H1-20 due to the valuation loss recorded in the period, IFRS earnings per share was 22 cents negative compared to 44 cents positive in H1-19. The IFRS earnings were €48.6 million negative compared to €69.9 million positive in H1-19. The lower income tax expense by €9.7 million compared to H1-19 helped to reduce the magnitude of the negative result. Excluding the effects of investment property valuations, the net result for H1-20 was €43.4 million, 62% higher than for H1-19 (€26.8 million).

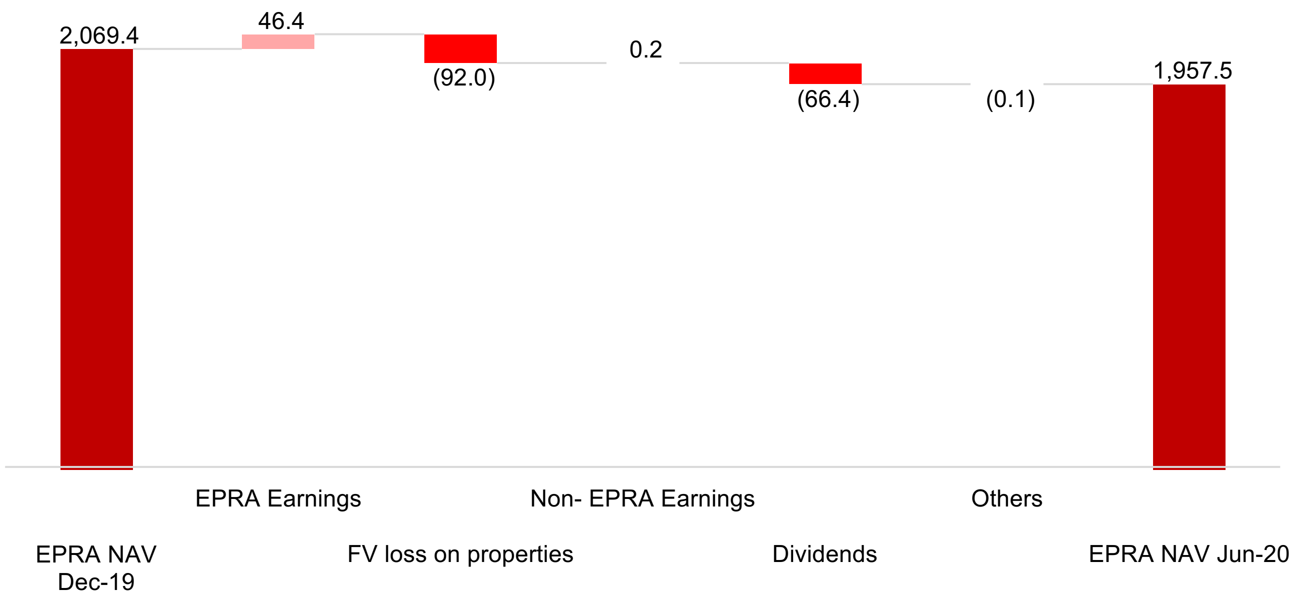
3. Balance Sheet

The combined portfolio open market value decreased marginally by €32 million, a decrease of 1.1% compared to 31 December 2019, to €3,013 million (31 Dec 19: €3,045 million). This comprises €2,966 million of investment property held on our balance sheet as at 30 June 2020, and a further €47 million representing the 100% value of joint venture properties comprising two light industrial properties under development in Romania (Chitila Industrial Hub and Constanta Business Park).

The balance sheet value of our investment property (freehold) portfolio at 30 June 2020 amounted to €2,967 million (31 December 2019: €3,017 million). The reduction is due to the fair value losses on freehold properties of €91.1 million that were split 69% Poland and 31% Romania, which capital expenditure on development projects and standing assets helped to reduce the effect of the valuation losses on the overall portfolio value.

Total assets as at 30 June 2020 were €3,691 million and higher by 6% compared to 31 December 2019 (€3,482 million), primarily due to the increase in cash and cash equivalents following the drawdown of bank loan facilities and the RCF in the period.

EPRA NAV Bridge from 31 December 2019 to 30 June 2020 (€ million)

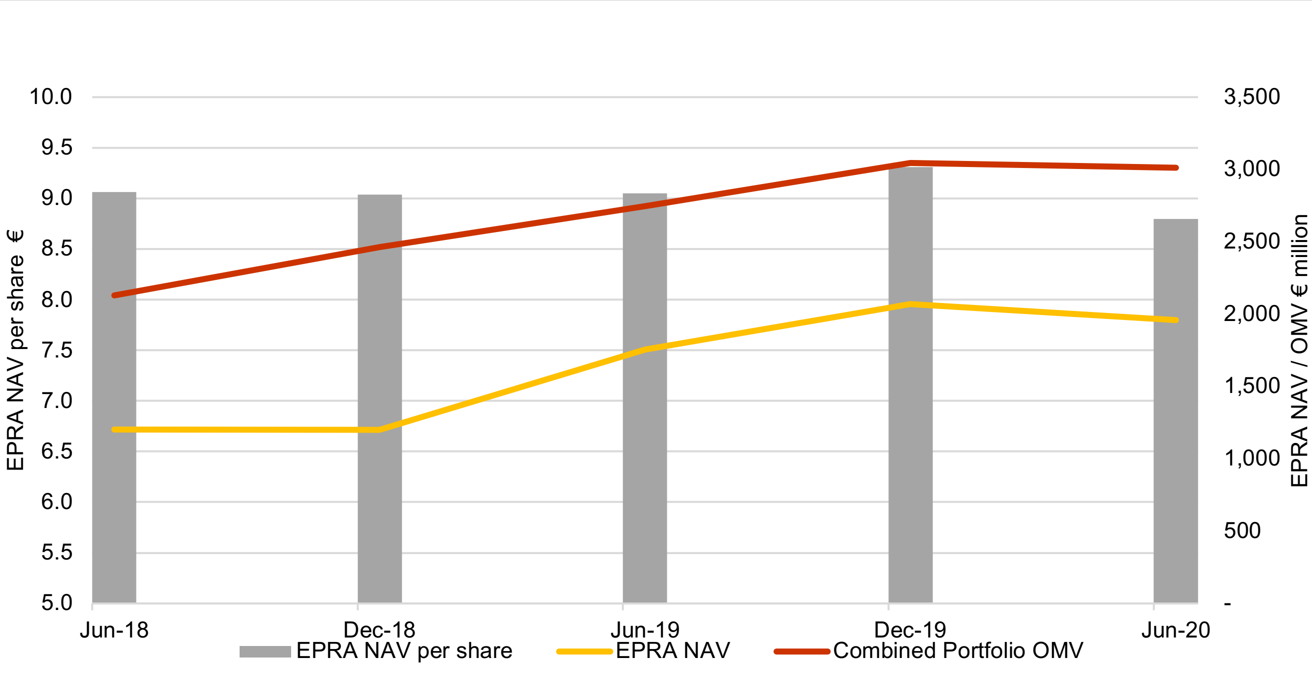


EPRA NAV decreased to €1,957.5 million as at 30 June 2020, a decrease of 5.4% compared to 31 December 2019 (€2,069.4 million). As a result EPRA NAV per share also decreased to €8.80 per share (31 December 2019: €9.30 per share).

The main factors driving the change in EPRA NAV during H1-20 were:

- The negative net results for the period, being the net effect of the positive EPRA earnings of €46.4 million and the €92.0 million fair value loss on properties in Romania (€28.0 million) and Poland (€64.0 million); and
- The dividends of €66.4 million paid in February 2020 in respect of the six months ended 31 December 2019.

Evolution of EPRA NAV/share and OMV by semester



4. Results and dividends

The results for the period are set out in the consolidated statement of comprehensive income on page 30.

In January 2020, the Company made an interim dividend distribution of 30 cents per share in respect of the six-month period ended 31 December 2019. Post the period end, in August 2020 the Company declared its first interim dividend in respect of the year ending 31 December 2020 of 19 cents per share, being 90% of its EPRA Earnings for the period, in line with the dividend policy stipulated in the articles of incorporation of the Company.

5. Financing & Liquidity Review

Financing Activity in 2020 to date

In the context of the Covid-19 pandemic, the Group's main focus during 2020 to date was to preserve liquidity and to protect its revenues in order to mitigate the economic impact over its businesses.

The Group had in 2020 to date an active year in the capital markets, conducting various debt financing activities, that helped preserve the significant liquidity position and minimise the negative impact of the Covid-19 pandemic over the operations.

In March 2020, the Group fully drew the €200 million unsecured Revolving Credit Facility ("RCF"). The RCF facility has an additional €50 million uncommitted accordion option. In July 2020 the Group exercised this option, partly, and successfully achieved an increase of RCF committed facility limit by €15 million. This amount is available to use under the same terms and conditions. The remaining uncommitted accordion option of €35 million remains available until April 2021.

Post the reporting period, in July 2020 the Group successfully completed under its €1.5 billion Euro Medium Term Notes Programme the issuance of €400 million new Notes due in 2026 at a very competitive coupon rate. Out of this amount, approximately €226.9 million was tendered from the €550 million Notes due in 2022 and the Group collected net proceeds of €158.7 million. Following the successful new Bond issuance in July, the outstanding balance on the RCF was repaid but the full €215 million facility remains available for utilisation until March 2024.

FINANCIAL REVIEW

The most significant events during the period ended 30 June 2020 as regards to the secured bank loans are outlined below:

In Romania:

- In June 2020, the €15 million outstanding balance on the bank loan secured on the UniCredit HQ property was extended until May 2025; and
- In April 2020, the contracted amount of the 10-year bank loan secured on Globalworth Tower was increased to €85 million under the same terms and conditions; the increase of €20 million was drawn down in June 2020.

In Poland:

- In January 2020, the €65 million 10-year bank loan secured on Warsaw Trade Tower was drawn down; and
- In February 2020, the €62 million 7-year bank loan secured on Retro House and Silesia Star properties was drawn down.

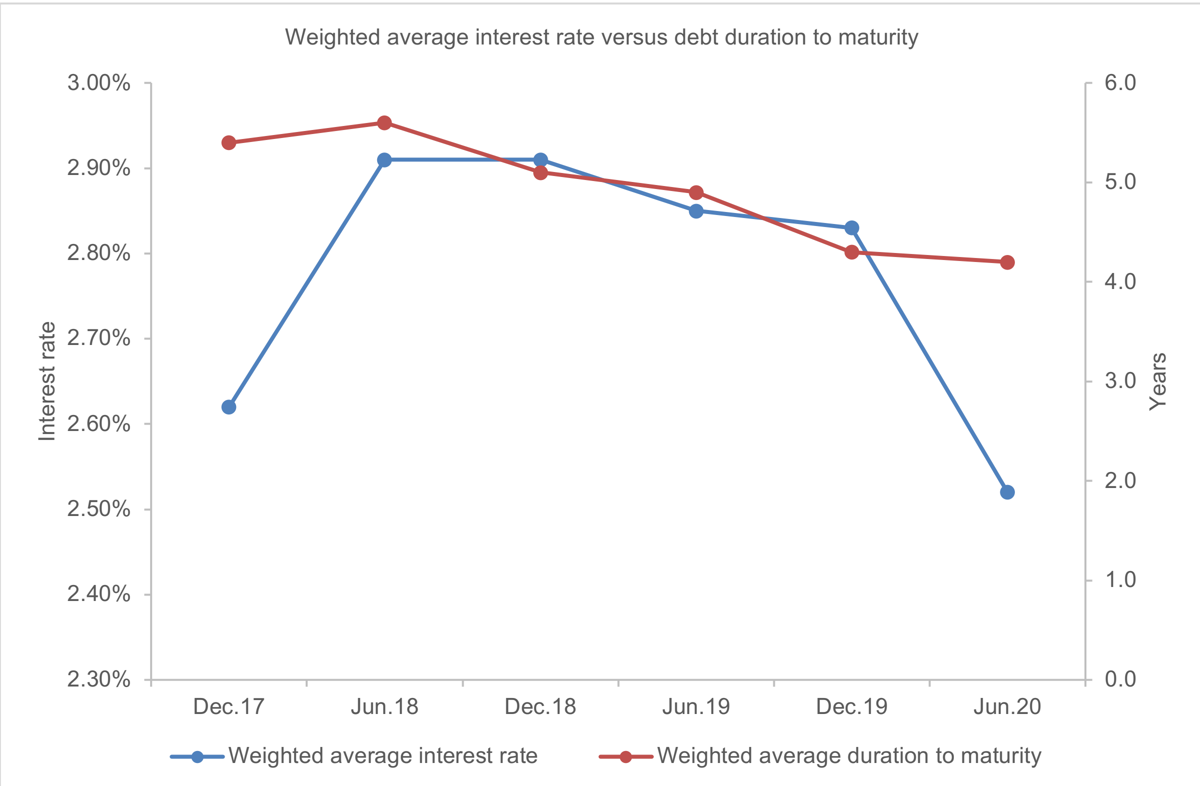
Dividends

In February 2020 the Company paid an interim dividend of 30 cents per share (c.€66.4 million) in respect of the six-month period ended 31 December 2019, while in August 2020 it announced the payment of an interim dividend of 19 cents per share (c.€42 million) in respect of the six-month period ended 30 June 2020.

Debt Summary

The total debt portfolio of the Group at 30 June 2020 of €1.65 billion (31 December 2019: €1.32 billion) comprises medium to long-term debt, denominated entirely in Euro and no debt maturity until June 2022.

The Group has extended in 2020 its strategy over the last few years of reducing the applicable weighted average interest rate. At 30 June 2020, the weighted average interest rate decreased from 2.83% at 31 December 2019 to 2.52%, while the average period to maturity of 4.2 years remained largely unchanged (4.3 years at 31 December 2019), as presented in the chart below:



It is worth mentioning that the recently issued Notes due in 2026 and the partial settlement of the Notes due in 2022 led to an improvement in weighted average period to maturity (to 4.8 years as at 31 August 2020), while weighted average interest rate remained largely unchanged.

Servicing of Debt During H1-20

In the first half of 2020, we repaid in total €2.1 million of loan capital and €35.5 million of accrued interest on the Group's drawn debt facilities, including €32.3 million in relation to the full annual coupon for both Eurobonds of the Company.

Liquidity & Loan to value ratio

Although for the time being the Group suspended new investments, its aim is to maintain at all times sufficient liquidity to have the flexibility to react quickly at the moment when attractive new investment opportunities may arise.

As at 30 June 2020, the Group had cash and cash equivalents of €567.1 million (31 December 2019: €291.7 million) available to use.

The Group's loan to value ratio at 30 June 2020 was 36.9%, compared to 34.7% at 31 December 2019. This is consistent with the Group's strategy to manage its long-term target LTV of below 40%, whilst pursuing its strong growth profile.

Debt Structure as at 30 June 2020

Debt Structure - Secured vs. Unsecured Debt

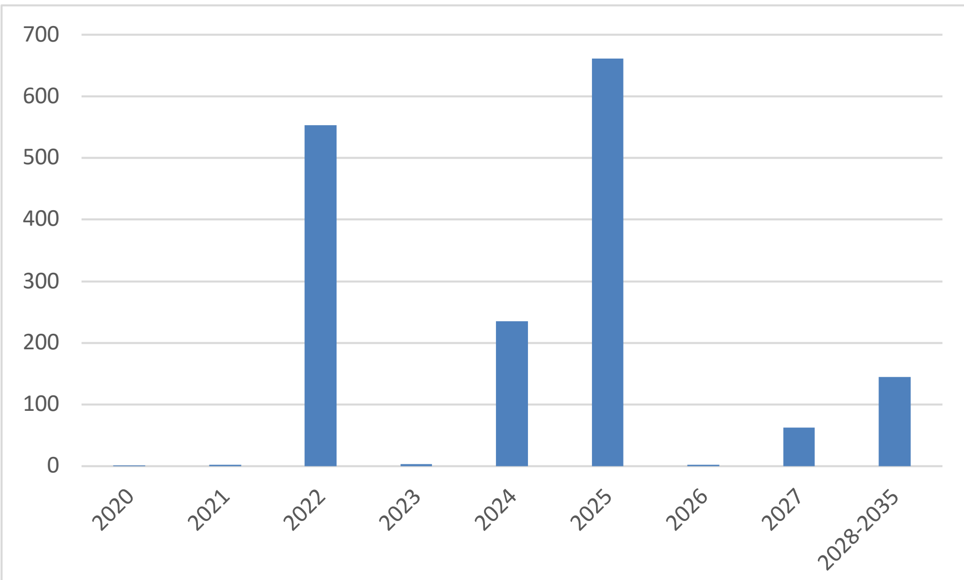
The majority of the Group's debt at 30 June 2020 is unsecured: 78.0% (31 December 2019: 83.3%), with the remainder secured with real estate mortgages, pledges on shares, receivables and loan subordination agreements in favour of the financing parties.

The slight decrease in the percentage of the unsecured debt compared to 31 December 2019 is connected with the secured bank loans entered by the Group in Romania and Poland due the advantageous cost conditions obtained, hence the decrease in the weighted average interest rate.

Loans and borrowings maturity and short-term / long-term debt structure mix

The Group has at 30 June 2020 credit facilities and Eurobonds with different maturities, all on medium and long-term (similar to 31 December 2019), as presented in the chart below:

Maturity by year of the principal balance outstanding at 30 June 2020 (€ million)



Debt Denomination Currency and Interest Rate Risk

Our loan facilities are entirely Euro denominated and bear interest based either at one month or three months Euribor plus a margin (20.7% of the outstanding balance), or at a fixed interest rate (79.3% of the outstanding balance). The slight increase of the floating interest rate balances compared to 31 December 2019 (9.5% of the outstanding balance) is connected with the drawdown of the RCF at a competitive interest margin.

The high degree of fixed interest rate debt ensures a natural hedging to the Euro, the currency in which the most significant part of our liquid assets (cash and cash equivalents and rental receivables) is originally denominated and the currency for the fair market value of our investment property.

Debt Covenants

The Group's financial indebtedness is arranged with standard terms and financial covenants, the most notable as at 30 June 2020 being the following:

Unsecured Eurobonds and Revolving Credit Facility

- the Consolidated Coverage Ratio, with minimum value of 200%;
- the Consolidated Leverage Ratio, with maximum value of 60%;
- the Consolidated Secured Leverage Ratio with a maximum value of 30%; and
- the Total Unencumbered Assets Ratio, with minimum value of 125%.

Secured Bank Loans

- the debt service cover ratio ('DSCR') / interest cover ratio ('ICR'), with values ranging from 120% to 350% (be it either historic or projected); and
- the LTV ratio, with contractual values ranging from 60% to 83%.

There have been no breaches of the aforementioned covenants occurring during the period ended 30 June 2020.

Further details on the Group's debt financing facilities are provided in note 13 of the unaudited condensed consolidated financial statements.

Cash flows

- Cash flows from operating activities increased to €24.7 million, compared to €19.6 million in H1-19, reflecting the growth of the Group's operating activities following the acquisition of three additional standing office buildings in Poland, the completion of two properties under development in Romania, and the acquisition of the remaining 50% share in the RBC property in Romania since 30 June 2019.
- Proceeds of €146.6 million from the drawdown of three secured bank loan facilities and €200 million from the drawdown of the unsecured RCF during the period.
- Proceeds from the successful disposal of a ROFO property in Poland (Browary) of €16.2 million and apartments in Romania of €1.5 million.
- Cash used on capital expenditure on advancing development projects (three in Romania, two of which are developed by joint ventures, and one in Poland) of €31.3 million and on standing assets of €13.8 million.
- Dividends paid in H1-20 of €66.4 million in respect of the six-month period ended 31 December 2019, compared to €35.8 million in H1-19 in respect of the six-month period ended 31 December 2018.
- Cash and cash equivalents as at 30 June 2020 reached €567.1 million, compared to €291.7 million at 31 December 2019.

6. Principal Risks and Uncertainties

The key risks which may have a material impact on the Group's performance, together with the corresponding mitigating actions, are presented on pages 142 to 147 of the Annual Report for the year ended 31 December 2019, which is available at www.globalworth.com.

These risks comprise the following:

- Exposure to the economic environment in Romania and Poland and changes in the political or regulatory framework in Romania, Poland or the European Union;
- Inability to execute planned acquisition of properties and lack of available financing;
- Sustainable portfolio risk;
- Counterparty credit risk;
- Risk of changes in interest rates and exchange rates;
- Risk of negative changes in the valuation of the portfolio;
- Inability to lease space and renew expiring leases;
- Inability to complete projects under development on time;
- Risk of breach of loan covenants;
- Risk of change in fiscal and tax regulations; and
- Compliance with fire, structural or other health and safety regulations.

There has been no significant change in these risks during the six months period ended 30 June 2020, and these risks are expected to continue to remain relevant during the second half of 2020.

7. Going Concern

The Directors have considered the Company's ability to continue to operate as a going concern based on the Management's cash flow projections for the 15 months subsequent to the date of approval of the unaudited interim condensed consolidated financial statements. The Directors believe that the Company would have sufficient cash resources to meet its obligations as they fall due and continue to adopt the going concern basis in preparing the unaudited interim condensed consolidated financial statements as of and for the six months ended 30 June 2020.

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2020

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

	Note	30 June 2020 Unaudited €'000	30 June 2019 Unaudited €'000
Revenue	7	**114,039**	103,792
Operating expenses	8	**(34,392)**	(35,790)
Net operating income		**79,647**	68,002
Administrative expenses		**(8,824)**	(6,984)
Acquisition costs		**(2,302)**	(15)
Fair value (loss)/gain on investment property	3	**(91,977)**	49,049
Share-based payment expense	20	**(194)**	(390)
Depreciation on other long-term assets		**(203)**	(159)
Other expenses	9	**(1,444)**	(6,548)
Other income		**285**	615
Foreign exchange loss		**(167)**	(553)
Gain from fair value of financial instruments at fair value through profit or loss	14	**151**	1,569
		(104,675)	36,584
(Loss)/profit before net financing cost		**(25,028)**	**104,586**
Net financing cost			
Finance cost	10	**(23,528)**	(22,629)
Finance income		**1,203**	1,691
		(22,325)	**(20,938)**
Share of profit of equity-accounted investments in joint ventures	22	**1,258**	4,384
(Loss)/profit before tax		**(46,095)**	88,032
Income tax expense	11	**(2,487)**	(12,150)
(Loss)/profit for the period		**(48,582)**	75,882
Other comprehensive income		**–**	–
Total comprehensive income		**(48,582)**	75,882

(Loss)/profit attributable to:		**(48,582)**	75,882
– Equity holders of the Company		**(48,582)**	69,902
– Non-controlling interests		**–**	5,980

		Cents	Cents
Earnings per share			
– Basic	12	**(22)**	44
– Diluted	12	**(22)**	44

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

globalworth

	Note	30 June 2020 Unaudited €'000	31 December 2019 Audited €'000
ASSETS			
Non-current assets			
Investment property	3	**2,997,779**	3,048,955
Goodwill		**12,349**	12,349
Advances for investment property	5	**6,177**	32,440
Investments in joint ventures	22	**33,034**	17,857
Equity investments		**10,017**	9,840
Other long-term assets		**1,520**	1,493
Prepayments		**531**	619
Financial assets at fair value through profit or loss	14	**-**	3,098
Deferred tax asset	11	**1,149**	2,869
		3,062,556	3,129,520
Current assets			
Financial assets at fair value through profit or loss	14	**8,553**	20,487
Trade and other receivables	15	**41,855**	28,963
Contract assets		**881**	5,257
Guarantees retained by tenants		**853**	858
Income tax receivable		**1,533**	255
Prepayments		**7,530**	4,653
Cash and cash equivalents	16	**567,052**	291,694
		628,257	352,167
Total assets		**3,690,813**	3,481,687
EQUITY AND LIABILITIES			
Issued share capital		**1,704,374**	1,704,374
Treasury shares	20.6	**(9,989)**	(8,379)
Share-based payment reserve	20	**6,905**	5,571
Retained earnings		**97,947**	213,101
Total equity		**1,799,237**	1,914,667
Non-current liabilities			
Interest-bearing loans and borrowings	13	**1,644,340**	1,299,616
Deferred tax liability	11	**132,878**	134,302
Lease liabilities	3.2	**27,587**	30,190
Guarantees retained from contractors		**1,611**	1,074
Deposits from tenants		**3,209**	3,460
Trade and other payables		**1,264**	1,316
		1,810,889	1,469,958
Current liabilities			
Interest-bearing loans and borrowings	13	**8,674**	24,304
Guarantees retained from contractors		**3,363**	4,754
Trade and other payables		**45,722**	44,633
Contract liability		**1,790**	1,824
Other current financial liabilities	17.4	**1,221**	1,498
Current portion of lease liabilities	3.2	**2,084**	1,887
Deposits from tenants		**16,548**	15,988
Provision for tenant lease incentives		**634**	1,353
Income tax payable		**651**	821
		80,687	97,062
Total equity and liabilities		**3,690,813**	3,481,687

The financial statements were approved by the Board of Directors on 15 September 2020 and were signed on its behalf by:

John Whittle
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

		Equity attributable to equity holders of the Company						
	Note	Issued share capital	Treasury shares	Share-based payment reserve	Retained earnings	Total	Non-controlling interests	Total Equity
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
As at 1 January 2019 (Audited)		**897,314**	**(842)**	**2,117**	**186,326**	**1,084,915**	**212,407**	**1,297,322**
Issuance of shares subscribed in cash		**611,921**	**–**	**–**	**–**	**611,921**	**–**	**611,921**
Transaction costs on issuance of shares		**(12,828)**	**–**	**–**	**–**	**(12,828)**	**–**	**(12,828)**
Shares issued to the Executive Directors and other senior management employees		**3,467**	**(2,564)**	**(818)**	**–**	**85**	**–**	**85**
Interim dividends		**–**	**–**	**128**	**(93,927)**	**(93,799)**	**–**	**(93,799)**
Share based payment expense under the subsidiaries' employees share award plan		**–**	**–**	**353**	**–**	**353**	**–**	**353**
Shares vested under the subsidiaries' employees share award plan		**–**	**784**	**(784)**	**–**	**–**	**–**	**–**
Shares purchased with cash by the Company		**–**	**(7,295)**	**–**	**–**	**(7,295)**	**–**	**(7,295)**
Shares issued for share swap with non-controlling interest holders		**179,395**	**–**	**–**	**5,840**	**185,235**	**(185,235)**	**–**
Shares acquired in cash from non-controlling interest holders in the subsidiary		**–**	**–**		**(315)**	**(315)**	**(33,176)**	**(33,491)**
Performance incentive scheme termination		**25,105**	**1,538**	**2,544**	**(55,000)**	**(25,813)**	**–**	**(25,813)**
Deferred annual bonus plan reserve for the year		**–**	**–**	**1,888**	**–**	**1,888**	**–**	**1,888**
Long-term incentive plan reserve for the year		**–**	**–**	**143**	**–**	**143**	**–**	**143**
Total comprehensive income for the year		**–**	**–**	**–**	**170,177**	**170,177**	**6,004**	**176,181**
As at 31 December 2019 (Audited)		**1,704,374**	**(8,379)**	**5,571**	**213,101**	**1,914,667**	**–**	**1,914,667**
Interim dividends	18	**–**	**–**	**129**	**(66,572)**	**(66,443)**	**–**	**(66,443)**
Share based payment expense under the subsidiaries' employees share award plan	20.3	**–**	**–**	**194**	**–**	**194**	**–**	**194**
Shares vested under the subsidiaries' employees share award plan	20.3	**–**	**14**	**(14)**	**–**	**–**	**–**	**–**
Shares purchased with cash by the Company	20.6.1	**–**	**(1,624)**	**–**	**–**	**(1,624)**	**–**	**(1,624)**
Cash-based portion of annual incentive plan converted to share based settlement		**–**	**–**	**1,025**	**–**	**1,025**	**–**	**1,025**
Total comprehensive income for the period		**–**	**–**	**–**	**(48,582)**	**(48,582)**	**–**	**(48,582)**
As at 30 June 2020 (Unaudited)		**1,704,374**	**(9,989)**	**6,905**	**97,947**	**1,799,237**	**–**	**1,799,237**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

	Note	Equity attributable to equity holders of the Company						
		Issued share capital	Treasury shares	Share-based payment reserve	Retained earnings	Total	Non-controlling interests	Total Equity
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
As at 1 January 2019 (Audited)		**897,314**	**(842)**	**2,117**	**186,326**	**1,084,915**	**212,407**	**1,297,322**
Issuance of shares subscribed in cash		**347,634**	**–**	**–**	**–**	**347,634**	**–**	**347,634**
Transaction costs on issuance of shares		**(9,879)**	**–**	**–**	**–**	**(9,879)**	**–**	**(9,879)**
Shares issued to the Executive Directors and other senior management employees		**–**	**–**	**84**	**–**	**84**	**–**	**84**
Interim dividends		**–**	**–**	**–**	**(35,776)**	**(35,776)**	**–**	**(35,776)**
Share based payment expense under the subsidiaries' employees share award plan		**–**	**–**	**390**	**–**	**390**	**–**	**390**
Shares purchased with cash by the Company		**–**	**(2,739)**	**–**	**–**	**(2,739)**	**–**	**(2,739)**
Shares issued for share swap with non-controlling interest		**179,395**	**–**	**–**	**5,840**	**185,235**	**(185,235)**	**–**
Acquisition of non-controlling interest		**–**	**–**		**49**	**49**	**(31,966)**	**(31,917)**
Long term plan termination reserve		**–**	**–**	**29,187**	**(55,000)**	**(25,813)**	**–**	**(25,813)**
Total comprehensive income for the period		**–**	**–**	**–**	**69,902**	**69,902**	**5,980**	**75,882**
As at 30 June 2019 (Unaudited)		**1,414,464**	**(3,581)**	**31,778**	**171,341**	**1,614,002**	**1,186**	**1,615,188**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

globalworth

	Note	**30 June 2020 Unaudited €'000**	30 June 2019 Unaudited €'000
(Loss)/Profit before tax		**(46,095)**	88,032
Adjustments to reconcile (loss)/profit before tax to net cash flows			
Fair value loss/(gain) on investment property	3	**91,977**	(49,049)
Loss on sale of investment property		**107**	1,367
Share-based payment expense	20	**194**	390
Depreciation on other long-term assets		**203**	159
Net movement in allowance for doubtful debts	17.2	**991**	(102)
Foreign exchange (gain)/loss		**(1,396)**	157
Gain from fair valuation of financial instrument	14	**(151)**	(1,569)
Share of profit of equity-accounted joint ventures	22	**(1,258)**	(4,384)
Net financing costs		**22,325**	20,938
Operating profit before changes in working capital		**66,897**	55,939
Decrease in trade and other receivables		**2**	5,530
Increase in trade and other payables		**(3,844)**	(2,869)
Interest paid		**(35,470)**	(35,216)
Interest received		**663**	1,596
Income tax paid		**(3,533)**	(5,410)
Cash flows from operating activities		**24,715**	19,570
Investing activities			
Expenditure on investment property under development		**(17,627)**	(19,651)
Expenditure on investment property completed		**(13,765)**	(15,430)
Payment for land acquisitions		**-**	(925)
Refund of advances given for property acquisition	5	**10,000**	-
Payments for acquisition of investment property		**-**	(73,992)
Proceeds from sale of investment property		**1,518**	4,034
Investment in financial assets at fair value through profit or loss	14	**(1,003)**	(5,980)
Proceeds from sale of financial assets at fair value through profit or loss	14	**16,186**	-
Payments for equity investments		**(177)**	(646)
Investment in and loans given to joint ventures	22	**(13,656)**	(9,958)
Repayment of loans from joint ventures	22	**-**	4,389
Payment for the acquisition of remaining 50% stake in joint venture	22	**(2,000)**	-
Payment for purchase of other long-term assets		**(230)**	(647)
Cash flows used in investing activities		**(20,754)**	(118,806)
Financing activities			
Proceeds from issuance of share capital		**-**	347,634
Payment of transaction costs on issuance of shares		**-**	(9,879)
Purchase of own shares	20.6	**(1,624)**	(2,739)
Payments for the acquisition of shares from non-controlling interest		**-**	(31,917)
Proceeds from interest-bearing loans and borrowings	13	**346,577**	64,545
Repayments of interest-bearing loans and borrowings	13	**(2,104)**	(52,668)
Payment of interim dividend to equity holders of the Company	18	**(66,443)**	(35,750)
Payment for lease liability obligations	3.2	**(1,595)**	(1,371)
Payment of dividend to non-controlling interests in the subsidiary		**-**	(10,705)
Payment of bank loan arrangement fees and other financing costs		**(2,197)**	(1,566)
Change in long-term restricted cash reserve		**-**	2,250
Cash flows from financing activities		**272,614**	267,834
Net increase in cash and cash equivalents		**276,575**	168,598
Effect of exchange rate fluctuations on cash and bank deposits held		**(1,217)**	396
Cash and cash equivalents at the beginning of the period	16	**290,694**	227,277
Cash and cash equivalents at the end of the period[1]		**566,052**	396,271

[1] Net of the €1.0 million restricted cash reserve (31 December 2019: €1.0 million), see note 16.

This section contains the Group's significant accounting policies that relate to the condensed consolidated financial statements as a whole. Significant accounting policies and related management's estimates, judgements, and assumptions in the application of those policies specific to a particular note are included with that note. Accounting policies relating to non-material items are not included in these condensed consolidated financial statements therefore the condensed consolidated financial statements included in this Interim Report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019.

1 Basis of Preparation

Corporate Information

Globalworth Real Estate Investments Limited ('the Company' or 'Globalworth') is a company with liability limited by shares and incorporated in Guernsey on 14 February 2013, with registered number 56250. The registered office of the Company is at Anson Court, La Route des Camps, St Martin, Guernsey GY4 6AD. Globalworth, being a real estate Company, has had its ordinary shares admitted to trading on AIM (Alternative Investment Market of the London Stock Exchange) under the ticker "GWI" since 2013. The Company's Eurobonds have been admitted to trading on the official List of the Irish Stock Exchange and the Bucharest Stock Exchange since 2017. The Group's principal activities and nature of its operations are set out in the strategic report section of the 2019 Annual Report.

Directors

The Directors of the Company are:

- Dimitris Raptis, Executive, Co-Chief Executive Officer and Chief Investment Officer, Member of the Investment Committee
- Geoff Miller, Independent Non-executive, Chair of the Board, Investment and Nomination Committees, Member of the Remuneration Committee
- John Whittle, Independent Non-executive, Chair of the Audit Committee, Member of the Remuneration Committee
- Andreea Petreanu, Independent Non-executive Director, Chair of the Risk Committee, Member of the Audit and Nomination Committees
- Richard van Vliet, Independent Non-executive, Member of the Audit, Risk and Nomination Committees
- Norbert Sasse, Non-executive, Member of Investment Committee
- Martin Bartyzal, Non-executive, Chair of the Remuneration Committee, Member of the Risk Committee
- David Maimon, Non-executive, Member of the Risk and Investment Committees

On 16 March 2020, Ioannis Papalekas stepped down as Executive Director from the Board of Directors of the Company but remained CEO of the Company. Dimitris Raptis, the current Chief Investment Officer and Deputy CEO, has been appointed co-CEO alongside Ioannis Papalekas whilst retaining his role as Chief Investment Officer.

On 30 March 2020, Eli Alroy, a Non-executive Director, stepped down from the Board of Directors of the Company.

On 23 April 2020, Bruce Buck, George Muchanya and Peter Fechter, Non-executive Directors, stepped down from the Board of Directors of Company and Martin Bartyzal was appointed as new Non-Executive Director of the Board.

On 28 May 2020, David Maimon was appointed to the Board as a Non-Executive Director.

Basis of Preparation and Compliance

The condensed consolidated financial statements of the Group (or 'financial statements' or 'consolidated financial statements') as of and for the six-month period ended 30 June 2020 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". These consolidated financial statements are prepared in Euro ("EUR" or "€"), rounded to the nearest thousand, being the functional currency and presentation currency of the Company. These financial statements have been prepared on a historical cost basis, except for investment property, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are measured at fair value.

These financial statements are prepared on a going concern basis. The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The Directors based their assessment on the Group's detailed cash flow projections for the period up to 31 December 2021. These projections take into account the current very significant available cash resources of the Group of c.€530 million, the latest contracted rental income, anticipated additional rental income from new possible lease agreements during projection period, modification of existing lease contracts due to COVID-19 concessions in conjunction in most cases with lease period extensions, as well as contracted debt financing, CAPEX, and other commitments. The Directors have also considered potential stress-test scenarios that could exert a downward pressure on projected cash flows and consequently affect debt covenant calculations as a result of factors outside the Group's control, resulting from the current Covid-19 pandemic and its potential economic effects in the countries the Group operates. The projections and related sensitivity analysis carried out show that, in the period up to 31 December 2021, the Company anticipates to have sufficient liquid resources to continue to fund ongoing operations and asset development without the need to raise any additional debt or equity financing, or the need to reschedule existing debt facilities or other commitments. Further details on the Company's response to the Covid-19 pandemic can be found in other sections of the Interim Report.

Accounting policies

These consolidated financial statements apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2019, which were prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and the Companies (Guernsey) Law 2008, as amended. The consolidated financial statements included in this Interim Report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019. On 1 January 2020, the Group adopted certain new accounting policies where necessary to comply with amendments to IFRS, refer to note 26 for more details.

Basis of Consolidation

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries ('the Group') as of and for the period ended 30 June. Subsidiaries are fully consolidated, refer to note 23, from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the period from the date of obtaining control to 30 June, using consistent accounting policies. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Non-controlling interest represents the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated statement of financial position, separately from net assets and profit and loss attributable to equity holders of the Company.

Foreign Currency transactions and balances

Foreign currency transactions during the period are initially recorded in the functional currency at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies other than functional currency of the Company and its subsidiaries are retranslated at the rates of exchange prevailing on the statement of financial position date. Gains and losses on translation are taken to profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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 was determined.

2 Critical Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosures of contingent liabilities.

Selection of Functional Currency

The Company and its subsidiaries used their judgment, based on the criteria outlined in IAS 21 "The Effects of Changes in Foreign Exchanges Rates", and determined that the functional currency of all the entities is the EUR. As a consequence, the Company uses EURO (€) as the functional currency, rather than the local currency Romanian Lei (RON) for the subsidiaries incorporated in Romania, Zloty (PLN) for the subsidiaries in Poland and Pounds Sterling (GBP) for the Company and the subsidiary incorporated in Guernsey.

Judgements were made in assessing the impact of Covid-19 on the financial statements. The potential areas which may have been potentially affected by Covid-19 are identified throughout the notes to the financial statements.

Further additional critical accounting judgements, estimates and assumptions are disclosed in the following notes to the financial statements.

Investment Property, see note 3 and Fair value measurement and related estimates and judgements, see note 4;
Commitments (operating leases commitments – Group as lessor), see note 6;
Taxation, see note 11;
Financial assets at fair value through profit or loss, see note 14;
Share-based payment reserve, see note 20;
Investment in joint ventures, see note 22; and
Investment in Subsidiaries, see note 23.

This section focuses on the assets on the balance sheet of the Group which form the core of the Group's business activities. This includes investment property (both 100% owned by the Group and the joint ventures), related disclosures on fair valuation inputs and commitments for future property developments. This section quantifies the property portfolio valuations and movements for the period. Further information about each property is described in the Asset Management Review section of the Interim Report.

3 Investment Property

		Investment property - *freehold*				**Investment property leasehold-*Right of usufruct use***	**TOTAL**
		Completed investment property	Investment property under development	Land for further development	Sub-total		
	Note	€'000	€'000	€'000	€'000	€'000	€'000
1 January 2019		2,314,694	44,700	31,600	2,390,994	–	2,390,994
Right to use asset (effect of IFRS 16 transition)		–	–	–	–	25,844	25,844
Acquisition of investment property		391,898	31,727	–	423,625	6,260	429,885
Land acquisition		–	–	925	925	–	925
Subsequent expenditure		23,480	49,083	1,981	74,544	–	74,544
Net lease incentive movement		11,941	3,354	–	15,295	–	15,295
Other operating lease commitment		(637)	–	–	(637)	–	(637)
Capitalised borrowing costs		–	1,245	–	1,245	–	1,245
Transfer to completed investment property		9,100	(9,100)	–	–	–	–
Transfer to land for further development		(1,400)	–	1,400	–	–	–
Disposal during the period		(6,858)	–	–	(6,858)	–	(6,858)
Fair value gain /(loss) on investment property		103,740	10,711	3,294	117,745	(27)	117,718
31 December 2019		**2,845,958**	**131,720**	**39,200**	**3,016,878**	**32,077**	**3,048,955**
Subsequent expenditure		**5,870**	**25,226**	**493**	**31,589**	–	**31,589**
Net lease incentive movement		**8,272**	**1,678**	–	**9,950**		**9,950**
Other operating lease commitment		**(718)**	–	–	**(718)**	–	**(718)**
Capitalised borrowing costs	10	–	**900**	–	**900**	–	**900**
Transfer to completed investment property		**74,615**	**(74,615)**	–	–	–	–
Disposal during the period		**(920)**	–	–	**(920)**	–	**(920)**
Fair value loss on investment property		**(88,362)**	**(1,739)**	**(993)**	**(91,094)**	**(883)**	**(91,977)**
30 June 2020		**2,844,715**	**83,170**	**38,700**	**2,966,585**	**31,194**	**2,997,779**

3.1 Investment Property – freehold

Judgements

Classification of investment Property

Investment property comprises completed property, property under construction and land bank for further development which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation. The Group considers that, when the property is in a condition which will allow the generation of cash flows from its rental, the property is no longer a property under development or refurbishment but an investment property. If the property is kept for sale in the ordinary course of the business, then it is classified as inventory property.

Disposal of investment property not in the ordinary course of business

The Group enters into contracts with customers to sell properties that are complete. The sale of completed property is generally expected to be the only performance obligation and the Group has determined that it will be satisfied at the point in time when control transfers. For unconditional exchange of contracts, this is generally expected to be when legal title transfers to the customer. For conditional exchanges, this is expected to be when all significant conditions are satisfied. The recognition and measurement requirements in IFRS 15 are applicable for determining the timing of derecognition and the measurement of consideration (including applying the requirements for variable consideration) when determining any gains or losses on disposal of non-financial assets when that disposal is not in the ordinary course of business.

3. Investment Property – *continued*

Other Disclosures Related to Investment Property

Interest-bearing loans and borrowings are secured on investment property freehold, see note 13 for details. Further information about individual properties is disclosed in the asset management review section in the annual report.

3.2 Investment property – leasehold

Right of perpetual usufruct of the land (the "RPU")

Under IFRS 16, right-of-use assets that meet the definition of investment property are required to be presented in the statement of financial position as investment property. The Group has the right of perpetual usufruct of the land (the "RPU" or "right-of-use assets") contracts for the property portfolio in Poland which meet the definition of investment property under IFRS 16. Therefore, the Group has presented its 'Right-of-use assets' separately in the statement of financial position under the line item "Investment property". The corresponding lease liabilities are presented under the line item 'Lease liabilities' as non-current and the related short-term portion are presented in the line item "Current portion of lease liability".

4 Fair Value Measurement and Related Estimates and Judgements

Investment Property Measured at Fair Value

The Group's investment property portfolio for Romania was valued by Colliers Valuation and Advisory SRL and Cushman & Wakefield LLP and for Poland by Knight Frank Sp. z o.o. and CBRE Sp. z o.o. All independent professionally qualified valuers hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued using recognised valuation techniques.

The current economic environment has been impacted by the Novel Coronavirus (Covid-19) outbreak which was declared as a "Global Pandemic" by the World Health Organisation on March 11th, 2020. Since then, the effects of the Covid-19 outbreak on the financial markets and the overall business environment, including the real estate market, have begun to be felt globally, resulting in increased uncertainty the full extents of which are difficult to quantify at this time.

As a consequence, the 3rd party professional valuers, although performing their valuations using an "open market approach" methodology as at 30 June 2020, have included a "material uncertainty clause" in their reports in order for their appraisals to be interpreted, given the present context of uncertainty, with a higher degree of caution than would normally be the case. Globalworth, independently values its portfolio of real estate properties twice a year (June and December), and is already in-line with the 3rd party professional valuers recommendation of performing valuations of a company's real estate properties on a more frequent basis in periods of higher uncertainty.

Our Property Valuation Approach and Process

The Group's investment department includes a team that reviews twice in a financial year the valuations performed by the independent valuers for financial reporting purposes. For each independent valuation performed, the investment team along with the finance team:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the initial valuation report at acquisition or latest period end valuation report; and
- holds discussions with the independent valuer.

The fair value hierarchy levels are specified in accordance with IFRS 13 Fair Value Measurement. Some of the inputs to the valuations are defined as "unobservable" by IFRS 13 and these are analysed in the tables below. Any change in valuation technique or fair value hierarchy (between level 1, level 2 and level 3) is analysed at each reporting date or as of the date of the event or variation in the circumstances that caused the change. As of 30 June 2020 (2019: same) the values of all investment properties were classified as level 3 fair value hierarchy under IFRS 13 and there were no transfers from or to level 3 from level 1 and level 2.

Valuation Techniques, Key Inputs and Underlying Management's Estimations and Assumptions

Valuation techniques comprise the discounted cash flows, the sales comparison approach and the residual value method.

The Group has based its assumptions and estimates on the parameters available when the consolidated financial statements were prepared, including the amendments or possible amendments of the current lease contracts due to COVID-19, delays to non-committed capital expenditure, cost-cutting initiatives and delays in construction activity. Consideration was also given to the possible impact of the stay at home and social distancing measures imposed by governments in countries in which it operates. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period. However, all such assumptions or estimates are sensitive to change due to the current market environment in light of COVID-19. Such uncertainty is reflected in the assumptions used for the valuation and the Group disclosed below the sensitivity to different key inputs to overall valuation.

4. Fair Value Measurement and Related Estimates and Judgements -*continued*

Key information about fair value measurements, valuation technique and significant unobservable inputs (Level 3) used in arriving at the fair value under IFRS 13 are disclosed below:

	Carrying value					Range	
	30 June 2020	31 December 2019					
Class of property	**€'000**	€'000	**Valuation technique**	**Country**	**Input**	**30 June 2020**	31 December 2019
Completed Investment property	**1,567,680**	1,619,350	Discounted cash flows	Poland	Rental value (sqm)	**€11.5–€24**	€11.5–€24
					Discount rate	**5.16%–10.86%**	3.52%–10.19%
					Exit yield	**5.19%–8.50%**	5.05%–8.25%
	1,114,735	1,062,153	Discounted cash flows	Romania	Rental value (sqm)	**€2.90–€35.00**	€2.87–€45.40
	101,700	102,900	Direct capitalization		Discount rate	**7.65%–8.75%**	7.50%–8.50%
					Exit yield	**6.25%–8.00%**	6.25%–8.00%
	2,784,115	2,784,403					
	60,600	61,555	Sales comparison	Romania	Sales value (sqm)	**€1,843**	**€1,831**
	2,844,715	2,845,958					
Investment property under development	**38,770**	28,020	Residual method	Poland	Rental value (sqm)	**€13.50**	€13.50
					Discount rate	**6.44%-7.64%**	6.26%-7.17%
					Exit yield	**6.25%-6.50%**	6.00%-6.25%
					Capex (€m)	**€80.70**	€84.35
	44,400	32,600	Residual method	Romania	Rental value (sqm)	**€11.00–€14.50**	€11.00–€14.50
	–	71,100	Discounted cash flows	Romania	Discount rate	**9.00%**	7.75%-9.00%
					Exit yield	**7.00%-7.75%**	6.75%-7.75%
					Capex (€m)	**€59.70**	€77.40
Land bank – for further development	**15,400**	37,800	Sales comparison	Romania	Sales value (sqm)	**€24.00-1,450**	€24.00-2,546
	23,300	1,400	Residual method	Romania	Rental value (sqm)	**€2.75-€16.50**	€2.75
					Sales value (sqm)	**€2,500**	–
					Exit yield	**7.00%-8.50%**	8.50%
TOTAL	**2,966,585**	3,016,878					

Sensitivity Analysis on significant estimates used in the valuation

The assumptions on which the property valuations have been based include, but are not limited to, rental value per sqm per month, discount rate, exit yield, cost to complete, comparable market transactions for land bank for further development, tenant profile for the rented properties, and the present condition of the properties. These assumptions are market standard and in line with the International Valuation Standards ('IVS'). Generally, a change in the assumption made for the rental value (per sqm per month) is accompanied by a similar change in the rent growth per annum and discount rate (and exit yield) and an opposite change in the other inputs.

A quantitative sensitivity analysis, in isolation, of the most sensitive inputs used in the independent valuations performed, as of the statement of financial position date, are set out below:

			€0.5 change in rental value per month, per sqm[1]		25 bps change in market yield		5% change in Capex		€50 change in sales prices per sqm[2]		2.5% change in vacancy in Perpetuity[3]	
Investment Property	Year	Country	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000
– Completed	**2020**	**Poland**	**41,890**	**(41,970)**	**(67,590)**	**73,420**	**–**	**–**	**–**	**–**	**–**	**–**
	2020	**Romania**	**33,200**	**(32,900)**	**(30,400)**	**33,500**	**–**	**–**	**1,900**	**(1,900)**	**(13,000)**	**10,700**
	2019	Poland	43,070	(43,160)	(71,630)	78,050	–	–	–	–	–	–
	2019	Romania	30,200	(30,800)	(29,500)	32,200	–	–	1,900	(1,900)	(11,600)	9,800
– Under development	**2020**	**Poland**	**2,690**	**(2,700)**	**(3,560)**	**3,860**	**(2,140)**	**2,150**	**–**	**–**	**–**	**–**
	2020	**Romania**	**3,300**	**(3,400)**	**(3,200)**	**3,300**	**(2,800)**	**2,700**	**–**	**–**	**–**	**–**
	2019	Poland	2,780	(2,810)	(3,840)	4,150	(2,960)	2,950	–	–	–	–
	2019	Romania	3,800	(3,700)	(4,700)	5,000	(3,500)	3,600	–	–	(1,200)	1,000
– Further development	**2020**	**Poland**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2020	**Romania**	**1,900**	**(2,000)**	**(1,900)**	**1,900**	**(2,300)**	**2,100**	**1,400**	**(1,500)**	**–**	**–**
	2019	Poland	–	–	–	–	–	–	–	–	–	–
	2019	Romania	800	(800)	(300)	200	(400)	300	700	(700)	–	–

1. The rental value per month per sqm sensitivity analysis for two industrial properties was based on €0.25 (2019: two properties at €0.25).
2. The sales price per sqm sensitivity analysis for one industrial property was based on €1.5 (2019: €1.5) and for one land property it was based on 5% change in sale price per sqm (2019: €50 per sqm).
3. The vacancy in perpetuity sensitivity analysis is not followed for the Polish properties portfolio as this factor is considered in the valuation methodology as part of yields and not a variable in isolation.

4.1 Investment properties owned by Joint Ventures

	Note	Completed investment property €'000	Investment property under development €'000	Land for further development €'000	**TOTAL** €'000
1 January 2019		69,400	3,200	–	72,600
Acquisition of investment property		–	–	12,500	12,500
Land acquisition		–	–	4,824	4,824
Subsequent expenditure		6,422	4,335	315	11,072
Net lease incentive movement		3,937	–	–	3,937
Capitalised borrowing costs		–	56	144	200
Transfer to investment property under development		–	2,064	(2,064)	–
Fair value gain on investment property		3,541	4,245	7,381	15,167
Joint venture purchased as subsidiary		(83,300)	(7,500)	–	(90,800)
31 December 2019		–	6,400	23,100	29,500
Subsequent expenditure		**–**	**13,539**	**141**	**13,680**
Net lease incentive movement		**–**	**70**	**–**	**70**
Capitalised borrowing costs		**–**	**228**	**–**	**228**
Fair value gain/(loss) on investment property		**–**	**3,563**	**(141)**	**3,422**
30 June 2020		**–**	**23,800**	**23,100**	**46,900**

Sensitivity Analysis on significant estimates used in the valuation of investment properties owned by the joint venture
As disclosed in note 22, the Group also has investment in two joint ventures where investment properties were valued at fair value under the same Group accounting policies by Colliers Valuation and Advisory SRL.
The table below includes key information about fair value measurements, valuation techniques and significant unobservable inputs (Level 3) used in arriving at the fair value under IFRS 13.

Class of Joint venture property	Carrying value 30 June 2020 €'000	Carrying value 31 December 2019 €'000	Valuation technique	Country	Input	Range 30 June 2020	Range 31 December 2019
Investment property under development	–	6,400	Residual method	Romania	Rental value	€3.32-€8.00	€4.00-€8.00
	11,900	–	Discounted cash		Discount rate	8.75%	9.00%-9.25%
	11,900	–	Direct capitalization		Exit yield	8.00%	8.00%
					Capex (€m)	€0.40	€14.60
Land bank – for further development	**23,100**	23,100	Sales comparison	Romania	Sales value (sqm)	€21.00-€40.00	€21.00-€40.00
TOTAL	**46,900**	29,500					

A quantitative sensitivity analysis for properties owned by joint ventures, in isolation, of the most sensitive inputs used in the independent valuations performed, as of the statement of financial position date, are set out below:

Joint Ventures			€0.25 change in rental value per month, per sqm[1]		25 bps change in market yield		5% change in Capex		€3.0 change in sales prices per sqm		2.5% change in vacancy in Perpetuity	
Investment Property	Year	Country	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000
– Under development	**2020**	**Romania**	**1,000**	**(1,100)**	**(600)**	**600**	**–**	**–**	**–**	**–**	**(500)**	**500**
	2019	Romania	1,300	(1,200)	–	–	(800)	700	–	–	–	–
– Further development	**2020**	**Romania**	**–**	**–**	**–**	**–**	**–**	**–**	**1,700**	**(1,700)**	**–**	**–**
	2019	Romania	–	–	–	–	–	–	1,700	(1,700)	–	–

5 Advances for investment Property

	30 June 2020 €'000	31 December 2019 €'000
Advances for land and other property acquisitions	**2,000**	27,208
Advances to contractors for investment properties under development	**4,177**	5,232
	6,177	32,440

During the period ended 30 June 2020, advances for land and other property acquisitions decreased mainly due to the cancellation of the acquisition of two office developments in Warsaw (Chmielna 89) and Krakow (Tischnera Office) which were signed and announced in November 2019. In 2019, the Group provided €25 million advances for these two properties, and following the cancellation of the transaction with the seller on 9 June 2020, the Group received €10 million in cash, with an additional €14 million agreed to be received in June 2021 and the remaining €1 million being expensed as acquisition cost in the Income Statement. The receivable amount of €14 million, €4.5 million of which was collected at the beginning of September 2020, was classified as short-term other receivable under the caption "Trade and other receivable" as at 30 June 2020.

6 Commitments

Commitments for Investment Property

As at 30 June 2020 the Group had agreed construction contracts with third parties and is consequently committed to future capital expenditure in respect of completed investment property of €5.7 million (2019: €8.4 million), investment property under development of €26.4 million (2019: €95.3 million) and had committed with tenants to incur incentives (such as fit-out works, leasing fees and other lease incentives) of €17.7million (2019: €29.2 million).

The Group's joint ventures were committed to the construction of investment property for the amount of €0.1 million as at 30 June 2020 (2019: €7.0 million).

Judgements Made for Properties Under Operating Leases, being the lessor

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of the investment properties leased to third parties and, therefore, being the lessor accounts for these leases as operating leases.

The duration of these leases is one year or more (2019: one year or more) and rentals are subject to annual upward revisions based on the consumer price index. The future aggregate minimum rentals receivable under non-cancellable operating leases for investment properties – freehold are as follows:

	30 June 2020	31 December 2019
	€'000	€'000
Not later than 1 year	**178,217**	180,978
Later than 1 year and not later than 5 years	**462,493**	482,215
Later than 5 years	**158,637**	166,987
	799,347	830,180

This section quantifies the financial impact of the operations for the period; further analysis on operations is presented in the Financial Review section of the Interim Report. This section includes the results and performance of the Group, including earnings per share and EPRA Earnings. This section also includes details about the Group's tax position in the period and deferred tax assets and liabilities held at the period end.

7 Revenue

	30 June 2020 €'000	30 June 2019 €'000
Contracted Rent	**91,462**	78,780
Adjustment for lease incentives	**(10,216)**	(6,985)
Rental income	**81,246**	71,795
Revenue from contracts with customers		
Service charge income	**29,513**	30,037
Fit-out services income	**2,799**	1,563
Asset management fees	**-**	75
Marketing and other income	**481**	322
	32,793	31,997
	114,039	103,792

The total contingent rents and surrender premia recognised as rental income during the period amount to €0.1 million (30 June 2019: €0.3 million) and €0.9 million (30 June 2019: €0.05 million), respectively.

8 Operating Expenses

	30 June 2020 €'000	30 June 2019 €'000
Property management, utilities and insurance	**30,730**	33,826
Property maintenance costs and other non-recoverable costs	**886**	381
Property expenses arising from investment property that generate rental income	**31,616**	34,207
Property expenses arising from investment property that did not generate rental income	**75**	57
Fit-out services costs	**2,701**	1,526
	34,392	35,790

9 Other expenses

Other expenses declined in the current period primarily due to inclusion of €4.5 million in the prior period ended 30 June 2019, for the payment of the proceeds received by the Company's subsidiary in 2016 from the exercise of a bank guarantee provided by a third party, following a Court order in March 2019, together with related legal expenses. During 2016, the third party unilaterally terminated the lease agreement with the subsidiary leading to enforcement of the bank guarantee and recognition of the amount received under other income in the statement of comprehensive income for the year ended 2016.

10 Finance Cost

	Note	30 June 2020 €'000	30 June 2019 €'000
Interest on secured loans		**3,154**	2,896
Interest on unsecured revolving facility		**721**	-
Interest on fixed rate Bonds		**16,024**	15,935
Debt cost amortisation and other finance costs	10.1	**3,587**	3,809
Other financial expenses		**16**	45
Interest on lease liability		**712**	-
Bank charges		**214**	276
Gross finance cost		**24,428**	22,961
Less: Borrowing cost capitalised in investment properties under development		**(900)**	(332)
		23,528	22,629

The capitalisation rate used to determine the borrowings eligible for capitalisation was 3.33% (2019: 3.33%).

10.1 Debt cost amortisation and other finance costs	**30 June 2020 €'000**	30 June 2019 €'000
Debt issue cost amortisation – secured bank loans[1]	**153**	288
Debt issue cost amortisation – unsecured revolving facility[2]	**817**	-
Debt issue cost amortisation – fixed rate Bonds[3]	**2,617**	2,414
Debt close-out costs	**-**	1,107
	3,587	3,809

[1] Out of which non-cash cost was €0.1 million (30 June 2019: €0.2 million)
[2] Out of which non-cash cost was €0.2 million (30 June 2019: nil)
[3] Out of which non-cash cost was €2.5 million (30 June 2019: €2.2 million)

11 Taxation

	30 June 2020 €'000	30 June 2019 €'000
Current income tax expense	**2,191**	2,700
- *Related to current period*	***2,083***	*2,688*
- *Related to prior period*	***108***	*12*
Deferred income tax expense	**296**	9,450
	2,487	12,150

Current income tax expense

The Corporate income tax rate "CIT" applicable to the Company in Guernsey is nil. The subsidiaries in Romania, Poland and Cyprus are subject to income taxes in respect of local sources of income. The current income tax charge of €2.2 million (30 June 2019: €2.7 million) represents tax charges on profit arising in the subsidiaries in Poland, Romania and Cyprus. Tax charges on corporate profit arising in each jurisdiction is subject to the following standard corporate income tax rates; Poland at 19% (small entities with revenue up to €1.2 million in the given tax year and entities starting a new business for their first tax year of operation, under certain conditions, are charged a reduced rate of 9% (2019: 9%) from 1 January 2019), Romania at 16% and Cyprus at 12.5%.

The Group's subsidiaries in Poland are subject to the minimum tax, which is applied to income from ownership of certain high-value fixed assets having an initial value of the asset exceeding PLN 10 million (€2.24 million), at a rate of 0.035% per month. From 2019, the taxpayer has a right to apply for the refund of previously paid minimum tax which was not deducted from the advance corporate income tax. This minimum tax can be set-off against CIT if CIT is higher. The tax is applied only to leased buildings while no tax applies on vacant buildings or on vacant space in partially occupied buildings. Due to the Covid-19 pandemic the minimum tax scheme was suspended for the period from 1 March 2020 to 31 December 2020 and the Group's subsidiaries are subject to corporate income tax.

The Group's subsidiaries registered in Cyprus need to comply with the tax regulations in their respective countries; however, the Group does not expect to generate significant taxable income, other than dividend and interest income, these being the most significant future sources of income of the Group companies registered in Cyprus. Dividend income is tax exempt under certain conditions and interest income, however, is subject to corporate income tax at the rate of 12.5% in Cyprus.

Judgements and Assumptions Used in the Computation of Current Income Tax Liability

Uncertainties exist, particularly in Romania and Poland where the Group has significant real estate operations, with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. In Romania and Poland, the tax position is open to further verification for five years and no subsidiary in Romania has had a corporate income tax audit in the last five years while in Poland some entities are currently under tax audits for the fiscal year 2016 and 2017.

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11. Taxation - *continued*

Deferred tax (asset)/liabilities	**30 June 2020**	31 December 2019
	€'000	€'000
Deferred tax asset	**(1,149)**	(2,869)
Deferred tax liability	**132,878**	134,302
	131,729	131,433

Deferred income tax expense	**Consolidated statement of financial position**		**Consolidated statement of comprehensive income**	
Net Deferred Tax	**30 June 2020 €'000**	31 December 2019 €'000	**30 June 2020 €'000**	30 June 2019 €'000
Acquired through asset acquisition	**–**	(330)	**330**	–
Valuation of investment property at fair value	**161,121**	157,621	**3,500**	12,524
Deductible temporary differences	**(1,769)**	(1,522)	**(247)**	(2,549)
Interest expense and foreign exchange loss on intra-group loans	**(17,941)**	(13,844)	**(4,097)**	(1,122)
Discounting of tenant deposits and long-term deferred costs	**61**	75	**(14)**	16
Share issue cost recognised in equity	**(7)**	(7)	**–**	–
Valuation of financial instruments at fair value	**158**	1,225	**(1,067)**	565
Recognised unused tax losses	**(9,894)**	(11,785)	**1,891**	16
	131,729	131,433	**296**	9,450

The Group has unused assessed tax losses carried forward of €78.0 million (2019: €77.9 million) in Romania and €29.4 million (2019: €34.2 million) in Poland that are available for offsetting against future taxable profits of the respective entity in which the losses arose. The tax losses in Romania and Poland can be carried forward over seven and five consecutive tax years from the year of origination, respectively. In Poland, in any particular tax year, the taxpayer may not deduct more than 50% of the loss incurred in the year for which it was reported. Additionally, starting from 2020, the taxpayer may utilise one-time tax losses generated after 31 December 2018 up to PLN 5 million in one fiscal year.

As of the statement of financial position date the Group had recognised deferred tax assets of €9.9 million (2019: €11.8 million) in Romania and Poland, out of the total available deferred tax assets of €18.1 million (2019: €19.1 million), calculated at the corporate income tax rates of 16% in Romania and 19% (9% for small entities) in Poland, respectively.

Expiry year	2020	2021	2022	2023	2024	2025	2026	2027	**TOTAL**
Available deferred tax assets (€m)	1.9	2.1	3.2	3.0	5.7	0.7	1.0	0.5	**18.1**

There are also temporary non-deductible interest expenses and net foreign exchange losses of €148.0 million, €22.0 million in Romania and €126.0 million in Poland, (2019: €87.9 million, €23.5 million in Romania and €64.4 million in Poland) related to intercompany and bank loans. Such amounts can be carried forward indefinitely, and each year an amount up to 30% of EBITDA would become tax deductible, for which €17.9 million (€1.3 million in Romania and €16.6 million in Poland) deferred tax asset was recorded (2019: €13.8 million, €1.7 million in Romania and €12.1 million in Poland).

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12 Earnings Per Share

The following table reflects the data used in the calculation of basic and diluted earnings per share per IFRS and EPRA rules:

Date	Event	Note	Number of shares issued ('000)	% of the period	Weighted average ('000)
1 Jan 2019	**At the beginning of the year**		**132,458**		**132,458**
Jan -April 2019	Shares issued for share swap with non-controlling interest-holders in the subsidiary		19,933	49	9,767
April 2019	Shares issued for cash		38,202	44	16,809
April 2019	Shares purchased in cash by the Company		(300)	34	(102)
30 June 2019	**Shares in issue (basic)**		**190,293**		**158,932**
Jan-June 2019	Effect of dilutive shares		3,504	17	578
30 June 2019	**Shares in issue (diluted)**		**193,797**		**159,510**
1 Jan 2020	**At the beginning of the year**		**221,479**		**221,479**
	Shares purchased in cash by the Company	20.6	(271)	7	(20)
30 June 2020	**Shares in issue at period end (basic)**		**221,208**		**221,459**
Jan-June 2020	Effect of dilutive shares		1,160	92	1,064
30 June 2020	**Shares in issue at period end (diluted)**		**222,368**		**222,523**

Subsequent to 30 June 2020, no new shares were issued.

	30 June 2020 €'000	30 June 2019 €'000
Profit attributable to equity holders of the Company for the basic and diluted earnings per share	**(48,582)**	69,902
IFRS earnings per share	**cents**	cents
– Basic	(22)	44
– Diluted	(22)	44

EPRA Earnings Per Share

The following table reflects the reconciliation between earnings as per the statement of comprehensive income and EPRA earnings:

	Note	**30 June 2020 €'000**	30 June 2019 €'000
Earnings attributable to equity holders of the Company (IFRS)		**(48,582)**	69,902
Changes in fair value of financial instruments and associated close-out costs		**(277)**	929
Fair value (loss)/gain on investment property	3	**91,977**	(49,654)
Losses on disposal of investment properties		**107**	1,367
Changes in value of financial assets at fair value through profit or loss	14	**(151)**	(1,569)
Acquisition costs		**2,302**	15
Tax credit relating to losses on disposals		–	(10)
Deferred tax charge in respect of above adjustments		**2,433**	12,841
Adjustments in respect of joint ventures and other items		**(1,420)**	793
Non-controlling interests in respect of the above		–	2,690
EPRA earnings attributable to equity holders of the Company		**46,389**	37,304
EPRA earnings per share		**Cents**	cents
– Basic		**21**	23
– Diluted		**21**	23

This section focuses on financial instruments, together with the working capital position of the Group and financial risk management of the risks that the Group is exposed to at period end.

13 Interest-Bearing Loans and Borrowings

This note describes information on the material contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to market risk, currency risk and liquidity risks, see note 17.

	30 June 2020 €'000	31 December 2019 €'000
Current		
Current portion of secured loans and accrued interest	**3,948**	3,378
Accrued interest on unsecured fixed rate bonds	**4,726**	20,926
Sub-total	**8,674**	24,304
Non-current		
Secured loans	**360,118**	215,947
Unsecured Revolving credit facility	**198,098**	-
Unsecured fixed rate bonds	**1,086,124**	1,083,669
Sub-total	**1,644,340**	1,299,616
TOTAL	**1,653,014**	1,323,920

13.1 Key terms and conditions of outstanding debt:

				30 June 2020		31 December 2019	
Facility	Currency	Nominal interest rate	Maturity date	Face value €'000	Carrying value €'000	Face value €'000	Carrying value €'000
Loan 16	EUR	EURIBOR 1 month + margin	May 2025	**15,189**	**15,189**	16,651	16,651
Loan 25	EUR	Fixed rate bond	June 2022	**550,477**	**544,583**	558,404	550,819
Loan 37	EUR	Fixed rate bond	March 2025	**554,249**	**546,267**	562,522	553,776
Loan 38[1]	EUR	Hybrid rate + margin	May 2025	**100,104**	**99,325**	100,112	99,260
Loan 41	EUR	EURIBOR 3 month + margin	March 2029	**85,250**	**84,370**	65,239	64,490
Loan 43	EUR	EURIBOR 3 month + margin	December 2024	**38,360**	**38,179**	39,122	38,924
Loan 44	EUR	Fixed rate	February 2027	**29,936**	**29,744**	–	–
Loan 45	EUR	Fixed rate	February 2027	**32,357**	**32,154**	–	–
Loan 46	EUR	Fixed rate	November 2029	**65,042**	**64,384**	–	–
Loan 47	EUR	EURIBOR 3 month + margin	April 2024	**200,721**	**198,819**	–	–
Total				**1,671,685**	**1,653,014**	1,342,050	1,323,920

[1]Loan 38 was drawn down in two tranches – 95% of the facility carries a fixed interest rate and 5% carries a floating EURIBOR 3-month rate.

13.2 Unsecured facilities

Unsecured Corporate Bonds

In June 2017, the Group issued a €550 million unsecured Eurobond (Loan 25). The five-year euro-denominated Bond matures on 20 June 2022 and carries a fixed interest rate of 2.875%. In March 2018, the Group issued second €550 million unsecured Eurobond (Loan 37). The seven-year euro-denominated Bond matures on 29 March 2025 and carries a fixed interest rate of 3.0%.

Financial covenants on unsecured fixed rate bonds are calculated based on the consolidated financial statements of the Group and include the Consolidated Coverage Ratio, with minimum value of 200%, the Consolidated Leverage Ratio, with maximum value of 60%, and the Consolidated Secured Leverage Ratio with a maximum value of 30%.

Unsecured Revolving Credit Facility

At the end of October 2019, the Group entered into a €200 million unsecured Revolving Credit Facility ("RCF") with a syndicate local and international banks. The RCF has a term of 4.5 years and an additional €50 million uncommitted accordion option. The terms of the RCF, including financial covenants, have been structured to generally align with the Company's existing Euro Medium Term Note (EMTN) programme for fixed rate bonds. On 18 March 2020, the full amount was drawn down (Loan 47) in order to further strength the liquidity during the pandemic period.

Impact of COVID-19 on financial loan covenants on unsecured facilities

The Group is in compliance with all financial covenants and there were no payment defaults during the period ended 30 June 2020 (2019: same). As of 30 June 2020, the Group held cash and cash equivalents of €567 million depicting ample liquidity during the interim period. No undrawn borrowing facilities (2019: €265 million) were available at 30 June 2020.

13.3 Secured facilities

Repayments

On 7 April 2020, the Group prepaid an amount of €0.8 million (Loan 16) from existing cash resources.

New facilities

On 30 January 2020, the Group drew down the €65 million long-term facility (Loan 46) which was secured from Berlin Hyp. The facility carries a fixed interest rate charge and is secured with mortgage on the Warsaw Trade Tower (Office) investment property in Poland. The facility has a term of 10 years. The proceeds from the loan were used for general corporate purposes.

On 20 February 2020, the Group drew down the €62 million long-term multi borrower debt facility (Loan 44 and Loan 45), which was secured from ING Bank. The facility carries a fixed interest rate charge and is secured with mortgage on the Silesia Star and Retro House investment properties (Offices) in Poland. The facility has a term of 7 years. The proceeds from the loan were used for general corporate purposes.

On 12 June 2020, the Group drew down €20 million out of the €85 million long-term debt facility (Loan 41), which was secured from Erste Bank Group AG (part of Erste Bank Group). The facility carries a floating interest rate charge and is secured on the Globalworth Tower investment property (Office) in Romania. The new proceeds from the loan were used to enhance liquidity and general corporate purposes.

Financial covenants on secured loans

Financial covenants on secured loans are calculated based on the individual financial statements of the respective subsidiaries and subject to the following ratios:

- gross loan-to-value ratio ("LTV") with maximum values ranging from 60%–83% (2019: 48%–83%). LTV is calculated as the loan value divided by the market value of the relevant property (for a calculation date);
- the debt service cover ratio ('DSCR') minimum value 120% (2019: 120%). DSCR is calculated, depending on the respective credit facility, on the preceding 12-months historical ratio or projected future 12-months period ratio; and
- Minimum interest cover ratio ("ICR"), historic with minimum values from 350% and projected with minimum values from 250% (2019: 250%-350%), which was applicable to two properties as at 30 June 2020 (31 December 2019: same). Historic ICR is calculated, as Actual Net Rental Income as a percentage of the Actual Interest Costs for the twelve preceding months period from the calculation date. Projected ICR is calculated as Projected Net Rental Income as a percentage of the Projected Interest Costs for the twelve months period commencing immediately after the date of the calculation.

Secured bank loans are secured by investment properties which were recognised in the statement of financial position at fair value of €797.3 million at 30 June 2020 (2019: €546.4 million) and also carry pledges on rent receivable balances of €5.1 million (2019: €3.0 million), VAT receivable balances of €0.0 million (2019: €0.2 million) and a moveable charge on the respective bank accounts (refer to note 16).

Impact of COVID-19 on financial loan covenants on secured facilities

The Group is in compliance with all financial covenants and there were no payment defaults during the period ended 30 June 2020 (2019: same).

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14 Financial assets at fair value through profit or loss

Project name	Interest rate	Maturity date	31 December 2019	Transfers	Additions	Disposals	Valuation Gain/(Loss)	30 June 2020
			€'000	€'000	€'000	€'000	€'000	€'000
Short term:								
Beethovena I	fixed	June 2021	3,986	–	192	–	(87)	4,091
Browary Stage J	fixed	December 2020	16,501	–	–	(16,186)	42	357
Beethovena II	fixed	June 2021	–	3,098	811	–	196	4,105
Sub-total			**20,487**	**3,098**	**1,003**	**(16,186)**	**151**	**8,553**
Long term:								
Beethovena II	fixed	June 2021	3,098	(3,098)	–	–	–	–
TOTAL			**23,585**	**–**	**1,003**	**(16,186)**	**151**	**8,553**

Right of First Offer Agreements ('ROFO')

The fair value of the financial assets (ROFO bonds) is individually determined by taking into account a number of factors (the significant key factors are fair value of underlying investment properties, outstanding cost to complete the construction and leasing progress). Any significant change in inputs may result in significant change in the fair value of ROFO especially considering current COVID-19 environment. The maturity dates presented in the table above are stated in the agreements, however, the planned repayment dates of debentures would take place upon completion of each ROFO project. As at 30 June 2020, a gain of €0.2 million (2019: €1.6 million) from the fair valuation of the above financial instruments was recognised in the statement of comprehensive income, categorised Level 3 within the fair value hierarchy.

The Group is committed to invest in each of the ROFO Assets 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. As of 30 June 2020, the cumulative investment made by the Group under the ROFO Agreement amounts to €16.9 million (2019: €15.9 million) out of which €1 million was invested during the current period. Due to COVID-19 the completion date of the Beethovena development project was delayed to June 2021.

During the current period, the Group sold ROFO bonds related to Browary Stage J for an amount of €16.5 million out which €16.2 million sale proceeds was encashed until 30 June 2020 and the remaining balance is receivable from Echo Investment S.A., the majority stake holder.

15 Trade and Other receivables

	Note	30 June 2020 €'000	31 December 2019 €'000
Current			
Rent and service charges receivable		**17,985**	14,407
VAT and other taxes receivable		**9,514**	13,810
Consideration receivable from the sellers for property acquisitions		–	338
Advances to suppliers for services		**84**	154
Advances to sellers for property acquisition	5	**14,021**	–
Sundry debtors		**251**	254
		41,855	28,963

Rent and Service Charges receivable

Rent and service charges receivable are shown, in above table, net of an allowance for bad or doubtful debts. Rent and service charges receivable are non-interest-bearing and are typically due within 30-90 days (see more information on credit risk and currency profile in note 17.2). For the terms and conditions for related party receivables, see note 25.

16 Cash and Cash Equivalents

	30 June 2020 €'000	31 December 2019 €'000
Cash at bank and in hand	**80,822**	192,989
Short-term deposits	**485,230**	97,705
Cash and cash equivalents as per statement of cash flows	**566,052**	290,694
Guarantee deposits – cash reserve	**1,000**	1,000
Cash and cash equivalents as per statement of financial position	**567,052**	291,694

Cash at bank and in hand includes restricted cash balances of €5.2 million (2019: €10.8 million) and short-term deposits include restricted deposits of €3.8 million (2019: €3.1 million). The restricted cash balance can be used to repay the outstanding debts and repayment of deposits to tenants. The restricted cash balance of €0.2 million (2019: €0.2 million) held by Globalworth Foundation can only be used for charity purposes. Details of cash and cash equivalents denominated in foreign currencies are disclosed in note 17.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at rates on Euro deposits ranging from minus 0.61% to 0.35% (2019: minus 0.61% to 0.35%) per annum, for PLN deposits from nil to 1.35% (2019: nil to 1.48%) per annum and for RON deposits from 1.04% to 2.55% (2019: 1.14% to 3.23%) per annum. In RON deposits highest interest rate was earned on overnight deposits.

17 Financial Risk Management – Objective and Policies

The Group is exposed to the following risks from its use of financial instruments:

- Market risk (including currency risk, interest rate risk);
- Credit risk; and
- Liquidity risk.

17.1 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group's market risks arise from open positions in: (a) foreign currencies; and (b) interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

17.1 a) Foreign Currency Risk

The Group has entities registered in several EU countries, with the majority of operating transactions arising from its activities in Romania and Poland. Therefore, the Group is exposed to foreign exchange risk, primarily with respect to the Romanian Lei (RON) and Polish Zloty (PLN). Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the Group. The Group's exposure to foreign currency risk was as follows (based on nominal amounts):

	30 June 2020				31 December 2019			
	Denominated in				Denominated in			
Amounts in €'000 equivalent value	RON	PLN	GBP	USD	RON	PLN	GBP	USD
ASSETS								
Cash and cash equivalents	**17,085**	**16,136**	**235**	**2**	24,715	39,138	27	2
Trade and other receivables	**12,756**	**14,053**	**–**	**–**	15,130	11,663	–	–
Contract assets	**383**	**498**	**–**	**–**	2,270	2,987	–	–
Income tax receivable	**205**	**1,326**	**–**	**–**	208	47	–	–
Total	**30,429**	**32,013**	**235**	**2**	42,323	53,835	27	2
LIABILITIES								
Trade and other payables	**18,136**	**9,498**	**–**	**–**	11,342	10,919	–	–
Lease liability	**–**	**29,671**	**–**	**–**	–	32,077	–	–
Income tax payable	**270**	**24**	**–**	**–**	402	348	–	–
Guarantees from subcontractors	**–**	**2,062**	**–**	**–**	–	2,107	–	–
Deposits from tenants	**3,083**	**6,965**	**–**	**–**	3,068	6,151	–	–
Total	**21,489**	**48,220**	**–**	**–**	14,812	51,602	–	–
Net exposure	**8,940**	**(16,207)**	**235**	**2**	27,511	2,233	27	2

17. Financial Risk Management – Objective and Policies - *continued*

Foreign Currency Sensitivity Analysis

As of the statement of financial position date, the Group is mainly exposed to foreign exchange risk in respect of the exchange rate fluctuations of the RON and PLN. The following table details the Group's sensitivity (impact on income statement before tax and equity) to a 5% devaluation in RON, PLN and GBP exchange rates against the Euro, on the basis that all other variables remain constant.

The 5% sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 5% appreciation in the Euro against other currencies, excluding lease liability. As of 1 January 2019, the Group recognised Investment Property – leasehold assets and a corresponding lease liability of a similar amount in the underlying currency (PLN). As the lease liability is a financial obligation it has been included in the above table under the related IFRS 7 requirements, whereas the Investment Property – leasehold asset is not a financial asset.

	30 June 2020		31 December 2019	
All amounts in €'000	**Profit or (loss)**	**Equity**	Profit or (loss)	Equity
RON	**(447)**	**(447)**	(1,376)	(1,376)
PLN	**810**	**810**	(112)	(112)
GBP	**(12)**	**(12)**	(1)	(1)

A 5% devaluation of the Euro against the above currencies would have had an equal but opposite impact on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

17.1 b) Interest Rate Risk

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flows risk is the risk that the interest cost will fluctuate over time.

The Group's interest rate risk principally arises from interest-bearing loans and borrowings. As at 30 June 2020, the total outstanding balance of interest-bearing loans and borrowing 79.3% (2019: 90.5%) carry fixed rate interest, as a consequence, the Group is exposed to fair value interest rate risk, which has been disclosed under IFRS but will not have an impact on the income statement. As of 30 June 2020, the fair value of such fixed rate debt was higher by €20 million (2019: higher with €89 million) than the carrying value as disclosed below in fair value hierarchy table.

Furthermore, as at 30 June 2020, from the total outstanding interest-bearing loans and borrowing balance 20.7% (2019: 9.5%) carry variable interest rate, which range from EURIBOR 1-month to EURIBOR 3-month rates, see note 14 for details on each individual loan. These loans expose the Group to cash flow interest rate risk and in order to minimise this risk, the Group hedged 4.4% (2019: 13.3%) of such variable interest rate exposure with fixed-variable interest rate swap instrument and further 18.0% (2019: 25.8%) hedged with interest rate cap instruments.

Based on the Group's debt balances at 30 June 2020, an increase or decrease of 25 basis points in the EURIBOR will result in an increase or decrease (net of tax) of interest expense by €4.6 million (2019: €2.2 million), with a corresponding impact on equity for the same amount. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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17. Financial Risk Management – Objective and Policies – *continued*

17.2 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's policy is to trade with recognised and creditworthy third parties. The Group's exposure is continuously monitored and spread amongst approved counterparties. The Group's maximum exposure to credit risk, by class of financial asset, is equal to their carrying values at the statement of financial position date.

	Note	**30 June 2020 €'000**	31 December 2019 €'000
Financial assets measured at fair value through profit or loss	14	**8,553**	23,585
Loan receivable from joint venture	22	**21,766**	7,847
Trade receivables – net of provision	15	**17,985**	14,407
Advances to sellers for property acquisition	15	**14,021**	–
Contract assets		**881**	5,257
Other receivables	15	**251**	592
Guarantees retained by tenants		**853**	858
VAT and other taxes receivable	15	**9,514**	13,810
Income tax receivable		**1,533**	255
Cash and cash equivalents	16	**567,052**	291,694
		642,409	358,305

Financial assets at fair value through profit or loss and other comprehensive income

The Group places funds in financial instruments issued by reputable real estate companies with high credit worthiness.

Contract assets and Trade Receivables

A trade receivable is recognised if an amount of consideration that is unconditional is due from the customer (only the passage of time is required before payment of the consideration is due).

There is no significant concentration of credit risk with respect to contract assets and trade receivables, as the Group has a large number of tenants, most of which are part of multinational groups, internationally dispersed, as disclosed in the interim report. For related parties, including the joint ventures, it is assessed that there is no significant risk of non-recovery.

Estimates and Assumptions Used for Impairment of Trade Receivables and contract assets

The Group's trade receivables do not contain any financing component and mainly represent lease receivables. Therefore, the Group applied the simplified approach under IFRS 9 and measured the loss allowance based on a provision matrix that is based on historical collection and default experience adjusted for forward looking factors in order to estimate the provision on initial recognition and throughout the life of the receivables at an amount equal to lifetime ECL (Expected Credit Losses). The assessment is performed on a six-month basis and any change in original allowance will be recorded as gain or loss in the income statement.

The Covid-19 pandemic and work from home policies have created a challenging environment for many industries and businesses and, in particular, for some of our retail tenants. We are in close contact with our tenants and we are communicating on a regular basis in order to understand and respond to their challenges, including the amendment of lease terms and also rescheduling of outstanding receivables on a few occasions. We continue to monitor the cash collections of rents daily throughout the entire portfolio. As of financial statements approval date, we have observed insignificant instances, primarily in our retail portfolio in the mixed-use segment, where invoices were not collected from tenants within due date or tenants requested rescheduling of outstanding invoices. This indicates, as per instances observed until the end of July 2020, a lower likelihood of possible business failures, though we continue to monitor closely all customers especially tenants who are facing financial difficulties due to Covid-19. We expect to see low to moderate risk delays in rent collection or low risk of non-payment of rent in the future, considering the current conditions in the absence of a vaccine or other solution against the Covid-19 pandemic. Refer to the Interim Report for further details on client incentive requests received so far and incentives granted.

17. Financial Risk Management – Objective and Policies - *continued*

For individual trade receivables, the Group assesses when there is sufficient objective evidence to require the impairment. It does this on the basis of the age of the relevant receivables, external evidence of the credit status of the counterparty and the status of any disputed amounts.

The movements in the provision for impairment of receivables during the respective periods were as follows:

	30 June 2020	31 December 2019
	€'000	€'000
Opening balance	**4,030**	4,546
Provision for specific doubtful debts	**1,201**	428
(Reversal of)/Provision for impairment based on the simplified approach under IFRS 9	**–**	(140)
Reversal of provision for doubtful debts	**(210)**	(444)
Utilised	**(110)**	(301)
Foreign currency translation income	**(90)**	(59)
Closing balance	**4,821**	4,030

The analysis by credit quality of financial assets, cumulated for rent, service charge and property management, is as follows:

	Neither past due nor impaired	Past due but not impaired				
		<90 days	<120 days	<365 days	>365 days	TOTAL
30 June 2020 (€'000)	**10,432**	**5,976**	**704**	**553**	**320**	**17,985**
31 December 2019 (€'000)	5,226	7,605	386	1,190	–	14,407

The customer balances which were overdue but not provisioned are due to the fact that the related customers committed and started to pay the outstanding balances subsequent to the period end. Further deposits payable to tenants may be withheld by the Group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contractual terms.

Advances to sellers for property acquisition

This balance relates to advance receivable from the seller on cancellation of pre-SPA agreement €14 million (2019: nil). Management has made due consideration of the credit risk associated with these balances resulting in no impairment loss being identified.

VAT and Other Taxes Receivable

This balance relates to corporate income tax paid in advance, VAT and other taxes receivable from the Romanian tax authorities. The balances are not considered to be subject to significant credit risk as all the amounts receivable from Government authorities are secured under sovereign warranty.

Cash and Cash Equivalents

The credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputable banks in different countries. The most significant part of the cash and cash equivalents balance is kept at the Company level with international banks having long-term credit rating range of A+ (2019: A+) and short term credit rating of A-1 (2019: A-1) and in Romania in local branches of reputable international banks with credit rating of BBB assigned by S&P or F2 assigned by Fitch (2019: BBB by S&P) and in Poland surplus funds from operating activities are deposited only for short-term periods (BBB+ by S&P), which are highly liquid with reputable institutions.

Loan receivable from joint ventures

Loan receivable from joint ventures are neither past due nor impaired.

17. Financial Risk Management – Objective and Policies - *continued*

Financial Instruments for which Fair Values are Disclosed

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of their fair values.

	Year	Carrying amount	Fair value hierarchy Level 1	Level 2	Level 3	Total
		€000	€000	€000	€000	€000
Interest-bearing loans and borrowings (note 13)	**2020**	**1,653,014**	**1,106,237**	**–**	**568,332**	**1,674,569**
	2019	1,323,920	1,172,441	–	240,251	1,412,692
Other current financial liabilities	**2020**	**1,221**	**–**	**1,221**	**–**	**1,221**
	2019	1,498	–	1,498	–	1,498
Financial asset at fair value through profit or loss	**2020**	**8,553**	**–**	**–**	**8,553**	**8,553**
	2019	23,585	–	–	23,585	23,585
Lease liabilities (note 3)	**2020**	**29,671**	**–**	**–**	**29,671**	**29,671**
	2019	32,077	–	–	32,077	32,077

The fair value of financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. When determining the fair values of interest-bearing loans and borrowings and lease liabilities the Group used the DCF method with inputs such as discount rate that reflects the issuer's borrowing rate as at the statement financial position date. Specifically, for the Eurobonds, their fair value is calculated on the basis of their quoted market price. The own non-performance risk at the statement of financial position date was assessed to be insignificant.

17.3 Liquidity Risk

The Group's policy on liquidity is to maintain sufficient liquid resources to meet its obligations as they fall due. Ultimate responsibility for liquidity risk management rests with management. The Group manages liquidity risk by maintaining adequate cash reserves and planning and close monitoring of cash flows. The Group expects to meet its financial liabilities through the various available liquidity sources, including a secure rental income profile, further equity raises and in the medium term, debt refinancing. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

The table below presents the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay and includes both interest and principal cash flows. As the amount of contractual undiscounted cash flows related to bank borrowings is based on variable rather than fixed interest rates, the amount disclosed is determined by reference to the conditions existing at the period end, that is, the actual spot interest rates effective at the end of period are used for determining the related undiscounted cash flows.

All amounts in €'000	**Contractual payment term**					**Difference from**	
30 June 2020	**<3 months**	**3 months–1 year**	**1-5 years**	**>5 years**	**Total**	**carrying amount**	**Carrying amount**
Interest-bearing loans and borrowings	**3,547**	**40,987**	**1,573,524**	**220,070**	**1,838,128**	**(185,114)**	**1,653,014**
Lease liability	**–**	**2,084**	**7,492**	**128,482**	**138,058**	**(108,387)**	**29,671**
Trade payables and guarantee retained from contracts (excluding advances from customers)	**41,486**	**3,117**	**2,081**	**–**	**46,684**	**–**	**46,684**
Other payables	**256**	**–**	**–**	**–**	**256**	**–**	**256**
Provision for tenant lease incentives	**–**	**634**	**–**	**–**	**634**	**–**	**634**
Deposits from tenants	**15,653**	**914**	**3,162**	**396**	**20,125**	**(368)**	**19,757**
Income tax payable	**651**	**–**	**–**	**–**	**651**	**–**	**651**
Total	**61,593**	**47,736**	**1,586,259**	**348,948**	**2,044,536**	**(293,869)**	**1,750,667**

All amounts in €'000 31 December 2019	Contractual payment term <3 months	3 months– 1 year	1-5 years	>5 years	Total	Difference from carrying amount	Carrying amount
Interest-bearing loans and borrowings	18,365	21,300	718,493	735,530	1,493,688	(169,768)	1,323,920
Lease liability	–	1,887	7,470	130,355	139,712	(107,635)	32,077
Trade payables and guarantee retained from contracts (excluding advances from customers)	41,986	1,839	1,716	21	45,562	–	45,562
Other payables	–	253	–	–	253	–	253
Provision for tenant lease incentives	–	1,353	–	–	1,353	–	1,353
Deposits from tenants	13,951	2,004	3,228	715	19,898	(450)	19,448
Income tax payable	821	–	–	–	821	–	821
Total	75,123	28,636	730,907	866,621	1,701,287	(277,853)	1,423,434

17.4 Other current financial liabilities

Other current financial liabilities represent the mark-to-market value of an interest rate swap, obtained from the counterparty financial institution, at €1.2 million (2019: €1.5 million) at the end of 2019. The fair value of derivative was developed in accordance with the requirements of IFRS 13. Under the terms of the swap agreement, the Group is entitled to receive a floating rate of 1 month EURIBOR at a notional amount of €16.17 million (2019: €16.83 million) and is required to pay a fixed rate of interest of 3.62% p.a. on the said notional amount in monthly instalments, with maturity date of June 2022. The movement in fair value recognised in the income statement for the period was a financial income of €0.3 million (30 June 2019: €0.18 million).

The Group assessed that the fair values of other financial assets and financial liabilities, such as trade and other receivables, guarantees retained by tenants, cash and cash equivalents, income tax receivable and payables, trade and other payables, guarantees retained from contractors and deposits from tenants, approximate their carrying amounts largely due to short-term maturities and low transaction costs of these instruments as of the statement of financial position date.

The disclosures in this section focus on dividend distributions, the share schemes in operation and the associated share-based payment charge to profit or loss. Other mandatory disclosures, such as details of capital management, are also disclosed in this section.

18 Dividends

	30 June 2020 €'000	30 June 2019 €'000
Declared and paid during the period		
Interim cash dividend: 30 cents per share (2019: 27 cents per share)	**66,443**	35,776

On 16 January 2020, the Board of Directors of the Company approved the payment of an interim dividend in respect of the six-month financial period ended 31 December 2019 of €0.30 per ordinary share, which was paid on 7 February 2020 to the eligible shareholders.

19 Financial Position Key Performance Measures

The net asset value ("NAV"), EPRA NAV and the numbers of shares used for the calculation of each key performance measure on the financial position of the Group and the reconciliation between IFRS and EPRA measures are shown below

	Note	30 June 2020 €'000	31 December 2019 €'000
Net assets attributable to equity holders of the Company		**1,799,237**	1,914,667
Number of ordinary shares used for the calculation of:		**Number**	Number
NAV per share	12	**221,208**	221,479
Diluted NAV and EPRA NAV per share	12	**222,368**	222,410
		€	€
NAV per share		**8.13**	8.64
Diluted NAV per share		**8.09**	8.61

EPRA Net Asset Value ('EPRA NAV') Per Share	Note	30 June 2020 €'000	31 December 2019 €'000
Net assets attributable to equity holders of the Company		**1,799,237**	1,914,667
Exclude:			
Deferred tax liability on investment property	11	**161,121**	157,621
Fair value of interest rate swap instrument	17.4	**1,217**	1,498
Goodwill as a result of deferred tax		**(5,697)**	(5,697)
Adjustment in respect of the joint venture for above items		**1,594**	1,301
EPRA NAV attributable to equity holders of the Company		**1,957,472**	2,069,390
		€	€
EPRA NAV per share		**8.80**	9.30

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20 Share-Based Payment Reserve

Share-based payments reserve	Note	30 June 2020 €'000	Treasury shares Number ('000)	31 December 2019 €'000	Treasury shares Number ('000)
Executive share option plan	20.1	**158**	**–**	158	–
Shares granted to Executive Directors and other senior management employees – not transferred	20.2	**864**	**(86)**	838	(86)
Subsidiaries' Employees Share Award Plan	20.3	**180**	**(104)**	–	–
Performance Incentive Scheme	20.4	**2,544**	**–**	2,544	–
Deferred annual bonus plan	20.5.1	**2,913**	**–**	1,888	–
Long-term incentive plan	20.5.2	**246**	**–**	143	–
		6,905	**(190)**	5,571	(86)

Share-based payments expense		30 June 2020 €'000	30 June 2019 €'000
Total expense during the period	20.3	**194**	390

20.1 Executive Share Option Plan

Under the plan, the Directors of the Group were awarded share option warrants as remuneration for services performed. The share options granted to the Directors of the Group are equity settled.

In 2013, the Group granted warrants to the Founder and the Directors which entitle each holder to subscribe for Ordinary shares in the Company at an exercise price of €5.00 per share if the market price of an Ordinary share, on a weighted average basis over 60 consecutive days, exceeds a specific target price and the holder is employed on such date. The contractual term of each warrant granted is 10 years. There are no cash settlement alternatives and the Group does not have the intention to offer cash settlement for these warrants.

The following table analyses the total cost of the executive share option plan (Warrants), together with the number of options outstanding:

	30 June 2020		31 December 2019	
	Cost €'000	Number ('000)	Cost €'000	Number ('000)
Closing balance	**158**	**2,850**	158	2,850
Weighted average remaining contractual life (years)		**3.08**		3.58
Warrants vested and exercisable as at the reporting date		**20**		20

The fair value of the warrants was estimated at the grant date (i.e. July 2013) at €0.073 per share. There have been no cancellations or modifications to any of the plans during the period.

20.2 Shares granted to Executive Directors and other senior management employees

	30 June 2020 €'000	31 December 2019 €'000
At the beginning of the period	**838**	1,528
Shares granted to Executive Directors and other senior management employees	**–**	85
Shares issued to the Executive Directors and other senior management employees	**–**	(903)
Unpaid dividend on unvested shares	**26**	128
Closing balance	**864**	838

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20. Share-Based Payment Reserve- continued

20.3 Subsidiaries' Employees Share Award Plan

	30 June 2020 €'000	31 December 2019 €'000
Opening balance	–	431
Share-based payment expense during the period	**194**	353
Shares vested and exercised during the period	**(14)**	(784)
Closing balance	**180**	–
Weighted average remaining unvested period (years)	0.75	–
Weighted average price per share – unvested shares	€7.00	–

Under the share award plan, the subsidiaries' employees are required to remain in service for a one-year period after the date of acceptance of the share offer letter. The Company anticipates that all employees will remain in service until the expiry of the unvested period.

20.4 Performance Incentive Scheme

As announced on 13 June 2019, along with the adoption of a new Group-wide remuneration policy, the Group has decided to terminate the existing incentive fee arrangements (the "Plan") therefore €2.544 million was credited to share-based payment shares, representing 0.3 million shares to be delivered to employees in certain subsidiaries in 2020 at a price of 9.10 per share related to termination of long-term performance incentive scheme. For the calculation of earnings per share under IAS 33, these shares were counted for the calculation of dilutive EPS.

20.5 Group remuneration policy

20.5.1 Deferred annual bonus plan (DABP)

The Investment Adviser and selected senior employees will be eligible to participate in an annual bonus plan. The current annual bonus plan for participants in the scheme will be paid through a combination of 50% cash and 50% deferred shares. The maximum award for each participant will not exceed 150% of annual salary, target performance will not exceed 75% of annual salary and threshold performance will not exceed 37.5% of annual salary. Awards under the DABP will vest in three instalments on the first, second and third anniversaries of the date of grant. Participants will be entitled to receive dividend equivalents on the unvested shares until, and payable on or shortly after, they vest.

The Remuneration Committee will set performance targets for the annual bonus at the start of each financial year to ensure performance measures and weightings are appropriate and support the business strategy. The performance targets will be primarily based upon Key Performance Indicators, although there may also be elements subject to other measures and factors.

Deferred annual bonus plan - *equity settlement*	**30 June 2020 €'000**	31 December 2019 €'000
At the beginning of the period	**1,888**	–
Share based expensed during the year	–	3,776
Cash-based portion of annual incentive plan	–	(1,888)
Cash-based portion of annual incentive plan converted to equity settled plan	**1,025**	–
Closing balance	**2,913**	1,888

Following the assessment performed of the 2019 annual year's achievements for the specific key performance indicators compared to the target amounts set for the 2019, the Group has provisioned €3.8 million for the benefit of DABP participants as of 31 December 2019 representing the 50% cash element, for an amount of €1.9 million and a similar amount as deferred shares element. However due to COVID-19, the Board converted the remaining cash-based liability into an equity settled performance plan in order to maintain the level of liquidity.

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20. Share-Based Payment Reserve- continued

20.5.2 Long-term Incentive Plan

The LTIP provides the long-term incentive arrangement for the Investment Adviser and selected senior employees (the "LTIP Participants"). Under the LTIP, it is intended that performance share awards will be granted on an annual basis either in the form of Company shares without cost to the LTIP participant or nil (or nominal) cost options to subscribe to Company shares. Annual awards will be determined by reference to that number of shares which equals in value to a maximum of 100% of salary for employees who are not a director of the Company and 150% of salary for Executive Directors of the Company. Awards will vest three years from the date of grant of the award (or upon the assessment of performance conditions if later) subject to the LTIP participant's continued service and the extent to which the performance conditions specified for the awards are satisfied.

Performance conditions applying to the first awards will be based 50% on relative Total Shareholder Return ("TSR") and 50% on growth in Total Accounting Return per share ("TAR") (defined as the growth in the Company's EPRA Net Asset Value per share and dividend distributions per share paid over the three-year LTIP performance period). The achievement of a threshold level of performance will result in vesting of 25% of the maximum award. Full vesting will occur for equalling or exceeding the maximum performance target. A target level of performance may also be set between the threshold and maximum performance targets. The level of vesting for the achievement of target performance would take account of the difficulty of achieving target performance. Straight-line vesting will take place for performance between threshold, target, and maximum. Dividend equivalents will be paid in relation to shares which vest until the normal vesting date or, if there is one, until the end of the holding period.

Long-term incentive plan	**30 June 2020 €'000**	31 December 2019 €'000
At the beginning of the period	**143**	–
Share based expensed during the year	–	143
Unpaid dividend on unvested shares	**103**	–
Closing balance	**246**	143

The Long Term Fees in the form of LTIP shares to be awarded to the Investment Adviser and the consequently the number shares to be awarded by the Investment Adviser to the Executive Directors and other executives of the Investment Adviser will be determined following the end of the performance period and after the publication of the TAR of the Company for the year ended 31 December 2021, as well as the availability of the TSR data for all the companies in 3 comparator groups.

20.6 Treasury shares

		30 June 2020		31 December 2019	
	Note	**Amount**	**Number**	Amount	Number
		€'000	**('000)**	€'000	('000)
Opening balance		**(8,379)**	**(929)**	(842)	(94)
Shares purchased in cash by the Company	20.6.1	**(1,624)**	**(271)**	(7,295)	(800)
Shares for Executive Directors and other senior management employees		–	–	464	51
Shares for subsidiaries' employee share award plan		–	–	784	87
Shares for subsidiaries' employee share award plan – vested and given	20.3	**14**	**2**	–	–
Shares for performance incentive plan termination		–	–	1,538	169
Shares for long-term incentive plan		–	–	(3,028)	(342)
Closing balance		**(9,989)**	**(1,198)**	(8,379)	(929)

20.6.1 Shares purchased in cash by the Company

During the first six months of 2020, the Group purchased 271,104 of its own ordinary shares of no par value for the total amount of €1.624 million in order to meet obligations arising under share award plans in place for the Group.

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21 Capital Management

The Company has no legal capital regulatory requirement. The Group's policy is to maintain a strong equity capital base so as to maintain investor, creditor and market confidence and to sustain the continuous development of its business. The Board considers from time to time whether it may be appropriate to raise new capital by a further issue of shares. The Group monitors capital primarily using an LTV ratio and manages its gearing strategy to a long-term target LTV of less than 40%.

The LTV is calculated as the amount of outstanding debt (Group's debt balance plus 50% of joint ventures' debt balance), less cash and cash equivalents (Group cash balance plus 50% of joint ventures' cash balance), divided by the open market value of its investment property portfolio (Group's investment property- freehold portfolio plus 50% of joint ventures' investment property – freehold value) as certified by external valuers. The future share capital raise or debit issuance are influenced, in addition to other factors, by the prevailing LTV ratio.

	Note	**30 June 2020 €'000**	31 December 2019 €'000
Interest-bearing loans and borrowings (face value)	13	**1,671,685**	1,342,050
Less:			
Cash and cash equivalents	16	**567,052**	291,694
Group Interest-bearing loans and borrowings (net of cash)		**1,104,633**	1,050,356
Add:			
50% Share of joint ventures interest-bearing loans and borrowings		**–**	–
50% Share of joint ventures cash and cash equivalents	22.2	**(426)**	(129)
Combined Interest-bearing loans and borrowings (net of cash)		**1,104,207**	1,050,227
Investment property	3	**2,966,585**	3,016,878
Less:			
Other operating lease commitment		**635**	1,308
Group open market value as of financial position date		**2,965,950**	3,015,570
Add:			
50% Share of joint ventures open market value as of financial position date	22.2	**23,450**	14,750
Open market value as of financial position date		**2,989,400**	3,030,320
Loan-to-value ratio ("LTV")		**36.9%**	34.7%

Since, the carrying value of lease liability, related to the right of perpetual usufruct of the lands, resembles the fair value of the investment property – leasehold as at 30 June 2020 (2019: same) under the applicable accounting policy as per IFRS 16 therefore both asset and liability are excluded from above calculation.

This section includes details about Globalworth's subsidiaries, if any new business and /or new properties acquired, investment in joint ventures and related impact on the statement of comprehensive income and cash flows.

22 Investment in Joint Ventures

Investments	Note	30 June 2020 €'000	31 December 2019 €'000
Opening balance		**10,010**	5,319
Investments in the joint venture (including acquisition costs)	22.1	**-**	6,452
Transition of joint venture to subsidiary with change of control		**-**	(9,511)
Share of profit during the period		**1,258**	7,750
Sub-total		**11,268**	10,010
Loans receivable from joint ventures			
Opening balance		**7,847**	32,997
Loan provided to the joint ventures		**13,656**	10,267
Loan repayments from the joint ventures		**-**	(4,389)
Interest repayment from the joint ventures		**-**	(627)
Interest income for the loans to joint ventures		**263**	1,046
Transition of joint venture to subsidiary with change of control		**-**	(31,447)
Sub-total		**21,766**	7,847
TOTAL		**33,034**	17,857

22.1 Investments in the Joint Ventures

In April 2019, the Group's subsidiary, Globalworth Holding Cyprus Limited, entered into a joint venture agreement with Bucharest Logistic Park SRL, through which it acquired a 50% shareholding interest (€0.09 million investment) in Global Logistics Chitila SRL ("Chitila Logistics Hub"), an unlisted company in Romania, owning land for further development in Chitila, Romania. The land was classified under the industrial segment for the Group.

In June 2019, the Group's subsidiary, Globalworth Holdings Cyprus Limited, entered into a joint venture agreement with Mr. Sorin Preda through which it acquired a 50% shareholding interest (€6.36 million investment) in Black Sea Vision SRL ("Constanta Business Park"), an unlisted company in Romania, owning land for further development in Constanta, Romania. The land was classified as industrial segment for the Group.

Judgements and assumptions used for Joint Ventures

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. Following such assessment, the Group's investment was classified as a joint venture. Until the disposal date, the carrying amount of the investment is the joint venture was recorded at cost plus the change in the Group's share of net assets of the joint venture until the disposal date.

As at 30 June 2020, the Group determined that there is no objective evidence that the investments in the joint venture are impaired. The financial statements of the joint ventures are prepared for the same reporting period as the Group. The joint ventures had no other contingent liabilities or commitments as at 30 June 2020 (2019: €nil), except construction commitments disclosed in note 6.

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22. Investment in Joint Ventures – *continued*

22.2 Summarised statements of financial position of the joint ventures as at reporting date

The summarised statements of financial position of the joint ventures is disclosed below, which represents the assets and liabilities recognised in the financial statements of each joint venture without adjusting of the balance payable to or receivable from the Group.

Transactions and balances receivable or payable between the Group and the individual joint ventures are disclosed in note 25.

	30 June 2020 €'000	30 June 2020 €'000	30 June 2020 €'000	31 December 2019 €'000	31 December 2019 €'000	31 December 2019 €'000
	Constanta Business Park	**Chitila Logistics Hub**	**Combined**	Constanta Business Park	Chitila Logistics Hub	Combined
Investment property under development	**11,900**	**11,900**	**23,800**	3,300	3,100	6,400
Land bank – for further development	**19,300**	**3,800**	**23,100**	19,300	3,800	23,100
Other non-current assets	**110**	**244**	**354**	1,074	1,203	2,277
Total non-current assets	**31,310**	**15,944**	**47,254**	23,674	8,103	31,777
Other current assets	**1,451**	**1,474**	**2,925**	506	368	874
Cash and cash equivalents	**796**	**56**	**852**	98	159	257
Total assets	**33,557**	**17,474**	**51,031**	24,278	8,630	32,908
Loans payable to the Group	**10,346**	**11,419**	**21,765**	2,909	4,938	7,847
Loan from joint venture partner	**156**	**254**	**410**	153	–	153
Other non-current liabilities	**2,831**	**354**	**3,185**	2,495	108	2,603
Total non-current liabilities	**13,333**	**12,027**	**25,360**	5,557	5,046	10,603
Loan from joint venture partner	**–**	**2,665**	**2,665**	–	2,614	2,614
Other current liabilities	**794**	**1,212**	**2,006**	897	456	1,353
Total liabilities	**14,127**	**15,904**	**30,031**	6,454	8,116	14,570
Net equity	**19,430**	**1,570**	**21,000**	17,824	514	18,338

The Group has signed loan facilities, amounting to €29.2 million, with Chitila and Constanta joint ventures to fund the development costs of the projects, out of which €7.8 million was available for future drawdown as of 30 June 2020 (31 December 2019: €10.5 million). Further details on investment property is disclosed in note 4.1.

22.3 Summarised statements of financial performance of the joint ventures

The table below includes individual and combined income statements of the joint venture extracted from the individual financial statements of each joint venture without adjusting for the transactions with the Group.

	30 June 2020 €'000	30 June 2020 €'000	30 June 2020 €'000	30 June 2019 €'000	30 June 2019 €'000	30 June 2019 €'000	30 June 2019 €'000
	Constanta Business Park	**Chitila Logistics Hub**	**Combined**	Renault Bucharest Connected & GW West	Constanta Business Park	Chitila Logistics Hub	Combined
Revenue	**–**	**–**	**–**	2,842	–	–	2,842
Operating expenses	**–**	**(9)**	**(9)**	(855)	–	–	(855)
Administrative expenses	**(15)**	**(21)**	**(36)**	(26)	–	(10)	(36)
Fair value gain on investment property	**1,975**	**1,448**	**3,423**	1,030	7,740	608	9,378
Foreign exchange loss	**(21)**	**(25)**	**(46)**	(89)	-	(2)	(91)
Profit before net financing cost	**1,939**	**1,393**	**3,332**	2,902	7,740	596	11,238
Net finance cost	**4**	**(91)**	**(87)**	(838)	–	–	(838)
Income tax expense	**(335)**	**(248)**	**(583)**	(702)	(1,238)	(94)	(2,034)
Total comprehensive income for the period	**1,608**	**1,054**	**2,662**	1,362	6,502	502	8,366

Income tax expense mainly represents deferred tax expense on the valuation of investment property.

22 Investment in Joint Ventures - *continued*

22.4 Share of profit of equity-accounted investments in joint ventures

The following table presents a reconciliation between the profit for the period ended 30 June 2020 and 31 December 2019 recorded in the individual financial statements of the joint ventures with the Share of profit recognised in the Group's financial statements under equity method.

	30 June 2020 €'000 Constanta Business Park	**30 June 2020 €'000 Chitila Logistics Hub**	**30 June 2020 €'000 Combined**	30 June 2019 €'000 Renault Bucharest Connected & GW West	30 June 2019 €'000 Constanta Business Park	30 June 2019 €'000 Chitila Logistics Hub	30 June 2019 €'000 Combined
Profit for the period	**1,608**	**1,054**	**2,662**	1,362	6,502	502	8,366
Group 50% share of profit for the period	**804**	**527**	**1,331**	681	3,251	251	4,183
Adjustments for transaction with the Group	**(56)**	**(17)**	**(73)**	206	–	(5)	201
Share of profit of equity-accounted investments in joint ventures	**748**	**510**	**1,258**	887	3,251	246	4,384

23 Investment in Subsidiaries

Details on all direct and indirect subsidiaries of the Company, over which the Group has control and consolidated as of 30 June 2020 and 31 December 2019, are disclosed in the table below.

As of 30 June 2020, the Group consolidated following subsidiaries, being holding companies as principal activities.

Subsidiary	Note	30 June 2020	31 December 2019	Place of incorporation
		Shareholding interest (%)	Shareholding interest (%)	
Globalworth Investment Advisers Limited		**100**	100	Guernsey, Channel Islands
Globalworth Finance Guernsey Limited	23.2	**100**	100	
Globalworth Holding B.V. Globalworth Poland Real Estate N.V.	23.1	– –	100 100	Netherlands
Elgan Automotive Kft.		**100**	100	Hungary
Globalworth Holdings Cyprus Limited Globalworth Tech Limited Zaggatti Holdings Limited Tisarra Holdings Limited Ramoro Limited Vaniasa Holdings Limited Serana Holdings Limited Kusanda Holdings Limited Kifeni Investments Limited Casalia Holdings Limited Pieranu Enterprises Limited Dunvant Holding Limited Oystermouth Holding Limited Saniovo Holdings Limited Kinolta Investments Limited Saniovo Holdings Limited Minory Investments Limited	23.2	**100**	100	Cyprus
IB 14 Fundusz Inwestycyjny Zamkniety Aktywow Niepublicznych Akka RE Sp. z o.o. December RE Sp. z o.o. Nordic Park Offices Sp. z o.o. Dom Handlowy Renoma Sp. z o.o. GPRE Management Sp. z o.o. Lima Sp. z o.o. Luapele Sp. z o.o. GPRE Property Management Sp. z o.o. Wagstaff Investments Sp. z o.o. West Gate Wroclaw Sp. z o.o.	23.1	**100**	100	Poland
Lamantia Investments Sp. z o.o. Lamantia Sp. z o.o West Link Investments Sp. z o.o. West Link Sp. z o.o. Gold Project Investments Sp z o.o. Light Project Sp. z o.o.	23.1	–	100	Poland

As of 30 June 2020, the Group consolidated the following subsidiaries, which own real estate assets in Romania and Poland, being asset holding companies as their principal activities, except Globalworth Building Management SRL with building management activities, Fundatia Globalworth in Romania and Fundacja Globalworth in Poland, a non-profit organisation with corporate social responsibility activities.

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23. Investment in Subsidiaries *continued*

Subsidiary	Note	30 June 2020 Shareholding interest (%)	31 December 2019 Shareholding interest (%)	Place of incorporation
Aserat Properties SRL BOB Development SRL BOC Real Property SRL Corinthian Five SRL Corinthian Tower SRL Corinthian Twin Tower SRL Elgan Automotive SRL Elgan Offices SRL Globalworth Asset Managers SRL Globalworth Building Management SRL Globalworth EXPO SRL SPC Beta Property Development Company SRL SPC Epsilon Property Development Company SRL SPC Gamma Property Development Company SRL Netron Investment SRL SEE Exclusive Development SRL Tower Center International SRL Upground Estates SRL Fundatia Globalworth		**100**	100	Romania
DH Supersam Katowice Sp. z o.o. Hala Koszyki Sp. z o.o. Dolfia Sp. z o.o. Ebgaron Sp. z o.o. Bakalion Sp. z o.o. Centren Sp. z o.o. Tryton Business Park Sp. z o.o. A4 Business Park Sp. z o.o. West Link Sp. z o.o. (previously Elissea Investments Sp. z o.o.) Lamantia Sp. z o.o. (previously Charlie RE Sp. z o.o.) Dom Handlowy Renoma Investments Sp. z o.o. Nordic Park Investments Sp. z o.o. Warta Tower Sp. z o.o. Quattro Business Park Sp. z o.o. West Gate Investments Sp. z o.o. Gold Project Sp. z o.o. Spektrum Tower Sp. z o.o. Warsaw Trade Tower 2 Sp. z o.o. Rondo Business Park Sp. z o.o. Artigo Sp. z o.o. Ingadi Sp. z o.o. Imbali Sp. z o.o. Kusini Sp. z o.o. Podium Park Sp. z o.o. (previously Podium Investment Sp. z o.o.) Fundacja Globalworth	23.1	**100**	100	Poland

Changes in Group structure during six-month period ended 30 June 2020

23.1 Mergers during the period

During the six-month period ended 30 June 2020 the following subsidiaries merged:

- Charlie RE Sp. z o.o. absorbed two entities namely, Lamantia Investments Sp. z o.o. and Lamantia Sp. z o.o. As part of the merger process Charlie RE Sp. z o.o. was renamed to Lamantia Sp. z o.o. All companies were registered in Poland. Lamantia Investments Sp. z o.o. was the owner of Philips House investment property and the other companies were holding companies.
- Elissea Investments Sp. z o.o. absorbed two entities, namely West Link Investments Sp. z o.o. and West Link Sp. z o.o. As part of merger process Elissea Investments Sp. z o.o. was renamed to West Link Sp. z o.o. All companies were registered in Poland. West Link Investments Sp. z o.o. was the owner of West Link investment property and the other companies were holding companies.
- Gold Project Sp. z o.o. absorbed two entities, namely Gold Project Investments Sp z o.o. and Light Project Sp z o.o. All absorbed companies were holding companies registered in Poland. Gold Project Investments Sp z o.o. was the owner of Skylight & Lumen investment property and the other companies were holding companies.
- Globalworth Holding Cyprus Limited absorbed Globalworth Holding B.V.

23.2 Liquidations during the period

Globalworth Finance Guernsey Limited and Saniovo Holdings Limited filled for voluntary liquidation during 2019 and on 7 July 2020 and 13 July 2020, respectively, both were stricken off from the register of the Registrars of Companies in Guernsey and Cyprus, respectively.

This section includes segmental disclosures highlighting the core areas of Globalworth's operations in the Office, High-street mixed-use, residential, and other (industrial and corporate segments). There were no significant transactions between segments except for management services provided by the offices segment to the residential, High street mixed-use and other (industrial) segments. This section also includes the transactions with related parties, new standards and amendments, contingencies that existed at the period end and details on significant events which occurred subsequent to the period end.

24 Segmental Information

The Group earns revenue and holds non-current assets (investment properties) in Romania and Poland, the geographical area of its operations. For investment property, discrete financial information is provided on a property-by-property basis (including those under construction) to members of Board of Directors and executive management, which collectively comprise the Chief Executive Officer and Co-Chief Executive Officer of the Group. The information provided is Net Operating Income ('NOI' i.e. gross rental income less property expenses) and valuation gains/losses from property valuation at each semi-annual basis. The individual properties are aggregated into office, High street mixed use, industrial and residential segments.

Industrial property segment and head office segments are presented on collective basis as Others in below table since their individual assets, revenue and absolute profit (or loss) are below 10% of all combined total asset, total revenue and total absolute profit (or loss) of all segments. All other segments disclosed separately as these meet the quantitative threshold of IFRS 8.

Consequently, the Group is considered to have four reportable operating segments: the Offices segment (acquires, develops, leases and manages offices and spaces), the Residential segment (builds, acquires, develops and leases apartments), High street mixed use and the Other segment (acquires, develops, leases and manages industrial spaces and corporate office). Share-based payments expense is not allocated to individual segments as underlying instruments are managed at Group basis. Segment assets and liabilities reported to executive management on a segmental basis are set out below:

2020	Office	High Street Mixed use	Residential	Other	Inter-segment eliminations	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Rental income – Total	**69,236**	**6,515**	**872**	**4,845**	**(222)**	**81,246**
Romania	29,446	–	872	4,845	(137)	35,026
Poland	39,790	6,515	–	–	(85)	46,220
Revenue from contract with customers - Total	**27,655**	**2,789**	**294**	**2,260**	**(205)**	**32,793**
Romania	13,334	–	294	2,260	(180)	15,708
Poland	14,321	2,789	–	–	(25)	17,085
Revenue-total	**96,891**	**9,304**	**1,166**	**7,105**	**(427)**	**114,039**
Operating expenses	(28,223)	(3,410)	(502)	(2,361)	104	(34,392)
Segment NOI	**68,668**	**5,894**	**664**	**4,744**	**(323)**	**79,647**
NOI – Romania	*28,789*	–	*664*	*4,744*	*(238)*	*33,959*
NOI – Poland	*39,879*	*5,894*	–	–	*(85)*	*45,688*
Administrative expenses	(6,557)	(1,413)	(85)	(3,967)	3,198	(8,824)
Acquisition costs	(1,903)	–	–	(399)	–	(2,302)
Fair value gain/(loss) on investment property	(71,301)	(20,427)	(567)	318	–	(91,977)
Depreciation on other long-term assets	(50)	(1)	(32)	(120)	–	(203)
Other expenses	(766)	(583)	(129)	34	–	(1,444)
Other income	74	220	–	(9)	–	285
Foreign exchange loss	(339)	225	(10)	(43)	–	(167)
Finance cost	(22,914)	(490)	(2)	(122)	–	(23,528)
Finance income	773	22	30	378	–	1,203
Segment result	**(34,315)**	**(16,553)**	**(131)**	**814**	**2,875**	**(47,310)**
Share-based payment expense	–	–	–	(194)	–	(194)
Gain from fair value of financial instruments	151	–	–	–	–	151
Share of profit of equity-accounted investments in joint ventures	–	–	–	1,258	–	1,258
Profit/(loss) before tax	**(34,164)**	**(16,553)**	**(131)**	**1,878**	**2,875**	**(46,095)**

* Other expenses include a loss on sale of non-core investment property (apartments) and other one-off expenses.

24. Segmental Information- *continued*

	2019					
	Office	High Street Mixed use	Residential	Other	Inter-segment eliminations	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Rental income – Total	**58,023**	**8,356**	**1,098**	**4,514**	**(196)**	**71,795**
Romania	*25,772*	*–*	*1,098*	*4,514*	*(159)*	*31,225*
Poland	*32,251*	*8,356*	*–*	*–*	*(37)*	*40,570*
Revenue from contract with customers - Total	**25,087**	**3,876**	**349**	**3,170**	**(485)**	**31,997**
Romania	*12,185*	*–*	*349*	*3,170*	*(485)*	*15,219*
Poland	*12,902*	*3,876*	*–*	*–*	*–*	*16,778*
Revenue-total	**83,110**	**12,232**	**1,447**	**7,684**	**(681)**	**103,792**
Operating expenses	(28,352)	(4,162)	(542)	(2,893)	159	(35,790)
Segment NOI	**54,758**	**8,070**	**905**	**4,791**	**(522)**	**68,002**
NOI – Romania	*23,275*	*–*	*905*	*4,791*	*(500)*	*28,471*
NOI – Poland	*31,483*	*8,070*	*–*	*–*	*(22)*	*39,531*
Administrative expenses	(5,070)	(1,077)	(291)	(3,449)	2,903	(6,984)
Acquisition costs	–	–	–	(15)	–	(15)
Fair value gain/(loss) on investment property	54,546	(9,178)	(660)	4,341	–	49,049
Depreciation on other long-term assets	(123)	(2)	(33)	(1)	–	(159)
Other expenses	(4,641)	(49)	*(1,313)	(545)	–	(6,548)
Other income	232	7	11	415	(50)	615
Foreign exchange loss	(518)	7	(4)	(38)	–	(553)
Finance cost	(21,486)	(673)	(2)	(468)	–	(22,629)
Finance income	1,548	54	33	56	–	1,691
Segment result	**79,246**	**(2,841)**	**(1,354)**	**5,087**	**2,331**	**82,469**
Share-based payment expense	–	–	–	(390)	–	(390)
Gain from fair value of financial instruments	1,569	–	–	–	–	1,569
Share of profit of equity-accounted investments in joint ventures	886	–	–	3,498	–	4,384
Profit/(loss) before tax	**81,701**	**(2,841)**	**(1,354)**	**8,195**	**2,331**	**88,032**

* Other expenses include a loss on sale of non-core investment property (apartments) and other one-off expenses.

Revenues are derived from a large number of tenants and no tenant contributes more than 10% of the Group's rental revenues for the period ended 30 June 2020 (30 June 2019: €nil).

	30 June 2020					
	Office	High street Mixed use	Residential	Other	Inter segment eliminations	Total
Segments	€'000	€'000	€'000	€'000	€'000	€'000
Segment non-current assets	**2,533,881**	***289,167***	**70,681**	**168,176**	**651**	**3,062,556**
Romania	*1,183,745*	*–*	*70,681*	*168,176*	*(200)*	*1,422,402*
Poland	*1,350,136*	*289,167*	*–*	*–*	*851*	*1,640,154*
Total assets	**2,668,847**	**298,096**	**72,092**	**646,070**	**5,708**	**3,690,813**
Total liabilities	**1,779,973**	**21,939**	**25,132**	**63,219**	**1,313**	**1,891,576**
Additions to non-current assets						
– Romania	**16,275**	–	**236**	**232**	–	**16,743**
– Poland	**15,132**	**604**	–	–	–	**15,736**

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24. Segmental Information- *continued*

Segments	Office €'000	High street Mixed use €'000	Residential €'000	Other €'000	Inter segment eliminations €'000	€'000
	31 December 2019					
Segment non-current assets	2,618,082	313,788	69,108	132,908	(4,366)	3,129,520
Romania	*1,214,910*	–	*69,108*	*132,908*	*(200)*	*1,416,726*
Poland	*1,403,172*	*313,788*	–	–	*(4,166)*	*1,712,794*
Total assets	2,829,245	319,639	71,535	267,566	(6,298)	3,481,687
Total liabilities	1,454,551	22,225	25,403	63,002	1,839	1,567,020
Additions to non-current assets						
– Romania	59,004	–	334	6,550	–	65,888
– Poland	22,820	2,664	–	–	–	25,484

None of the Group's non-current assets are located in Guernsey except for goodwill (there are no employment benefit plan assets, deferred tax assets or rights arising under insurance contracts) recognised on business combination.

25 Transactions with Related Parties

The Group's related parties are joint ventures and the Company's Executive and Non-Executive Directors, other key Executives, as well as all companies controlled by them or under their joint control, or under significant influence. The related party transactions are set out in the table below:

		Income statement		Statement of financial position	
		Income/(expense)		Amounts owing (to)/from	
Name	**Nature of transactions / balances** **Amounts**	**30 June 2020 €'000**	30 June 2019 €'000	**30 June 2020 €'000**	31 December 2019 €'000
Mindspace Ltd.[1]	Trade and other receivables	–	–	n/a[1]	36
	Revenue	**665**	1,630	n/a[1]	–
	Deposits from tenant	–	–	n/a[1]	(1,167)
	Lease incentive[2]	–	–	n/a[1]	4,582
	Trade and other payables	–	–	n/a[1]	(144)
Global Logistics Chitila SRL (50% Joint Venture)	Shareholder loan receivable	–	–	**11,420**	4,939
	Finance income	**146**	17	–	–
	Office rent	**6**	51	–	–
Black Sea Vision SRL (50% Joint Venture)	Shareholder loan receivable	–	–	**10,346**	2,909
	Finance income	**117**	–	–	–
	Office rent	**6**	–	–	–
Mr. Adrian Danoiu (Chief Operating Officer)	Trade and other receivables	–	–	35	35
	Revenue from sale of commercial property	–	133	–	–
Mr. Ioannis Papalekas (Chief Executive Officer)	Donation made to Fundatia Globalworth	**200**	75	–	–
Mr. Dimitris Raptis (Deputy co-Chief Executive Officer & Chief Investment Officer)	Other income from sale of fully depreciated car	–	10	–	–

[1] A key Executive of Mindspace Ltd. is a close family member of a non-Executive Director of the Company. The non-Executive Director of the Company resigned from the Board of the Company on 30 March 2020, therefore, the above table only includes the transactions entered between the subsidiaries of Mindspace Limited (namely Mindspace Co-working SRL and Mindspace Poland S.A.) and certain subsidiaries of the Company until the end of his term in the office as non-Executive Director of the Company.

[2] Lease incentives granted in the year were capitalised in the value of Investment Property.

During the six-month period ended 30 June 2020, Mr. Ioannis Papalekas (Chief Executive Officer) donated €200,000 (30 June 2019: €75,000) to Fundatia Globalworth, a non-profit organisation setup for charity purpose and controlled by the Group.

26 New and Amended Standards

Starting from 1 January 2020 the Group adopted the following new and amended standards and interpretations. The new standards and amendments had no significant impact on the Group's financial position and performance during the period ended 30 June 2020.

Narrow scope amendments and new Standards	**Effective Date (EU endorsement)**
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform	**Jan-20**
Amendments to References to the Conceptual Framework in IFRS standards	**Jan-20**
Amendment to IAS 1 and IAS 8: Definition of Material	**Jan-20**
Amendment to IFRS 3 Business Combinations	**Jan-20**

26. New and Amended Standards *continued*

For other standards issued but not yet effective and not early adopted by the Group, the management believes that there will be no significant impact in the Group's consolidated financial statements.

Narrow scope amendments and new Standards	Expected effective Date (EU endorsement)
Amendment to IFRS 16 Leases Covid-19 Related Rent Concessions (issued on 28 May 2020)	
IFRS 17 Insurance Contracts	Jan-23
Amendment to IFRS 3 Business Combinations	Jan-22
Amendment to IAS 16 Property, Plant and Equipment	Jan-22
Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Jan-22
Annual Improvements 2018-2020	Jan-22
Amendment to IAS 1 Presentation of financial statements classification of liabilities as current or non-current	Jan-23
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19	Jan-21

27 Contingencies

Taxation

All amounts due to State authorities for taxes have been paid or accrued at the balance sheet date. The tax system in Romania and Poland undergoes a consolidation process and is being harmonised with the European legislation. Different interpretations may exist at the level of the tax authorities in relation to the tax legislation that may result in additional taxes and penalties payable. Where the State authorities have findings from reviews relating to breaches of tax laws, and related regulations these may result in confiscation of the amounts in case; additional tax liabilities being payable; fines and penalties (that are applied on the total outstanding amount). As a result, the fiscal penalties resulting from breaches of the legal provisions may result in a significant amount payable to the State. The Group believes that it has paid in due time and in full all applicable taxes, penalties, and penalty interests in the applicable extent.

Transfer Pricing

According to the applicable relevant tax legislation in Romania and Poland, the tax assessment of related party transactions is based on the concept of market value for the respective transfers. Following this concept, the transfer prices should be adjusted so that they reflect the market prices that would have been set between unrelated companies acting independently (i.e. based on the "arm's length principle"). It is likely that transfer pricing reviews will be undertaken in the future in order to assess whether the transfer pricing policy observes the "arm's length principle" and therefore no distortion exists that may affect the taxable base of the taxpayer in Romania and Poland.

Legal Proceedings

In recent years, the Romanian State Authorities initiated reviews of real estate restitution processes and in some cases commenced legal procedures where it has considered that the restitution was not performed in accordance with the applicable legislation. The Group is involved in one such case, which is currently at a very early stage and may take a very long time to be concluded, and management believes that the risk of any significant loss occurring in future is remote.

28 Subsequent Events

On 29 July 2020, the Company issued 2.950 per cent. €400 million new notes due 2026 (the "New Notes") under its €1.5 billion Euro Medium Term Notes Programme (the "Programme") offered pursuant a supplement base prospectus dated 17 July 2020. The New Notes are listed on the Main Market of the Irish Stock Exchange plc (trading as Euronext Dublin). The New Notes are the second drawdown under the Programme and constitute the Company's inaugural green bond offering pursuant to its green bond framework established in 2020.

Furthermore, Globalworth successfully purchased approximately €226.9 million Notes through a public tender offer from the holders of its outstanding €550 million 2.875 per cent notes due 2022 (the "Notes"), following which the net proceeds from its New Notes (excluding fees and related expenses) was amounting to €158.7 million. Globalworth intends to use the net proceeds from the New Notes to finance or refinance Eligible Green Projects, as further defined in the Company's green bond framework.

28. Subsequent Events *continued*

On 13 August 2020, the €200 million outstanding balance on the unsecured RCF debt facility was reimbursed in full in order to minimise finance cost while maintaining significant cash and cash equivalent levels based on very strong collections from the tenants despite the challenging environment . Furthermore, in order strength the Group's liquidity position, on 14 July 2020 the Group opted to increase the total RCF facility by €15 million by tapping in the additional €50 million uncommitted accordion option. Therefore, at the time of publication of these interim financial statements, the Group had undrawn revolving credit facility of €215 million.

On 26 August 2020, the Company announced that its Board of Directors had approved the payment of an interim dividend in respect of the six-month financial period ended 30 June 2020 of €0.19 per ordinary share, which will be paid on 2 October 2020 to shareholders on the register as at close of business on Friday 11 September 2020 with a corresponding ex-dividend date of Thursday 10 September 2020.

STANDING PORTFOLIO - BREAKDOWN BY LOCATION TYPE (30 JUNE 2020)

globalworth

	Number of		Value	Area	Occupancy Rate	Rent			Contracted Headline Rent / Sqm or Unit		
	Investments (#)	Properties (#)	GAV (€m)	GLA (k sqm)	by GLA (%)	Contracted Rent (€m)	WALL Years	100% Rent (€m)	Office (€/sqm/m)	Commercial (€/sqm/m)	Logistics /L.I. (€/sqm/m)
Office Portfolio											
Bucharest New CBD	7	11	815.3	315.4	91.0%	53.3	5.2	58.4	14.2	14.2	--
Bucharest Other	4	6	273.0	118.2	95.9%	18.9	6.5	20.3	13.2	13.0	--
Romania: Office	**11**	**17**	**1,088.3**	**433.6**	**92.3%**	**72.2**	**5.6**	**78.7**	**13.9**	**13.8**	**--**
Warsaw	8	9	588.9	188.6	87.6%	37.1	3.5	42.7	17.0	16.9	--
Krakow	4	11	298.0	129.3	89.7%	20.3	2.9	22.7	13.3	13.3	--
Wroclaw	3	3	146.4	56.6	99.0%	9.5	4.5	9.6	13.2	13.1	--
Lodz	1	2	70.4	35.5	97.4%	5.2	3.7	5.4	11.7	11.8	--
Katowice	2	5	126.2	63.3	100.0%	10.2	2.5	10.2	12.6	12.5	--
Gdansk	1	1	57.0	25.6	100.0%	4.2	2.0	4.2	12.4	12.4	--
Poland: Office	**19**	**31**	**1,286.9**	**498.8**	**92.3%**	**86.5**	**3.3**	**94.7**	**14.4**	**14.3**	**--**
Total Office Portfolio	**30**	**48**	**2,375.2**	**932.5**	**92.3%**	**158.7**	**4.3**	**173.4**	**14.2**	**14.1**	**--**
Mixed-Use Portfolio											
Warsaw	1	5	126.3	22.3	95.1%	6.9	4.7	7.2	22.7	24.7	--
Wroclaw	1	1	103.4	40.9	84.8%	6.2	4.7	7.4	12.5	13.5	--
Katowice	1	1	51.1	24.3	95.6%	3.9	3.2	4.2	13.8	13.1	--
Total Mixed-Use Portfolio	**3**	**7**	**280.8**	**87.5**	**90.5%**	**17.0**	**4.4**	**18.7**	**17.4**	**16.4**	**--**

STANDING PORTFOLIO - BREAKDOWN BY LOCATION TYPE (30 JUNE 2020)

	Number of		Value	Area	Occupancy Rate	Rent			Contracted Headline Rent / Sqm or Unit		
	Investments (#)	Properties (#)	GAV (€m)	GLA (k sqm)	by GLA (%)	Contracted Rent (€m)	WALL Years	100% Rent (€m)	Office (€/sqm/m)	Commercial (€/sqm/m)	Logistics /L.I. (€/sqm/m)
Logistics / Light-Industrial											
Timisoara	2	5	68.1	121.2	100.0%	5.5	7.0	5.5	6.3	3.7	3.5
Pitesti	1	1	49.6	68.4	100.0%	4.3	5.0	4.3	5.3	5.3	5.3
Constanta	--	--	--	--	-	--	--	--	--	--	--
Bucharest	--	--	--	--	-	--	--	--	--	--	--
Total Logistics / Light-Ind. Portfolio	**3**	**6**	**117.7**	**189.7**	**100.0%**	**9.8**	**6.1**	**9.8**	**6.1**	**4.3**	**4.2**
Other Portfolio											
Bucharest New CBD Upground Complex – Residential	1	1	60.6	33.0	nm	0.9	1.0	0.9	--	--	--
Bucharest New CBD Upground Complex – Commercial	--	--	9.8	6.0	81.6%	0.6	9.8	0.8	--	9.2	--
Total Other Portfolio			**70.4**	**39.0**	**nm**	**1.5**	**4.5**	**1.7**	**--**	**9.2**	**--**
Total Standing Commercial Portfolio	**36**	**61**	**2,783.5**	**1,215.5**	**93.3%**	**186.1**	**4.4**	**202.7**	**14.2**	**12.6**	**4.2**
Of which Romania	*14*	*23*	*1,215.8*	*629.2*	*94.5%*	*82.6*	*5.7*	*89.3*	*13.7*	*10.8*	*4.2*
Of which Poland	*22*	*38*	*1,567.7*	*586.3*	*92.0%*	*103.5*	*3.5*	*113.4*	*14.6*	*14.6*	--

GLOSSARY

Asset or Property
Represent the individual land plot or building under development or standing building which forms part or the entirety of an investment.

Bargain Purchase Gain
Any excess between the fair value of net assets acquired and consideration paid, in accordance with IFRS 3 “Business Combination”.

BREEAM
Building Research Establishment Assessment Method, which assesses the sustainability of the buildings against a range of criteria.

CAPEX
Represents the estimated Capital Expenditure to be incurred for the completion of the development projects.

Capitalisation Rates
Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

CBD
Central Business District

CEE
Central and Eastern Europe

CIT
Corporate income tax

Commercial Properties
Comprises the office, light-industrial and retail properties or areas of the portfolio.

Combined Portfolio
Includes the Group’s property investments consolidated on the balance sheet under Investment Property- Freehold as at 30 June 2020, plus those properties held as joint ventures (currently the lands relating to Chitila Logistics Hub and Constanta Business Park projects) presented at 100%.

Completed Investment Property
Completed developments consist of those properties that are in a condition which will allow the generation of cash flows from its rental.

Completion Dates
The date when the properties under development will be completed and ready to generate rental income after obtaining all necessary permits and approvals.

Contracted Rent
The annualised headline rent as at 30 June 2020 that is contracted on leases (including pre-leases) before any customary tenant incentive packages.

Debt Service Cover Ratio (“DSCR”)
It is calculated as net operating income for the year as defined in specific loan agreements with the respective lenders, divided by the principal plus interest due over the same year.

Discount Rates
The discount rate is the interest rate used to discount a stream of future cash flows to their present value.

Discounted Cash Flow Analysis (“DCF”)
Valuation method that implies income projections of the property for a discrete period of time, usually between 5-10 years. The DCF method involves the projection of a series of periodic cash flows either to an operating property or a development property. Discounted cash flow projections based on significant unobservable inputs taking into account the costs to complete and completion date.

Earnings Per Share (“EPS”)
Profit after tax divided by the basic/diluted weighted average number of shares in issue during the year or period.

Adjusted EBITDA

Earnings before finance cost, tax, depreciation, amortisation of other non-current assets and purchase gain on acquisition of subsidiaries. This includes the share of minority interests.

Adjusted EBITDA (normalised)
Earnings before finance cost, tax, depreciation, amortisation of other non-current assets, purchase gain on acquisition of subsidiaries, fair value movement, and other non-operational and/or non-recurring income and expense items. This includes the share of minority interests.

EDGE
Excellence in Design for Greater Efficiencies (“EDGE”). An innovation of the International Finance Corporation (“IFC”), member of the World Bank Group, EDGE is a green building standard and a certification system for more than 160 countries.

EPRA
The European Public Real Estate Association is a non-profit association representing Europe’s publicly listed property companies.

EPRA Earnings
Profit after tax attributable to the equity holders of the Company, excluding investment property revaluation, gains, losses on investment property disposals and related tax adjustment for losses on disposals, bargain purchase gain on acquisition of subsidiaries, acquisition costs, changes in the fair value of financial instruments and associated close-out costs and the related deferred tax impact of adjustments made to profit after tax.

EPRA Earnings Per Share
EPRA Earnings divided by the basic or diluted number of shares outstanding at the year or period end.

EPRA Net Assets (“EPRA NAV”)
Net assets per the statement of financial position, excluding the mark-to-market on effective cash flow hedges and related debt adjustments and deferred taxation on revaluations excluding goodwill.

EPRA NAV Per Share
EPRA NAV divided by the basic/diluted number of shares outstanding at the year or period end.

Estimated Rental Value (“ERV”)
ERV is the external valuers’ opinion as to the open market rent which, on the date of valuations, could reasonably be expected to be obtained on a new letting or rent review of a property.

Estimated Vacancy Rates
Represent vacancy rates computed based on current and expected future market conditions after expiry of any current lease.

EURIBOR
The Euro Interbank Offered Rate: the interest rate charged by one bank to another for lending money, often used as a reference rate in bank facilities.

Financial Year
Period from 1 January to 31 December.

GLOSSARY

FFO
Free funds from operations, estimated as the EPRA Earnings for the relevant period.

GLA
Gross leasable area.

IFRS
International Financial Reporting Standards as adopted by the European Union.

Interest Cover Ratio ("ICR")
Calculated as net operating income divided by the debt service / interest.

Investment
Represent a location in which the Company owns / has interests in.

IPO
Admission to the AIM Market of the London Stock Exchange.

Land Bank for Further Development
Land bought for further development but for which the Group did not obtain all the legal documentations and authorisation permits in order to start the development process.

LEED
Leadership in Energy & Environmental Design, a green building certification programme that recognises best-in-class building strategies and practices.

Loan-to-Cost Ratio ("LTC")
Calculated by dividing the value of loan drawdowns by the total project cost.

Loan to Value ("LTV")
Calculated as the total outstanding debt excluding amortised cost, less cash and cash equivalents as of financial position date, divided by the appraised value of owned assets as of the financial position date. both outstanding debt and the appraised value of owned assets include our share of these figures for joint ventures, which are accounted for in the consolidated financial statements under the equity method.

Maintenance Costs
Including necessary investments to maintain functionality of the property for its expected useful life.

Master Lease
Master lease, includes various rental guarantees, which range between 3 and 5 years, covering the majority of space which is currently vacant in the properties owned through GPRE.

NBP
National bank of Poland.

Net Assets Value ("NAV")
Equity attributable to shareholders of the Company and/or net assets value.

Net Asset Value ("NAV") Per Share
Equity attributable to owners of the Company divided by the number of Ordinary shares in issue at the period end.

Net Operating Income ("NOI")
Net operating income (being the gross operating income less operating expenses that are not paid by or rechargeable to tenants, excluding funding costs, depreciation and capital expenditure).

Non-Controlling Interest ("NCI")
The equity in a subsidiary not attributable, directly or indirectly, to the parent.

Occupancy Rate
The estimated let sqm (GLA) as a percentage of the total estimated total sqm (GLA) of the portfolio, excluding development properties and in certain cases (where applicable) spaces subject to asset management (where they have been taken back for refurbishment and are not available to let as of the financial position date).

Passing Rent
It is the gross rent, less any ground rent payable under the head leases.

Open Market Value ("OMV" or "GAV")
Open market value means the fair value of the Group's investment properties and the joint ventures (where the Group owns 50%) determined by Colliers Valuation and Advisory SRL ("Colliers"), Cushman & Wakefield LLP (C&W), Knight Frank Sp. z o.o. ("Knight Frank") and CBRE Sp. z o.o. ("CBRE") independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued, using recognised valuation techniques.

Property Under Development
Properties that are in development process that do not meet all the requirements to be transferred to completed investment property.

Residual Value Method
Valuation method that estimated the difference between the market value of the building upon completion that can be built on the plot of land and all the building's construction costs, as well as the developer's profit. This method relies on the contribution concept by estimating from the future income of the building, the amount that can be distributed to the land.

ROBOR
Romanian Interbank Offer Rate.

Sales Comparison Approach
Valuation method that compares the subject property with quoted prices of similar properties in the same or similar location.

SPA
Share sale purchase agreement.

SQM
Square metres.

The Company or the Group
Globalworth Real Estate Investments Limited and its subsidiaries.

The Investment Adviser
Globalworth Investment Advisers Limited, a wholly owned holding subsidiary incorporated in Guernsey.

Total Unencumbered Assets Ratio
Calculated as the Unsecured Consolidated Total Assets divided by Unsecured Consolidated Total Indebtedness.

Unsecured Consolidated Total Assets
Means such amount of Consolidated Total Assets that is not subject to any Security granted by any subsidiary of the Group.

WALL
Represents the remaining weighted average lease length of the contracted leases as of the financial position date, until the lease contracts full expiration.

GLOSSARY

Weighted Average Interest Rate

The average of the interest rate charged on the Group's loans, weighted by the relative outstanding balance of each loan at the year or period end.

WIBOR

Warsaw Interbank Offered Rate.

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