The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this information is considered to be in the public domain.

19 September 2019

Globalworth Real Estate Investments Limited

("Globalworth" or the "Company")

Interim Results for the six months ended 30 June 2019

Globalworth, the leading office investor in Central and Eastern Europe, is pleased to release its Interim Report and Unaudited Consolidated Financial Results for the six-month period ended 30 June 2019.

Dimitris Raptis, Deputy Chief Executive Officer and Chief Investment Officer of Globalworth, commented: "We are proud of our achievements in the first half of 2019, notably the further expansion of our portfolio, our robust operating metrics, and the strong increase in our financial results. We contracted over 100k sqm of space, marking this as our most active half year of leasing activity to date, while our rental income increased by 35% over H1-18 and our EPRA net asset value rose by 46% from 31 December 2018 to over €1.75 billion. We were delighted with the success of our €501 million equity issuance in April, which came alongside €283 million of acquisitions in Poland and further additions to our development pipeline in Romania. The team continues to deliver on our ambitious objectives, while seeking to consolidate Globalworth's position as the leading office landlord in the CEE."

Operational Highlights

- The Group announced the acquisition of four office investments in Poland for a total consideration of €283.1 million, two of which completed in July 2019. These included the iconic Warsaw Trade Tower, on which the Group subsequently agreed and closed a major lease renewal for an additional 10 years with AXA, the anchor tenant.
- Further progress was made with the Group's development pipeline in Romania, with Globalworth Campus Tower 3 on course for completion by the end of the year and Globalworth Square due for completion in mid-2020. Since 31 December 2018, major leases have been signed at Campus Tower 3 with Allianz and Unicredit for 18.9k sqm in total, resulting in 56% (70% including expansion options of the building) of the commercial space being pre-leased for a term of 10 years.
- In the logistics / light-industrial sector, two new joint venture projects have been agreed for major developments in Constanta, marking the Company's entry into this key market, and Chitila, near Bucharest. The first facility at the second phase of Timisoara Industrial Park has also been completed and was 67% let as at 30 June 2019. The logistics / light industrial portfolio is being rebranded under the "Globalworth Industrial" banner as the Group continues to build its position in this dynamic sector.
- Globalworth's combined real estate portfolio[1] was valued at €2,745 million as at 30 June 2019 (31 December 2018: €2,462 million), rising to €2,858 million pro forma for the July 2019 acquisitions, and representing an increase of 11.5% and 16.1% respectively since 31 December 2018. The portfolio's pro forma geographical allocation is 53.5% Poland and 46.5% Romania, reflecting the rapid pace of acquisitions in Poland since Globalworth entered the market in Q4-2017. The total

gross leasable area of the Group's combined real estate portfolio was 1,138.8k sqm as at 30 June 2019, and 1,190.0k sqm pro forma.

- The Group negotiated the take-up or extension of 101.2k sqm of commercial space, broadly split between Romania and Poland, marking this as our most active half year of leasing activity to date. New leases for 43.4k sqm were signed at an average lease term of 8.1 years, while renewals and existing tenant expansions amounted to 57.8k sqm at an average term of 6.6 years. As at 30 June 2019, 1,055.4k sqm of commercial space was let or pre-let to some 685 tenants, of which 77% (by contracted rent) is to multinational corporates, with a weighted average lease length of 4.9 years.
- Occupancy of the combined commercial standing portfolio was 93.9% (94.8% including tenant expansion options) as at 30 June 2019, compared to 95.1% (96.3% including tenant expansion options) as at 31 December 2018. This slight decrease reflected the inclusion of properties acquired or completed since 31 December 2018 with lower occupancy levels, but where the Company expects to reduce vacancy through its active asset management and leasing initiatives. Like-for-like occupancy declined marginally by 0.5% following movements of certain tenants in the Romanian portfolio and the partial repositioning of a mixed-use property in Poland.

Financial Highlights

- In April 2019, the Company successfully raised €347.6 million of new equity at €9.10 per share, a small premium to the December 2018 EPRA net asset value per share, to facilitate ongoing acquisition activity. In addition, €153 million of new shares were issued in exchange for certain minority interests in Globalworth Poland Real Estate N.V. ("Globalworth Poland") as part of a series of transactions to buy in the outstanding minority interests, using both newly issued Globalworth shares and cash. The Company's shareholding in Globalworth Poland has now increased to 99.9%, rising 0.1% post 30 June 2019 (31 December 2018: 69.7%). The Company is in the process of acquiring the remaining outstanding shares through a mandatory transfer and de-listing GPRE from the Warsaw Stock Exchange, which is anticipated to be completed in the coming months.
- Rental income of €71.8 million (H1-18: €53.3 million), an increase of 35.2% over H1-18 primarily as a result of the expansion of the Group's portfolio since 1 January 2018. Underlying rental income growth of 5.1%[2] over H1-18 was recorded on properties held throughout both periods but offset by the impact of the termination of master lease and net operating income ("NOI") guarantees on certain properties in Poland in December 2018, which resulted in the receipt of €21.5 million in H2-18.
- NOI of €68.0 million (H1-18: €51.7 million), an increase of 31.5%.
- Adjusted normalised EBITDA[3] from ongoing operating activities of €61.6 million (H1-18: €42.2 million), an increase of 46.0% over H1-18 primarily due to the growth in NOI.
- Earnings before tax of €88.0 million (H1-18: €64.0 million), an increase of 37.7% mainly as a result of the increase in NOI, higher valuation gains and the increased share of profits from the Group's joint ventures.
- Profit attributable to equity holders increased to €69.9 million (H1-18: €49.8 million), an increase of 40.5%, while earnings per share increased by 16.9% to 44.0 cents per share (H1-19: 37.6 cents per share) as a result of the increase in the average number of outstanding shares.
- EPRA earnings of €37.3 million (H1-18: €27.0 million), an increase of 38.0%, while EPRA earnings per share increased by 14.8% to 23.5 cents per share (H1-18: 20.4 cents).

- A fair value gain of €49.7 million was recorded on investment property (H1-18: €38.6 million), excluding properties held through joint ventures, with the contribution broadly split between Poland (48%) and Romania (52%). Standing properties at 31 December 2018 recorded a 1.2% fair value gain.
- EPRA NAV of €1,754.3 million (31 December 2018: €1,200.2 million), an increase of 46.2% compared to 31 December 2018. The significant increase reflects the impact of the April 2019 capital raise and the elimination of the minority interest in Globalworth Poland, primarily through the share exchange for Globalworth shares. EPRA NAV per share of €9.05 (31 December 2018: €9.04) marginally increased given the result of the increased share count.
- In January 2019, a dividend of 27 cents per share was declared and paid, reflecting the second dividend in respect to FY18 (FY18 dividend: 54 cents). Post the period end, the Company declared its first interim dividend in respect of FY19 of 30 cents per share, which was paid in August 2019.
- A reduction in loan to value to 36.5% (31 December 2018: 43.9%) following the equity capital raise completed in April 2019. As at 30 June 2019, the Group had a weighted average interest rate of 2.85%, with an average maturity of 4.9 years.

Outlook

- The Company's activities continue to benefit from a supportive economic environment and healthy real estate fundamentals in both Poland and Romania. With ongoing expansionary demand from multinational companies attracted to the region, the Company considers itself well positioned with its strategy of offering high quality, well located space, with a long-term tenant orientated approach and with a strong focus on localised management.
- With funding costs remaining compelling compared to the yields available from real estate, the Company continues to see excellent opportunities to consolidate its market position and grow its platform. It has a pipeline of acquisition opportunities with the potential to make attractive additions to its portfolio, facilitating greater scale and efficiencies in asset management. By further extending its asset management capabilities across its portfolio it sees opportunity to create value both from existing properties and from recent acquisitions.

The Interim Report and Unaudited Condensed Consolidated Financial Statements is presented below. The full document is available in the "Investor Relations" section of the Company's website at www.globalworth.com.

[1] Combined real estate portfolio includes the Group's property investments consolidated on the balance sheet under Investment Property - Freehold as at 30 June 2019, plus those properties held as Joint Ventures (currently Renault Bucharest Connected, and land relating to Globalworth West, Chitila Logistics Park and Constanta Business Park projects) presented at 100%.

[2] The H1-18 rental income used for the comparative has been adjusted to exclude the effect of the income (€2.6 million) recognised as a result of the master lease and NOI guarantees on certain properties in Poland, which were settled in December 2018 and, therefore, such income was not earned during H1-19.

[3] 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.

For further information visit www.globalworth.com or contact:

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About Globalworth / Note to Editors:

Globalworth is a listed real estate company active in Central and Eastern Europe, quoted on the AIM-segment of the London Stock Exchange. It has become the pre-eminent office investor in the CEE real estate market through its market-leading positions both in Romania and in Poland. Globalworth acquires, develops and directly manages high-quality office and logistics/light-industrial real estate assets in prime locations, generating rental income from high quality tenants from around the globe. Managed by over 200 professionals across Romania and Poland, the combined value of its portfolio is €2.85 billion, as at 30 June 2019 pro forma for subsequent acquisitions. Over 95% of the portfolio is in income-producing assets, predominately in the office sector, and leased to a diversified array of some 685 national and multinational corporates. In Romania, Globalworth is present in Bucharest, Timisoara, Constanta and Pitesti, while in Poland its assets span Warsaw, Wroclaw, Lodz, Krakow, Gdansk and Katowice. For more information, please visit www.globalworth.com and follow us on Facebook, Instagram and LinkedIn.

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GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

INTERIM REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

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FINANCIAL HIGHLIGHTS: H1-19

Combined portfolio open market value	Shareholders' equity	EPRA NAV per share
€2.7bn	€1.6bn	€9.05
+11.5% on YE-18	+48.8% on YE-18	+0.1% on YE-18
IFRS Earnings before tax	Adjusted normalised EBITDA	Net Operating Income
€88.0m	€61.6m	€68.0m
+37.7% on H1-18	+46.0% on H1-18	+31.5% on H1-18
IFRS Earnings per share	EPRA Earnings per share	Dividends paid in H1-19
43.98 cents	23.47 cents	27 cents
+16.9% on H1-18	+14.8% on H1-18[1]	+22.7% on H1-18

[1] The H1-18 EPRA Earnings figure has been adjusted for comparability purposes, following consultation with EPRA subsequent to the publication of the H1-18 Interim Report.

CHIEF EXECUTIVE'S STATEMENT

Globalworth again grew dynamically in the first half of 2019, expanding its platform in Poland and Romania while enlarging its capital base and taking important steps to simplify its corporate structure. We continue to take advantage of favourable market trends and value-add opportunities with the ongoing aim of creating sustainable value for our shareholders and other stakeholders.

The Group has in a very short space of time become the leading institutional office landlord in the CEE region, with a portfolio of prime office assets supported by a strong team of experienced professionals, and is now consolidating that position. The Polish and Romanian economies have further expanded and are expected to continue to do so at a pace that exceeds the EU average in the short to medium term. In line with our expectations, these positive economic conditions are being reflected in firm demand for office and logistics/industrial real estate, the sectors on which we are principally focused, with investment volumes exceeding €2.2 billion (office and logistics/industrial) and average vacancy for office space remaining at a healthy level of less than 10% in H1-19.

Our Portfolio

Our portfolio, including the investments completed in July after the close of the first half of 2019, has grown to over €2.8 billion in value following the acquisition of standing office properties in Poland and further progress in our development program in Romania. In addition, through our hands-on approach to actively managing our standing properties, we have created further value in our existing portfolio. Our Polish properties now account for more than half of our overall portfolio by value (53.5%), with the remainder being in Romania.

During the first half of the year, we announced the acquisition of four new investments in Poland for €283.1 million, with the first two completed in March and April (€169.9 million) and the second two in July 2019 (€113.2 million), at what we consider to be attractive entry prices. Our development program in Romania continued apace, with one new logistics facility delivered in April and two office projects under construction in Bucharest. Ahead of the completion at the end of this year of Globalworth Campus Tower 3, the final phase of our 92k sqm office development in Bucharest, we look forward to welcoming Allianz and UniCredit, which in the first half of 2019 signed leases representing 56% of the commercial space of the asset (c.18.9k sqm). We have further projects at the development phase or at various stages of preparation, with construction scheduled for the short to medium term.

H1-19 saw a strong operational performance with 101.2k sqm of commercial space leased in Romania and Poland at an average lease length of 7.3 years, marking the most active half year in our history. Total contracted rents grew to €175.4 million (€184.1 million proforma for July 2019 acquisitions) with over 1.0 million sqm of commercial GLA leased at an average remaining term of 4.8 years at 30 June 2019. Occupancy of our standing commercial portfolio remained high at 93.9% (94.8% incl. tenant options), albeit decreasing from the 2018 year-end level (95.1% / 96.3% incl. tenant options), mainly reflecting lower occupancy on properties added in the period where we see an opportunity for improvement in the near term. Illustrative of our strategy with such acquisitions, we are delighted to have already secured a major 11.9k sqm renewal with AXA at our Warsaw Trade Tower property acquired in April 2019, and are pleased with leasing progress at other properties acquired in H2-2018, notably Skylight & Lumen and Spektrum Tower in Warsaw.

As part of our commitment to offering best in class services to our tenants, we have continued to invest in our portfolio and internalise the management of our assets, and are delighted that 80.9% (by value) of our standing office and mixed-use properties are now managed in-house.

Our confidence in the logistics/industrial sector in Romania has led us to embark on further projects to expand this element of our portfolio. We are excited to have launched the Globalworth Industrial brand for our logistics / light-industrial portfolio, which will result in the rebranding of our existing assets in Timisoara and Pitesti, and to have formed a joint venture partnership with Global Vision, a leading construction and property management company in Romania, for the development of new high-quality facilities. Of the two new joint venture projects agreed in the first half, one will mark our entry into Constanta, one of Romania's key cities and its major port, a market where we see great potential, while the other is for a last-mile logistics facility close to Bucharest.

People, Places and Technology

At Globalworth we fully recognise that technology is a major disruptor for the real estate industry globally, and accordingly we aspire to be the most technologically advanced landlord in the CEE office market. With more than 200,000 people estimated to be entering and passing through the Company's buildings in Poland and Romania daily, we believe that the use of technology has the potential to bring additional value to the Company's portfolio by integrating and working with these people to create a strong community. This comes in addition to our ongoing development projects in Romania and our multiple asset management initiatives across both our core markets.

Creating great communities for our tenants is a central strategic ambition. We seek to provide environments where businesses can flourish and their employees enjoy working. We are pleased with the positive impact that successful events such as the Globalworth District, "Meet Globalworth" and other initiatives within or around our office space have had on the vibrancy and feel of our assets. We are excited to be exploring new ways to enhance this experience, notably through technological solutions and by evolving the services we offer, for example through the development of our own smartphone application, the Globalworth App. Our investment in technology underscores our belief that innovation can enhance the management of real estate and the experience of those occupying it, with our holdings in this field offering both insight and direct access to new practical applications.

CHIEF EXECUTIVE'S STATEMENT

Results & Corporate Activity

The Group reported a strong uplift in its first half earnings with an increase of 31.5% in our net operating income to €68.0 million, 46.0% in our normalised adjusted EBITDA to €61.6 million and 38.0% in our EPRA earnings to €37.3 million, as compared to the same period in 2018. We paid a second interim dividend of 27 cents per share in respect of the 2018 financial year resulting in 54 cents in total, and in July 2019 announced our first interim dividend for 2019 of 30 cents per share, which was paid in August 2019.

Following the purchase of certain minority interests in Globalworth Poland, in March we announced that we would embark on buying out the remaining minority interests and delist Globalworth Poland from the Warsaw Stock Exchange. This is an important step to simplifying our corporate structure, which will improve our efficiency at Group level, and we expect the process to be completed by the end of 2019. The Company's shareholding in Globalworth Poland has now reached 99.9%.

We are delighted to have successfully completed our largest equity issue to date with a combined €501 million raised in April 2019. This included €348 million of new equity placed with new and existing shareholders and the issuance of a further €153 million in new shares to Growthpoint Properties Limited in exchange for its shareholding in our subsidiary, Globalworth Poland, as part of a wider process undertaken to buy-in the remaining minority interests.

During the year we welcomed Aroundtown SA one of the largest property companies in Europe, as a new major shareholder. Following their participation in our capital raise and further share purchases, Aroundtown SA now has a 18.9% shareholding in Globalworth.

Our EPRA net asset value grew by 46.2% to €1,754.3 million predominantly as a consequence of the share issuance and buy-in of minorities, while EPRA NAV/Share grew marginally to €9.05 (31 December 2018: €9.04).

CSR and Governance

Sustainability has always been an important focus for Globalworth. We have continued to increase the proportion of our portfolio with green certifications to 78.2% and are proud that our Renault Bucharest Connected development is the first office and design centre property in Romania to be awarded the EDGE (Excellence in Design for Greater Efficiencies) certification, in addition to achieving BREEAM Excellent. We are also now preparing a standalone sustainability report to meet the needs of our many stakeholders and to support the ESG frameworks that many of our investors have applied.

In H1-19, the Globalworth Foundation continued to support a number of social causes in both Poland and Romania. The Foundation's goal is to make a real contribution to the welfare of society and shape better conditions for future generations, consistent with our overriding focus on People, Places and Technology.

We strive to meet high standards of corporate governance, and to this end the Board has taken onboard feedback from investors on our group-wide remuneration structure. This led to the decision in June 2019 to terminate and subsequently settle the previous incentive scheme, which had been put in place in 2016. The new scheme is more consistently aligned with the best practices adopted by other leading listed real estate companies.

At Board level, I would like to thank Akbar Rafiq of York Capital and Alexis Atteslis of Oak Hill Advisors, who stood down from the Board as non-executive directors during the first half of 2019 following the reduction of their respective organisations' shareholdings in the Company. On behalf of the Board, we are grateful to both for their constructive contributions and engagement during their tenure, as well as for their pivotal support as shareholders during Globalworth's formative years.

Outlook

Our activities continue to benefit from a supportive economic environment and healthy real estate fundamentals in both Poland and Romania. With ongoing expansionary demand from multinational companies attracted to the region, we believe we are well positioned with our strategy of offering high quality, well located space, with a long-term tenant orientated approach and with a strong focus on localised management.

With funding costs remaining compelling compared to the yields available from real estate, we see excellent opportunities to consolidate our market position and grow our platform. We have a pipeline of acquisition opportunities and so the potential to make exciting additions to our portfolio, enabling us to unlock greater scale and efficiencies in asset management. By further extending our asset management capabilities across our portfolio we see an opportunity to create value both from existing properties and from recent acquisitions, as we work to ensure that our exacting management standards continue to result in high levels of tenant retention and ongoing demand for our space.

Ioannis Papalekas
Chief Executive Officer
18 September 2019

REAL ESTATE INVESTMENT ACTIVITY

- Announced the acquisition of four new investments in Poland for a total of €283.1 million
- Launched the Globalworth Industrial brand for our logistics / light-industrial platform
- Delivered the first facility within the Timisoara Industrial Park II complex
- Progressed with the construction of two class "A" office projects in the new CBD of Bucharest, which upon completion will offer 62.1k sqm of GLA
- Formed a joint venture partnership for the development of high-quality real estate projects in Romania, primarily in the logistics sector, with two projects currently in progress

New Acquisitions in Poland

In the first half of 2019, Globalworth completed the acquisition of two class "A" office investments in Warsaw and Krakow for a total of €169.9 million and announced the acquisition of a further two investments in regional cities in Poland for a total of €113.2 million, which were completed in July 2019.

The most significant transaction in H1-19 was the acquisition in Poland of one of Warsaw's most recognisable office towers, Warsaw Trade Tower ("WTT"), for a total consideration of €132.9 million. The 38-floor tower (plus two technical floors) is located in the Wola district of the Capital's extended CBD and, at 208 metres high, is one of the tallest towers in Warsaw, offering a total GLA of 46.8k sqm. WTT was completed in 1999 and its lobby and surrounding common areas were fully refurbished in 2016. WTT is occupied by c.40 national and international corporates, with AXA as the largest tenant alongside other well-known companies including MSD, American Express, Leroy-Merlin and Mattel. Since the acquisition, it is notable that we have agreed a lease renewal with the principal tenant, AXA, leading to the lease term being extended by 10 years (new expiration in 2030) for 11.9k sqm of GLA. This class "A" office tower has a high occupancy rate of 88.3%, with annual contracted rental income of €8.6 million and a weighted average lease length of 5.0 years as at 30 June 2019.

In March 2019, we completed the acquisition of the high-quality class "A" office complex known as Rondo Business Park ("Rondo") in Krakow, for a total consideration of €37.0 million. Rondo is located in the northern part of the city and comprises three buildings completed in two phases, in 2007 (two buildings) and 2008 (one building), offering total GLA of 20.3k sqm. This investment is strategically positioned adjacent to the Quattro Business Park, acquired by Globalworth Poland in 2018, creating critical mass and a combined campus of over 86.6k sqm of GLA. Rondo has a high occupancy rate (90.3%) and is leased to c.18 national and multinational corporates, with Capgemini, Deltavista and UPC being the largest tenants. It has an annual contracted rental income of €3.0 million and a weighted average lease length of 4.2 years as at 30 June 2019.

In addition, in April 2019 Globalworth announced the acquisition of two further investments in regional Polish cities for a combined transaction value of €113.2 million. The purchases of these high-quality properties, Retro Office House and Silesia Star, were finalised in July 2019.

Retro Office House, a newly completed class "A" office development in central Wroclaw, was acquired for a total consideration of €58.8 million. The property benefits from excellent connectivity to all parts of the city and a range of public transport options, and extends over six floors above ground, offering total GLA of 21.9k sqm. Retro is fully let to c.12 corporates, with Infor, Olympus and Intive being the largest tenants. At its acquisition date, the property had an annualised contracted rent of €3.9 million and a weighted average lease length of 4.8 years.

Silesia Star is an office complex at the heart of Katowice with two interconnecting buildings, developed in 2014 and 2016, and was acquired for a total consideration of €54.4 million. Located in the immediate vicinity of the city centre, it is close to two universities and various transport options. The complex extends over eight floors, offering total GLA of 29.2k sqm and an annualised contracted rent of €4.6 million at 95.1% occupancy, rising to €4.8 million and 100% occupancy as a result of a vendor guarantee on the existing vacant space. This complex is leased to a variety of tenants in the finance, technology and services sectors, with a WALL of 3.4 years as at its acquisition date.

Investment Activity in Poland

	City	Acquisition Price (€m)	GLA (k sqm)	Initial Yield (*)	100% Occupancy Yield (*)
Warsaw Trade Tower	Warsaw	132.9	46.8	6.8%	7.8%
Rondo Business Park	Krakow	37.0	20.3	8.2%	9.0%
H1-19 Total Acquisitions		**169.9**	**67.1**	**7.2%**	**8.1%**
Retro Office House	Wroclaw	58.8	21.9	6.6%	6.6%
Silesia Star	Katowice	54.4	29.2	8.8%	8.8%
2019 YTD Total Acquisitions in Poland		**283.1**	**118.2**	**7.3%**	**7.9%**

(*) Initial Yield and 100% Occupancy Yield based on acquisition data, divided by acquisition price

Globalworth Industrial & New Deliveries

Building on the success of our logistics / light-industrial platform and given the ongoing attractive market backdrop, Globalworth has continued to invest in high-quality projects in Romania. In the first half of 2019 the Group:

- Launched the Globalworth Industrial brand for its logistics / light-industrial portfolio;
- Delivered the first facility within the Timisoara Industrial Park II complex; and
- Formed a partnership with a leading construction and property management company in Romania for the development of new high-quality facilities in the country.

We are excited with the announcement of the rebranding of our logistics / light-industrial portfolio to Globalworth Industrial as part of our strategy to consolidate our position and further expand our presence in this fast-growing market segment. As part of this initiative, Timisoara Airport Park I & II ("TAP" & "TAP II") will be rebranded as Timisoara Industrial Park ("TIP") I & II and the logistics project developed for Groupe Renault (formerly Dacia Warehouse) to Pitesti Industrial Park, with all future logistics / light-industrial investments to feature under the Globalworth Industrial brand.

In April 2019, we delivered the first facility of 17.7k sqm at our new Timisoara Industrial Park II park. This is the first facility developed on the 30h land acquired in October 2017, which we have further enlarged with an additional 5 hectares in H1-19, and is located near to our very successful Timisoara Industrial Park I complex. TIP II is being developed in phases, designed to suit a variety of occupiers, and on completion will offer 173.3k sqm of high-quality space which, together with TIP I, will form one of the largest industrial hubs in Romania with c.277k sqm of high-quality logistics / light-industrial space. We are currently progressing planning and/or permitting for the development of the next phases of the project.

Globalworth has also formed a partnership with Global Vision, a leading construction and property management company in Romania, for the development of two new high-quality projects in the country. The first is a last-mile logistics park in the greater Bucharest area, Chitila Logistics Park, which on completion will offer 76.6k sqm of GLA over a 13.7h estate. Globalworth has a 50% interest in the project which will be developed in phases, with the first 23.9k sqm of logistics space scheduled for delivery in the first half of 2020. The location benefits from excellent accessibility, being positioned next to the Bucharest ring road which connects the project to the A1 and DN7 roads and the city's central districts.

The second project is the development of a major light industrial / logistics and commercial hub in Constanta (south-east Romania), also through a 50/50 joint venture with Global Vision. This marks Globalworth's first investment in Constanta, one of the largest metropolitan areas in Romania and a location we view as a relatively undeveloped real estate market, offering significant potential for future growth. The project, known as Constanta Business Park, will span a 100h land plot close to Constanta Port on Romania's East coast on the Black Sea, with easy access to the A2 and A4 motorways and the railway network. Constanta is Romania's primary port and one of the largest in Europe (top 20), located at the junction of key pan-European transport corridors and providing a strategic link to Central Asia, the Far East and Transcaucasia. The total project is to be developed in phases over the next five years and is expected to offer c.571k sqm of high-quality logistics / light-industrial (c.80%), office and other commercial space upon completion.

MANAGEMENT REVIEW

Review of Standing Portfolio

Our portfolio of standing properties continued to expand in H1-19 following the acquisition of two investments (four office properties) in Poland, and the completion of the first facility in the Timisoara Industrial Park II park in Romania.

As at 30 June 2019, there were 34 standing investments in our portfolio comprising a total of 57 standing properties in Poland and Romania. Our standing portfolio comprised 27 Class “A” office investments (43 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. 2018	31 Dec. 2018	30 Jun. 2019
Number of Investments	28	31	34
Number of Assets	47	52	57
GLA (k sqm)	923.6	1,042.0	1,138.8
GAV (€ m)	2,023.4	2,381.1	2,612.8
Contracted Rent (€ m)	135.6	159.5	172.3

Of which Commercial Properties	30 Jun. 2018	31 Dec. 2018	30 Jun. 2019
Number of Investments	27	30	33
Number of Assets	46	51	56
GLA (k sqm)	884.6	1,004.8	1,103.9
GAV (€ m)	1,952.4	2,312.2	2,548.8
Occupancy (%)	94.6% (/ 96.4%*)	95.1% (/ 96.3%*)	93.9% (/ 94.8%*)
Contracted Rent (€ m)	134.0	157.9	171.1
Potential rent at 100% occupancy (€ m)	148.9	167.5	183.6
WALL (years)	5.1	5.0	4.8

(*) Including tenant options

The total gross leasable area of Globalworth’s combined standing commercial portfolio increased by 9.9% over the six months to 30 June 2019 to reach 1,103.9k sqm, with the overall combined standing portfolio GLA increasing 9.3% to 1,138.8k sqm. The increase in the size of our portfolio was mainly attributed to the 84.7k sqm of new additions (acquisitions and deliveries) and the re-measurement of certain of our properties (14.5k 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 rose to €2.6 billion (as at 30 June 2019), representing an increase of 9.7% over the six-month period, with new additions (acquisitions and deliveries) accounting for 7.7% of the total increase, while the value of properties held throughout the period (like-for-like) increased by 2.2% in H1-19 compared to 31 December 2018.

Evolution of Combined Standing Portfolio over H1-19

	31 Dec ‘18	Like – for – Like Change*	New Acquisitions	New Deliveries	Sales (& Other Adj**)	30 Jun ‘19
GLA (k sqm)	1,042.0		67.0	17.7	12.1	**1,138.8**
Subsequent acquisitions			*51.1*			***1,190.0***
GAV (€ m)	2,381.1	52.2	175.1	9.1	(4.7)	**2,612.8**
Subsequent acquisitions (***)			*113.2*			***2,726.0***

(*) Like-for-Like change represents the changes in GLA or GAV of standing properties owned by the Group at 31 December 2018 and 30 June 2019.
(**) Includes impact in areas (sqm) from the remeasurement of certain properties.
(***) GAV of subsequent acquisitions presented at acquisition consideration.

Consistent with its commitment to energy efficient properties, Globalworth added three environmentally certified properties to its portfolio in the first half of 2019.

We are very pleased that the two class "A" offices developed and delivered by Globalworth in 2018, Globalworth Campus Tower 2 and Renault Bucharest Connected ("RBC"), were both awarded with BREEAM Excellent certifications in 2019, with RBC receiving a second green certification from EDGE. In addition, the recently acquired WTT and Retro Office House (July 2019) are certified with BREEAM Very Good accreditations.

Overall, as at 30 June 2019 our combined standing portfolio comprised 35 green certified properties, accounting for 78.2% of our standing commercial portfolio. 40.7% of our green certified portfolio by value is BREEAM Excellent, followed by 33.7% with BREEAM Very Good, the remainder of properties being LEED Gold or Platinum.

In addition, we are targeting that 100% of our portfolio should be green accredited and we are currently in the process of certifying or recertifying 22 other properties in our portfolio with BREEAM and/or EDGE certifications.

We consider our portfolio to be modern with 37 of our standing properties, accounting for 66.3% of our GLA and 69.2% of our standing combined portfolio value, having been delivered or significantly refurbished in or after 2014.

Review of Projects Under Construction

Globalworth's active development programme in Romania includes two high-quality office projects on which we made significant construction progress in H1-19.

At our Globalworth Campus development, construction of Tower 3 (centre tower) is well underway. The third tower, which represents the second and final phase of the project, will on completion offer 35.5k sqm of Class "A" office space (c.93%) and other amenities such as a 750-seat conference centre, as well as c.500 parking spaces. The new building will extend over 14 floors above ground and two underground levels and is expected to be completed in Q4-2019. As at 30 June 2019, construction was in progress with the shell of the building completed and the façade fitting and installations underway. During H1-19, leases were signed for 56.3% (63.1% including options) of the commercial space, and active discussions are underway for the remainder.

Globalworth Square is the second 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 (Q2/3-2020) will offer 28.4k sqm of high-quality GLA and 450 parking spaces over 15 floors above ground and three underground levels. As at 30 June 2019, infrastructure works and construction of the underground levels are in progress.

Review of Other Future Developments

Globalworth owns, directly or through JV partnerships, land plots in prime locations in Bucharest and other regional cities in Romania, covering a total land surface of 1.5 million sqm (comprising 2.4% of its combined GAV), for future developments of office, logistics / light-industrial or mixed-use properties.

We are currently progressing with the required preparatory activities, including performing planning and/or permitting for this land bank and have prioritised the office projects in Bucharest, future phases of Timisoara Industrial Park II and the first phases of Chitila Logistics Park and Constanta Business Park. In H1-19, we added an additional 5h to the TIP II land plot, enhancing the potential scale of the project by 33.5k sqm of GLA. When fully developed, these projects offer the potential to add in total a further 907.7k sqm (mainly office and logistics / light-industrial) to our combined standing portfolio footprint in Romania.

Developments - Under Construction or Prioritised

	Globalworth Campus Tower 3	Globalworth Square	Chitila Logistics Park (Phase A)*	Constanta Business Park (Phase A)*
Location	New CBD	New CBD	Bucharest	Constanta
Status	Under Construction	Under Construction	Development	Development
Expected Delivery	2019 Q4E	2020 Q2/Q3E	2020E	2020E
GLA (k sqm)	35.5	28.4	23.9	21.3
CAPEX to 30 Jun 19 (€ m)	32.1	15.0	1.4	0.6
GAV (€ m)	47.9	16.8	1.6	0.9
Estimated CAPEX to Go (€ m)	23.8	40.7	9.3	8.6
ERV (€ m)	5.8	5.4	1.1	0.9
Estimated Yield on Development Cost	10.5%	9.7%	9.9%	10.1%

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

Future Developments

	Green Court D	Globalworth West	Luterana	Timisoara Industrial Park II (Phased)	Chitila Logistics Park (Phased)*	Constanta Business Park (Phased)*
Location	New CBD	West Bucharest	CBD	Timisoara	Bucharest	Constanta
Status	Planned	Planned	Planned	Planned	Planned	Planned
Expected Delivery	2021E	2021E	2021E	2020-22E	2020-21E	2021-24E
GLA (k sqm)	16.2	33.4	26.4	155.6	52.7	549.7
CAPEX to 30 Jun 19 (€ m)	2.7	3.6	7.2	7.0	3.3	11.9
GAV (€ m)	5.9	3.6	14.3	9.5	3.8	19.3
Estimated CAPEX to Go (€ m)	26.7	41.8	40.4	58.5	18.3	221.5
ERV (€ m)	3.0	4.8	5.8	6.6	2.3	26.7
Est. Yield on Development Cost	10.1%	10.6%	12.2%	10.0%	10.7%	11.4%

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

ASSET MANAGEMENT INITIATIVES

- Total contracted rent for our combined portfolio reached €175.4 million (99.3% commercial properties), increasing to €184.1 million following the completion of announced transactions in July 2019
- 101.2k sqm of commercial space leased in Romania and Poland during this period at an average WALL of 7.3 years
- 1,036.4k sqm of standing commercial GLA with a remaining average WALL of 4.8 years
- Occupancy rate of our standing commercial portfolio at 93.9% (94.8% incl. tenant options)
- 80.9% (by value) of our standing office and mixed-use properties are now managed in-house
- €5.0 million invested as part of our renovation and upgrade program

Leasing Review

Globalworth maintained strong leasing momentum in 2019 as a result of proactive internal leasing team efforts and healthy demand for high-quality office space in its target real estate markets.

In the first six months of 2019, the Group successfully negotiated the take-up (including expansions) or extension of 101.2k sqm of commercial space in Romania (50.2% of transacted GLA) and Poland (49.8% of transacted GLA), with an average WALL of 7.3 years.

New leases for 43.4k sqm were signed at a WALL of 8.1 years, accounting for 82.4% of total take-up, and included tenants such as Allianz, UniCredit and NDB Logistica Romania as well as 37 other corporates. Leases were renewed, and thus extended, for 65 of our tenants for a total of 48.5k sqm of GLA, at a WALL of 6.8 years, with the most notable extensions involving AXA, International Paper, Schneider Electric, and Airbus Defence. The remaining 9.3k sqm of space signed in the period related to expansion by 31 tenants, with an average WALL of 5.5 years.

Summary Leasing Activity for Combined Portfolio in H1-19

	GLA (k sqm)	No. of Tenants	WALL (yrs)
New Leases / New Contracts	43.4	40	8.1
New Leases / Expansion	9.3	31	5.5
Renewals / Extensions	48.5	65	6.8
Total	**101.2**	**127***	**7.3**

**Number of individual tenants*

Overall occupancy of our combined standing commercial portfolio as at 30 June 2019 was 93.9% (94.8% including tenant options), representing a 1.3% decrease over the past six months (95.1% as at 31 December 2018 / 96.3% including tenant options).

The overall occupancy level was weighed down by new additions (acquisitions and deliveries) to the standing portfolio during the period, where occupancy rates were lower than the Group average but where we are confident there is near-term scope for further upside in both occupancy and contracted rents.

On a like-for-like basis, occupancy marginally decreased by 0.5% to 94.7% over H1-19, negatively impacted by the movements of certain tenants in our Romanian portfolio and the partial repositioning of a mixed-use property in Poland. Space becoming available during the period marginally exceeded new uptake, resulting in negative net uptake of 3.6k sqm.

Across the portfolio, as at 30 June 2019, we had 1,055.4k sqm of commercial GLA (c.98.2% standing GLA) leased to approximately 685 tenants, at an average WALL of 4.9 years (4.8 years on standing GLA) , the majority of which is let to national and multinational corporates that are well-known within their respective markets.

Combined Portfolio Contracted Rent Profile as at 30 June 2019

	Romania	Poland	Combined Portfolio
Contracted Rent (€ m)	**79.9**	**94.3**	**174.2**
Tenant Origin - %			
Multinational	91.3%	64.8%	76.9%
National	7.4%	32.8%	21.1%
State Owned	1.3%	2.1%	1.8%
Master Lease	0.0%	0.3%	0.2%

Note: Contracted Rent excludes c.€1.2 million from residential space as at 30 June 2019

Combined Commercial Portfolio Lease Expiration Profile as at 30 June 2019 (€m)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	≥2028
Lease Agreements	4.7	14.2	17.3	31.1	19.8	30.8	15.2	7.3	8.4	25.0
Master Lease	-	0.3	-	-	-	-	-	-	-	-
Total	**4.7**	**14.6**	**17.3**	**31.1**	**19.8**	**30.8**	**15.2**	**7.3**	**8.4**	**25.0**
% Expiring	*2.7%*	*8.4%*	*9.9%*	*17.8%*	*11.4%*	*17.7%*	*8.7%*	*4.2%*	*4.8%*	*14.4%*

The Group's rent roll across its combined portfolio is well diversified, with the largest tenant accounting for 5.7% of contracted rents, while the top three tenants account for 11.8% and the top 10 account for 28.2%. We expect this diversity to grow further as the portfolio continues to expand.

Romania

Like-for-like occupancy in our Romanian combined standing commercial portfolio was 93.9% as at 30 June 2019, decreasing by 1.1% from 94.9% as at 31 December 2018.

In the first half of the year, occupancy remained stable across the majority of our properties. Improvements in occupancy in our Gara Herastrau (+17.9%) and Globalworth Campus T2 properties (+5.0%) were, however, offset by decreases in occupancy in BOB (-31.5%) due to the relocation of Stefanini to Globalworth Campus, resulting in the subsequent cancellation of its contract in the BOB property, and in Globalworth Plaza (-9.6%) where Bayer released its space. At Globalworth Campus T1, Amazon's short-term lease (2.2k sqm) expired in Q1-2019, but occupancy was maintained by the take-up of the space by a new tenant, Star Storage. At TCI, the decision of the Ministry of European Funds to vacate the remaining space it occupied (4.6k sqm) only marginally impacted occupancy, as 85% of the space (3.9k sqm) was taken by another tenant. These events, combined with the addition of the first facility at Timisoara Industrial Park II, which is at the lease-up stage was 66.5% let, resulted in an overall occupancy rate of our standing commercial portfolio in Romania of 93.1% (94.8% incl. tenant options) as at 30 June 2019.

Globalworth Campus Tower 3, which is due for completion at the end of 2019, saw strong leasing progress with 56.3% (70.1% including tenant options) of the commercial space in the property being leased (or under option) to Allianz and UniCredit Services, with a WALL of 10 years.

Poland

In Poland, like-for-like occupancy marginally improved to 95.8% as at 30 June 2019 from 95.4% as at 31 December 2018. The acquisitions of the Rondo Business Park (90.3% occupancy) and Warsaw Trade Tower (88.3% occupancy), however, resulted in the overall occupancy rate of our Polish portfolio decreasing to 94.9% as at 30 June 2019.

In the first half of 2019 we signed a number of notable leases in the Polish market, including a 11.9k sqm extension / expansion by AXA in WTT for a +10 year period to 2030, a 7.9k sqm extension by International Paper in CB Lubicz to 2026 and a 2.5k sqm (extension and expansion) by Westwing in Spektrum Tower to 2027, demonstrating the appeal of our properties and our asset management capabilities and giving us confidence that we will be able to further improve the performance of our portfolio.

Skylight & Lumen, the properties acquired by the Group in December 2018, reached 90.5% occupancy as at 30 June 2019 (+1.8% compared to 31 December 2018). We are pleased that several new leases and renewals of existing contracts were concluded in the first half of 2019 for the two properties, including F-Secure and Cromwell Poland, which have added to Skylight's list of tenants of 48 corporates. The Embassy of the United Arab Emirates, the Academy of New York, CIMA, Mezzanine Management and Velvet Care all extended their agreements in the building. In the neighbouring Lumen office, FMC Agro has occupied 0.5k sqm for a five-year period and Solidex extended its stay in the property for an additional three years.

In Spektrum Tower, occupancy improved by 1.1% to 97.9% as at 30 June 2019, mainly due to the extension and expansion of Westwing, the largest online shopping club in Poland offering furniture and home accessories, which added 1.0k sqm, increasing its occupancy to 2.5k sqm in total.

Other notable changes in occupancy were achieved at Supersam and Warta, marking improvements of 3.3% and 1.4% to 94.6% and 93.7% respectively as at 30 June 2019. Occupancy in Renoma fell by 3.6% to 88.4% in the first half of the year linked to preparations for a partial repositioning of the property. Overall in Poland, c.79% of the GLA signed in H1-19 involved lease extensions with the remaining 21% being split between expansions and new leases.

Combined Portfolio Snapshot (as at 30 June 2019)

	Romania	Poland	Combined Portfolio
Standing Investments(1)	15	19	34
GAV(2) / Standing GAV (€m)	€1,328m / €1,197m	€1,416m / €1,416m	€2,745m / €2,613m
Occupancy(3)	93.1% (94.8% incl. tenant options)	94.9%	93.9% (94.8% incl. tenant options)
WALL(4)	6.2 years	3.9 years	4.9 years
Standing GLA (k sqm)(5)	628.6k sqm	510.3k sqm	1,138.8k sqm
Contracted Rent (€m)(6)	€81.1m	€94.3m	€175.4m
GAV Split by Asset Usage			
Office	81%	79%	80%
Mixed-Use	-	21%	11%
Logistics	9%	-	4%
Others	10%	-	5%
GAV Split by City			
Bucharest	89%	-	43%
Timisoara	6%	-	3%
Pitesti	4%	-	2%
Constanta	1%	-	1%
Warsaw	-	50%	26%
Wroclaw	-	14%	7%
Katowice	-	9%	5%
Lodz	-	5%	3%
Krakow	-	18%	9%
Gdansk	-	4%	2%
GAV as % of Total	**48%**	**52%**	**100%**

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. 2019, but excludes forward funded and 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 6.0 years, 3.9 years and 4.8 respectively.
5. Including 34.9k sqm of residential assets in Romania
6. Total rent comprises commercial (€171.1 million) and residential (€1.2 million in Romania) standing properties and development pre-lets (€3.1 million in Romania), and includes contracted rent under master lease agreement.

Operation, Renovation and Upgrade Programme of Standing Properties

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 2019, focusing on a more hands-on approach to the management and operation of our properties, as well as to our renovation and upgrade programme at selected properties in the portfolio.

Internalising the property management of our portfolio is a prime area of focus for the Group and we continue to build up our in-house capabilities with a team of professionals which, at the end of June 2019, had reached 214 members. We are pleased to now be in a position to be able to internally manage almost all of our office properties in Romania and c.60% of our properties in Poland, accounting for 76.9% of the total standing commercial portfolio by value (80.9% of office and mixed-use standing properties) as at 30 June 2019, and we actively continue to increase this.

Much of our focus is on creating and enhancing the "community" aspect of our portfolio, and includes the roll-out of engagement initiatives with those who work and operate in our properties, such as our Globalworth District Art, Fashion and Technology events in Romania, and the recent "Meet Globalworth" initiatives at our latest acquisitions in Poland. Other initiatives, tying into our sustainability objectives, have included a new partnership with FLOW, the Romanian ridesharing company, to give employees working in Globalworth buildings in Bucharest easy access to eco transportation using electric scooters.

Our investment in improvement works on selected properties was focused predominantly on 11 standing properties in our portfolio, with minor works performed on a number of others. In total, €5.0 million was invested under our renovation and upgrade programme with works involving primarily the upgrade of both indoor and outdoor common areas.

We are also in the process of examining alternative scenarios for certain properties in our portfolio, for example, Warta Tower in Warsaw, which will enable us to maintain and extend their useful life in the medium to long term. We are currently progressing with the partial repositioning / reclassification of certain uses / floors in Renoma in Wroclaw where we aim to increase the office component on the upper floors of the property, the development of additional leasable area at CB Lubicz in Krakow, increasing the GLA by an additional 2.0k sqm, and the extension of the parking, as well as the refurbishment of the lobby at Globalworth Tower in Bucharest.

OTHER INVESTMENTS / INITIATIVES

- €2.4m commitment to GapMinder, Globalworth's second investment in a technology-related venture capital fund.
- Further progress with developing the Globalworth App, which will allow us to improve both our operation of the portfolio and the experience available to those working in or visiting our properties.
- Near completion of process to acquire outstanding minority interests in Globalworth Poland and delist from the Warsaw Stock Exchange

Investment in Technology Funds and Other Technology Initiatives

As part of an effort to promote technological innovation, underpinned by our belief in the impact that technology can have on real estate for both tenants and investors alike, Globalworth invests directly or indirectly in selected opportunities and initiatives, including technology-related venture capital funds.

Following its €2.0 million commitment in 2018 to Early Games Venture, a venture capital fund co-funded by the European Regional Development Fund focused on innovative companies in Romania and funded through the Competitiveness Operational Program (2014-2020), in H1-19 Globalworth made a €2.4 million commitment to GapMinder Venture Partners ("GapMinder").

GapMinder is a venture capital fund investing in IT Software and Services start-ups in Romania and Central Eastern Europe and on disruptive projects with regional, European and global ambitions. The scope of the fund encompasses verticals in IT including Machine Learning, Artificial Intelligence, Advanced Analytics, Predictive Marketing, and Digital Transformation.

GapMinder won the European Investment Fund bid to build the Competitiveness Fund of Funds and implement the Entrepreneurship Accelerator and Seed Fund Financial Instrument in Romania.

Other initiatives include participation in the Techcelerator in Bucharest, where Globalworth, GapMinder and certain others are targeting investment of up to €1 million in Romanian technology companies.

The Group is also exploring the potential to make additional technology-related investments in the future, either in general technology funds or ventures focusing on real estate solutions in the domain of smart buildings / smart city, mobility and energy, property automation and real estate software.

The Globalworth App

We have continued to make progress with the development of the Globalworth App, through which we aim to make our portfolio "smarter", allowing more interactive engagement and operation between the people working in or visiting our buildings.

The Globalworth App will be the gateway which will allow us to further enhance our vision of building communities. Among its functions, the App will allow news sharing related to our properties, the portfolio, and events held in the Globalworth District. It will improve the experience of those working and visiting our properties by allowing access, indoor navigation, the ability to control the working environment, and improved efficiency. At the same time, the Globalworth App will enable us as the landlord to better monitor the performance and operation of our portfolio and interact with people working in or visiting our properties.

The Globalworth App is currently at a development stage and we plan to implement it in phases, rolling it out to a selection of our buildings in the second half of 2019 and deploying it to the whole portfolio once testing is completed.

Globalworth Poland: Delisting Process

In April 2019, the Company announced its intention to acquire the outstanding shares in Globalworth Poland not owned by the Group, and consequently delist the entity from the Warsaw Stock Exchange, thus eliminating the minority interest, simplifying the Group structure and improving efficiencies.

In August 2019, we received a judgment rendered by the Enterprise Chamber of the Amsterdam Court of Appeals in the Netherlands enabling the Company to complete the mandatory squeeze out process for the 0.1% of shares not already owned by Globalworth, and as a result of this Globalworth Poland is expected to be delisted from the Warsaw Stock Exchange by year end.

FINANCIAL REVIEW

1. Highlights

Globalworth is pleased to report a significant uplift in its earnings and balance sheet metrics over the first half of 2019, reflecting the ongoing growth across its operations and further expansion of its platform.

Revenues **€103.8m** +32.9% on H1-18	NOI[1] **€68.0m** +31.5% on H1-18
IFRS Earnings per share[2] **43.98 cents** +16.9% on H1-18	Combined Portfolio Value (OMV)[1] **€2.7bn** +11.5% on 31 Dec. 2018
Adjusted EBITDA[1] **€104.7m** +27.4% on H1-18	EPRA NAV / EPRA NAV per share[1,3] **€1,754.3m / €9.05** +46.2% / +0.1% on 31 Dec. 2018
Adjusted normalised EBITDA[1,4] **€61.6m** +46.0% on H1-18	EPRA Earnings per share[1,2] **23.47 cents** +14.8% on H1-18[6]
LTV[1,5] **36.5%** 43.9% at 31 Dec. 2018	Dividends paid in H1-19 per share **27 cents** +22.7% on H1-18

1. See Glossary (pages 71-72) for definitions.
2. See note 12 of the unaudited condensed consolidated financial statements for calculation.
3. See note 20 of the unaudited condensed consolidated financial statements for calculation.
4. See page 16 for further details.
5. See note 22 of the unaudited condensed consolidated financial statements for calculation.
6. The H1-18 EPRA Earnings figure has been adjusted for comparability purposes, following consultation with EPRA subsequent to the publication of the H1-18 Interim Report.

2. Revenues and Profitability

Consolidated revenues of €103.8 million in H1-19 rose by 32.9% on H1-18 (€78.1 million), primarily as a result of a 35.2% increase in rental income to €71.8 million (H1-18: €53.3 million). The main drivers behind this increase were:

- additional rental income of €18.0 million recognised in H1-19 versus H1-18 following the acquisition of standing properties in Poland after 1 January 2018, representing a 33.8% increase in rental income;
- a 5.1%[1] increase in underlying rental income derived from standing properties owned throughout both periods, following leasing activity and indexation (Romania +7.8%, Poland +1.5%[1]);
- a 1.6% increase in rental income contributed from Globalworth Campus Tower 2 and the first facility at Timisoara Industrial Park II, developments in Romania that were completed in H1-18 and H1-19 respectively; and
- an offsetting impact of €2.6 million to comparable rental income following the termination of certain master lease and NOI guarantee agreements in Poland that were settled in December 2018 for an immediate cash receipt of €21.5 million, equating to a -4.8% impact on H1-18 rental income.

As a result of acquisition activity in Poland, Group revenues were split 55% Poland / 45% Romania, compared to 45% Poland / 55% Romania in H1-18.

Net Operating Income rose to €68.0 million, a 31.5% increase over H1-18 (€51.7 million) and in line with the increase in Group revenue. The growth in NOI reflected an increase of €14.7 million in Poland and an additional €1.6 million in Romania. NOI was split 58% Poland / 42% Romania, compared to 48% Poland / 52% Romania in H1-18.

Adjusted EBITDA[2] rose to €104.7 million, which includes the share of minority interests, an increase of 27.4% over H1-18 (€82.2 million), resulting from the increase of NOI (by €16.3 million) and also higher valuation gains on investment property (by €10.5 million) and lower acquisition costs (by €0.9 million), partly offset by net other income / other expense items (by €5.2 million).

Adjusted normalised EBITDA[3] amounted to €61.6 million, which includes the share of minority interests, an increase of 46.0% over H1-18 (€42.2 million), resulting mainly from the increase of NOI (by €16.3 million) as well as the effect of non-recurring income in H1-18 (€3.0 million excluded from adjusted normalised EBITDA in H1-18) relating to the aforementioned master lease and NOI guarantees settled in December 2018.

Net finance costs stood at €20.9 million, a 9.7% increase over H1-18 (€19.1 million) reflecting the additional bond coupon following our second €550 million bond issue in March 2018 (35.1% higher than H1-18) and offset by lower debt issue amortisation costs and other finance expenses.

Joint ventures contributed €4.4m, a significant increase on H1-18 (€0.7 million) as a result of two new development project joint ventures in Constanta and Chitila, Bucharest. Following the completion of the Renault Bucharest Connected development, €1.4 million of rental income was recorded for Globalworth's share in H1-19 (H2-2018: €45,000). Our share of revaluation gains was €4.7 million.

Earnings before tax increased to €88.0 million, a rise of 37.7% over H1-18 (€64.0 million), mainly as a result of the increase in NOI, higher valuation gains and the increased share of profits from our joint ventures. The impact of minority interests of €6.0 million (H1-18: €6.6 million), determined by the weighted average shareholding in the period, was reduced due to the higher percentage of shares in Globalworth Poland owned by the Company, with minorities at the 30 June 2019 accounting for only 0.16%. EPRA earnings were €37.3 million, an increase of 38.0% over H1-18 (€27.0 million[4]).

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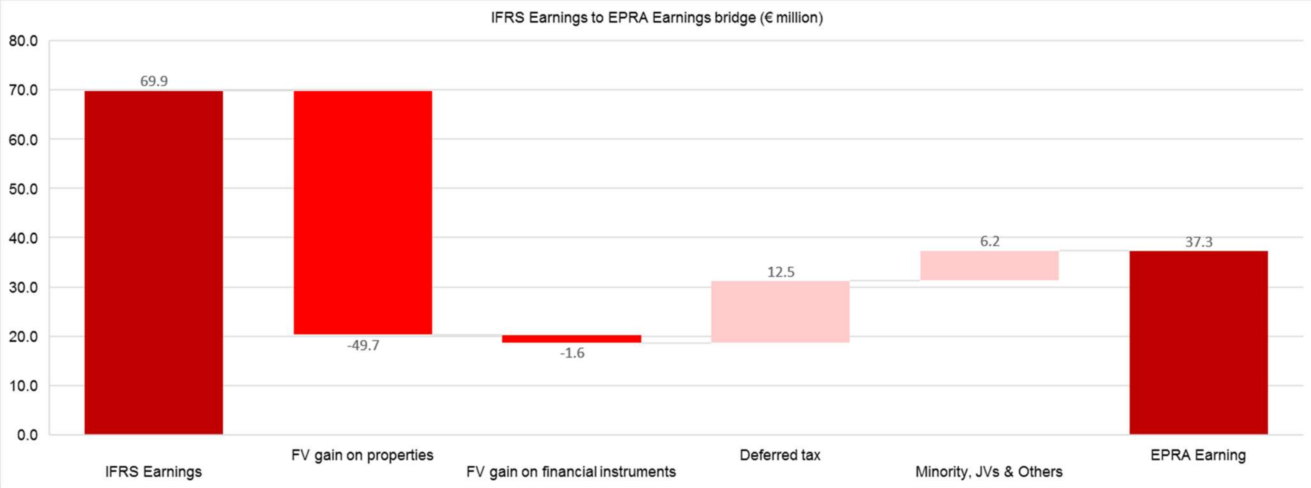
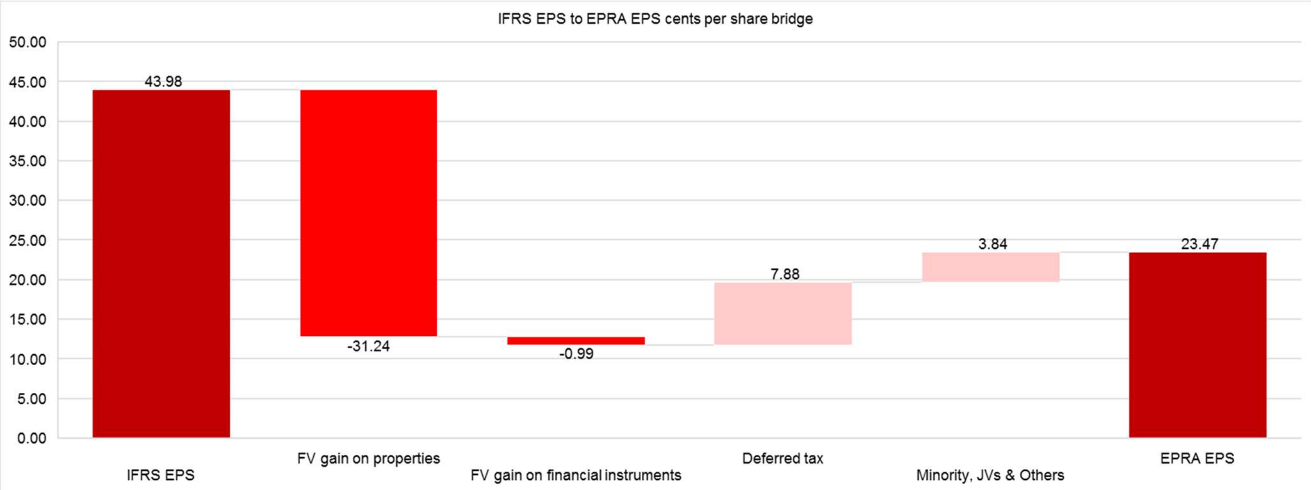
1 The H1-18 rental income used for the comparative has been adjusted to exclude the effect of the income (€2.6 million) recognised as a result of the master lease and NOI guarantees on certain properties in Poland, which were settled in December 2018 and, therefore, such income was not received during H1-19.
2 Earnings before finance cost, tax, depreciation, amortisation of other non-current assets and purchase gain on acquisition of subsidiaries.
3 Adjusted EBITDA, less: fair value gains on investment property and financial instruments (H1-19: €50.6 million; H1-18: €40.2 million), non-recurring income (H1-19: €0.0 million; H1-18: €3.0 million), other income (H1-19: €0.6 million; H1-18: €0.2 million); plus: acquisition costs (H1-19: €0.0 million; H1-18: €0.9 million); plus: non-recurring administration and other expense items (H1-19: €8.1 million; H1-18: €2.5 million). The adjustments listed include the share of minority interests.
4 The H1-18 EPRA Earnings figure has been adjusted for comparability purposes, following consultation with EPRA subsequent to the publication of the H1-18 Interim Report.





IFRS earnings per share increased by 16.9% from 37.63 cents to 43.98 cents, following higher earnings before tax and also influenced by the increased deferred tax expense, as compared to H1-18 which resulted from the property acquisitions made subsequent to 30 June 2018 as well as from valuation gains reported during H1-19. EPRA Earnings per share followed the same trend and increased by 14.8% compared to H1-18, rising to 23.47 cents per share from 20.45 cents per share in H1-18. Both IFRS earnings per share and EPRA Earnings per share for H1-19 were influenced by the higher weighted average number of shares H1-19 (158.9 million) as compared to H1-18 (132.2 million) which resulted from the equity raise in April 2019.

3. Balance Sheet

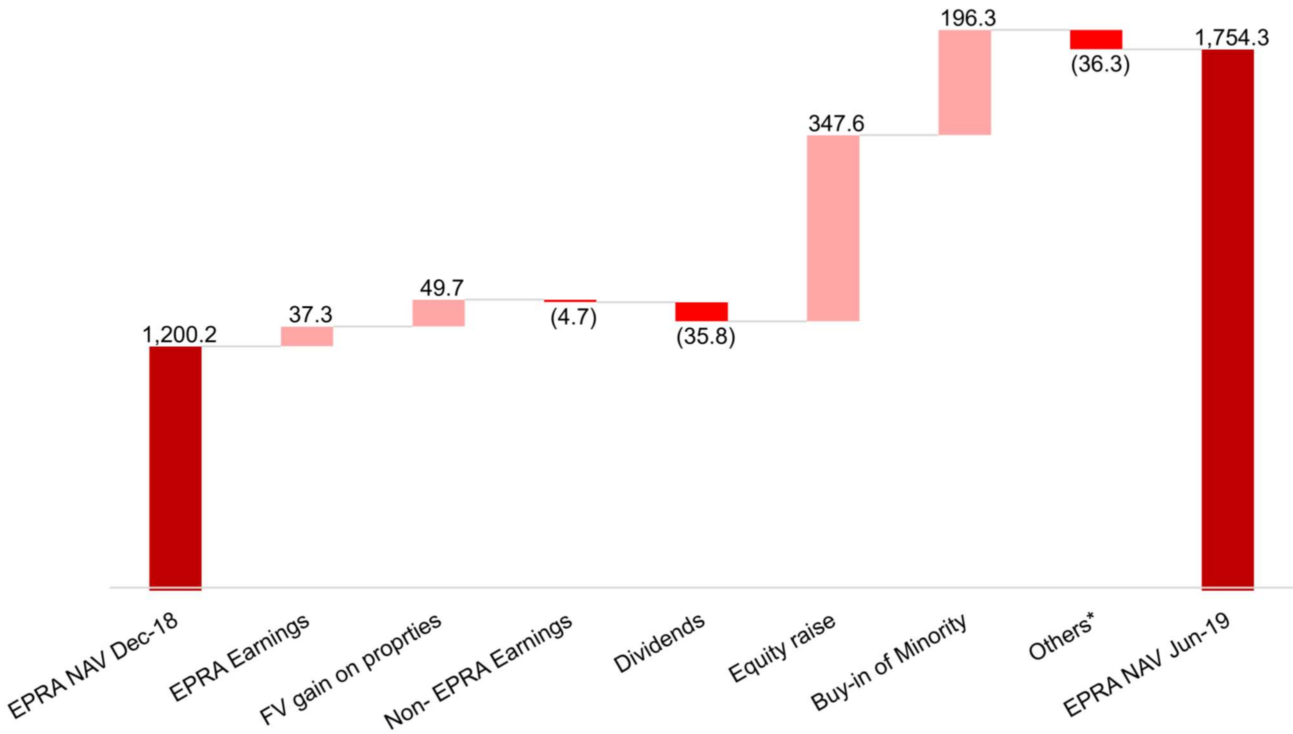
The combined portfolio open market value grew by €282.5 million, an increase of 11.5%, to €2,745 million. This comprises €2,638 million of investment property held on our balance sheet as at 30 June 2019, and a further €107 million representing the 100% value of joint venture properties comprising the standing Renault Bucharest Connected property, and the land associated to the GW West, Chitila Logistics Park and Constanta Business Park projects.

Investment activity in H1-19, which included c.€204 million of new acquisitions and development projects as well as valuation gains of €49.7 million, contributed to a 10.4% increase in the balance sheet value of our investment property portfolio at 30 June 2019 to €2,638 million (31 December 2018: €2,389 million). Fair value gains of €49.7 million were split 48% Poland and 52% Romania, with standing properties held at 31 December 2018 recording €27.3 million gain to investment property, or +1.2% (+0.9% Poland, +1.5% Romania), with the balance derived from development projects, land and acquisitions.

Total assets as at 30 June 2019 amounted to c.€3,199 million and increased by 16.9% from 31 December 2018 (c.€2,737 million), primarily due to the expansion of the property portfolio and the increase in cash and cash equivalents following the equity raise in April 2019.

FINANCIAL REVIEW

EPRA NAV Bridge from 31 December 2018 to 30 June 2019 (€ million)



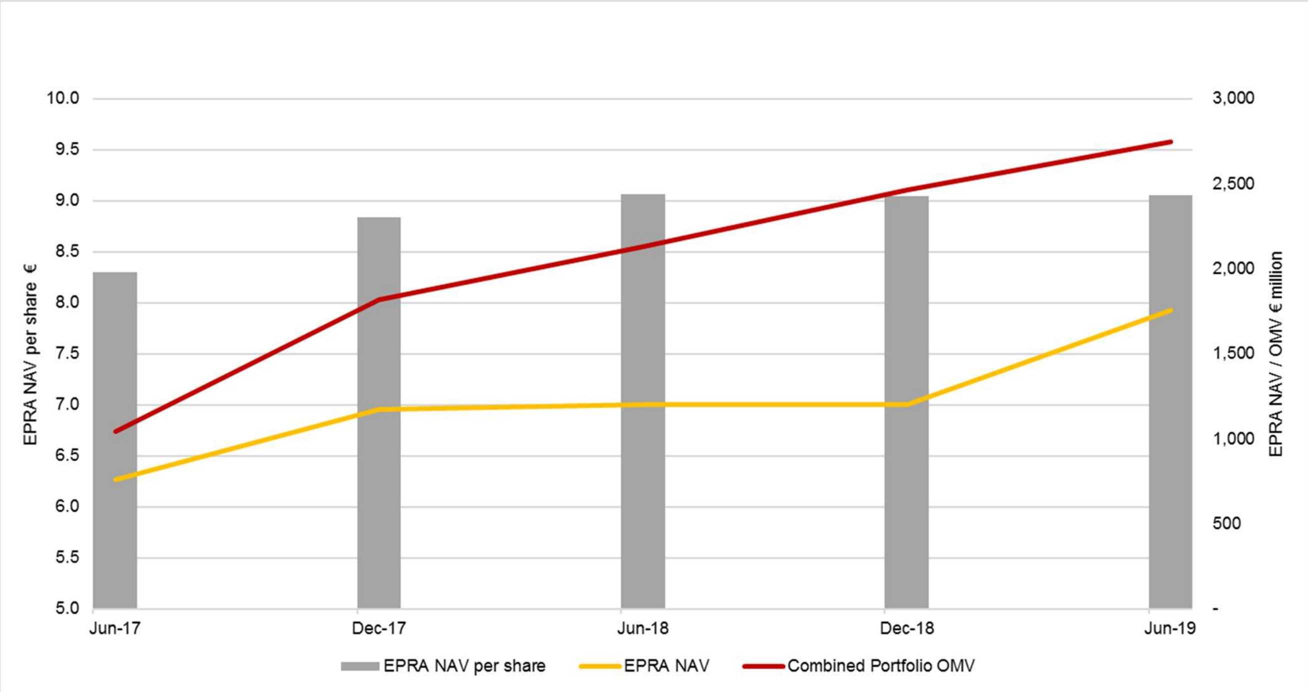
* Others includes the costs associated with the change in the arrangements for the long-term incentive plan for the Group's Executives (cash payment of €25.8 million and transfer of 3.2 million shares), as well as other movements within equity.

EPRA NAV rose to €1,754.3 million as at 30 June 2019, an increase of 46.2% on 31 December 2018 (€1,200.2 million). EPRA NAV per share increased marginally to €9.05 per share (31 December 2018: €9.04 per share), given the increased number of shares in issue.

The main factors driving the change in EPRA NAV during H1-19 were:

- the results for the period, including €49.7 million of fair value gains on properties in Romania (€25.7 million) and Poland (€24.0 million);
- dividends of €35.8 million paid in January 2019;
- acquisitions of minority interests for cash (c.€32 million) and through share exchanges with GWI shares (c.€179 million); and
- the c.€348 million cash proceeds from the successful equity raise in April 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 24.

In January 2019, the Company made an interim dividend distribution of 27 cents per share in respect of the six month period ended 31 December 2018. Post the period end, the Company declared and in August 2019 paid its first interim dividend in respect of the year ending 31 December 2019 of 30 cents per share.

5. Financing & Liquidity Review

Financing Activity in H1-19

We had an active first half in the capital markets, conducting a major equity issue and also various debt financing activities.

In April 2019, we raised €348 million of new equity at a price of €9.10 per share, a small premium to our December 2018 EPRA net asset value per share. This new capital has enabled us to continue on our strong growth trajectory with four acquisitions in Poland completed or announced in the first six months, while also enabling us to manage our loan to value ratio in line with our long-term target of less than 40%.

In addition to the capital raise, we issued €153 million of new shares in exchange for certain minority interests in our Polish subsidiary, GPRE. This was a key step as part of a series of transactions, using both newly issued Globalworth shares and cash, to buy-in the outstanding minority interests in GPRE, which simplifies our group structure and market positioning. This reduced the related minority interest recognised on the balance sheet from €212.4 million as at 31 December 2018, when Globalworth owned 69.7% of GPRE, to €1.2 million following the increase in shareholding to 99.8% as at 30 June 2019. As discussed in the Management Review section of the Interim Report, we are in the process of squeezing out the remaining minorities and de-listing GPRE from the Warsaw Stock Exchange, and we anticipate that this will be finalised before the end of 2019.

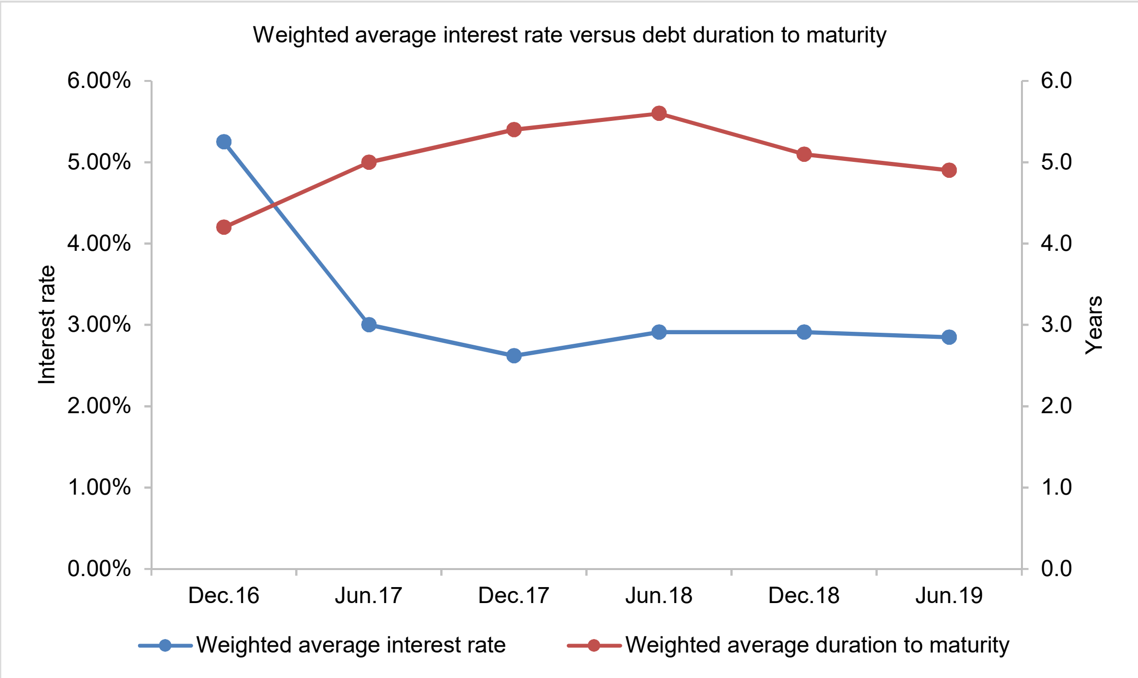
In the debt markets, we were pleased to see our credit rating is now recognised as investment grade by all the three major rating agencies that cover us, following upgrades by S&P and Moody's during the first half. We have a BBB- rating from S&P and Fitch, and a Baa3 rating from Moody's. This combined with the general market trend of tightening yields, resulted in a significant compression in the yield to maturity of our two outstanding bonds.

As part of the Group's continuous efforts to reduce its cost of financing, in June 2019 the loan facilities (€40.3 million), secured on its Hala Koszyki, Renoma and Supersam properties in Poland were repaid as was the outstanding amount of €2 million of the €30 million loan facility secured on its Timisoara Industrial Park (formerly TAP) complex in Romania. In April 2019, a c.€85 million outstanding loan balance was assumed upon the acquisition of the Warsaw Trade Tower in Poland, with partial prepayment subsequently made of c.€9.5 million. Negotiations over the remaining balance are ongoing with the financing bank to extend its term at a competitive interest rate. Additionally, the €65 million 10-year secured loan granted by Erste Bank AG was drawn down in March 2019.

Debt Summary

The total debt portfolio of the Group as at 30 June 2019 of €1.34 billion (31 December 2018: €1.26 billion) comprises predominately medium to long-term debt, denominated entirely in Euro.

Over the last few years, the Group has delivered on its strategy of extending the weighted average period to maturity of its debt financing, while reducing the applicable weighted average interest rate. The weighted average interest rate of 2.85% as at 30 June 2019 compares to 2.91% as at 31 December 2018, while the average period to maturity decreased slightly from 5.1 years to 4.9 years, as shown in the chart below:



Servicing of Debt During 2019

During the first half of 2019, we repaid in total c.€52.7 million of loan capital and c.€35.2 million of accrued interest on the Group's drawn debt facilities, including c.€32.3 million in relation to the full annual coupon for both Eurobonds of the Company.

Liquidity & Loan to value ratio

The Group seeks to maintain sufficient liquidity at all times to enable it to finance its ongoing, planned property investments and the completion of properties under development, while maintaining the flexibility to react quickly to attractive new investment opportunities.

As at 30 June 2019, the Group had cash and cash equivalents of €396.3 million (31 December 2018: €229.5 million), an increase connected with the cash equity raise made in April 2019.

The Group's loan to value ratio as at 30 June 2019 was 36.5%, marking a significant decrease compared to 31 December 2018 (43.9%) as a result of the equity raise. 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 2019

Debt Structure - Secured vs. Unsecured Debt

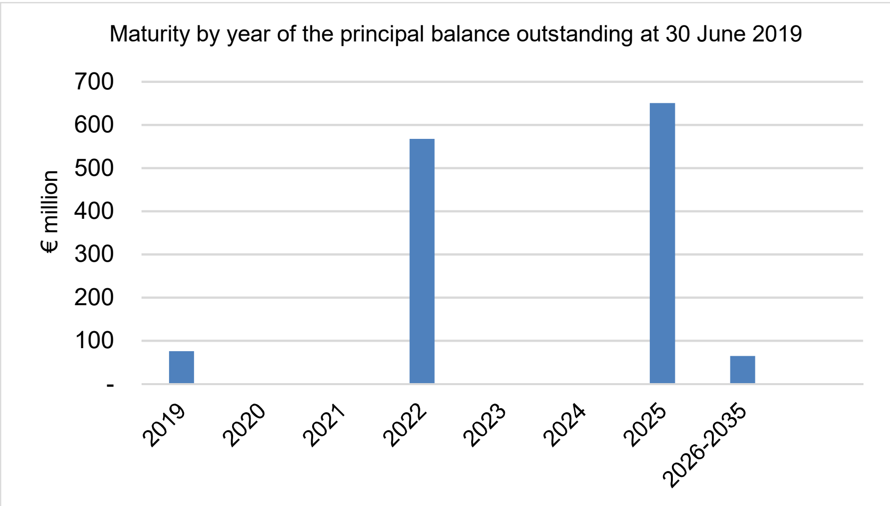
As at 30 June 2019, 81.0% (31 December 2018: 87.3%) of the Group's debt, comprising its €1.1 billion in Eurobonds, is unsecured, with the remainder secured with real estate mortgages, pledges on shares, receivables and loan subordination agreements in favour of the financing parties.

The slight decrease in the percentage of the unsecured debt compared to 31 December 2018 was a result of the secured bank loan taken over on the acquisition of the Warsaw Trade Tower, partly offset by the prepayment of banks loans in Romania and Poland during the period, as outlined above.

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

The Group has credit facilities and Eurobonds with different maturities, 94.4% of which are long-term (99.9% as at 31 December 2018). The only short-term facility is currently under negotiation, with a long-term extension expected to be concluded before the end of the year.

Maturity by year of the principal balance outstanding at 30 June 2019



Debt Denomination Currency and Interest Rate Risk

Our loan facilities are entirely Euro denominated and bear interest based at either one or three months Euribor plus a margin, or at a fixed interest rate. This 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 reporting 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 2019 being the following:

Unsecured Eurobonds

- 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%.

Secured Bank Loans

- the debt service cover ratio, with values ranging from 110% to 120% (be it either historic or projected);
- the interest cover ratio ('ICR'), with value of 350%, applicable to one secured loan facility (be it either historic or projected); and
- the LTV ratio, with contractual values ranging from 48% to 83%.

There have been no breaches of the aforementioned covenants occurring during the six-month period ended 30 June 2019.

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 amounted to €19.6 million, compared to €11.1 million in H1-18, reflecting the expansion of the Group's operating activities following the acquisition of six additional standing office buildings in Poland since 30 June 2018, but impacted by the annual Bond coupon payments, which were higher in H1-19 following the payment of the first annual coupon on the second €550 million Bond, issued at the end of March 2018.
- Net proceeds from the successful equity financing in April 2019 of €337.8 million, with c.€110 million subsequently used to finance the acquisition of an additional two properties in Poland in July 2019 (Silesia Star and Retro Office House).
- Cash used for investments made in H1-19 of €120.6 million, including the acquisition of two standing properties in Poland (Rondo Business Park and Warsaw Trade Tower), the further advancing of the construction of properties under development in Romania, and the acquisition of additional land for development in Romania.
- Dividends paid in H1-19 of €35.8 million in respect of the six-month period ended 31 December 2018, compared to €31.4 million in H1-18 in respect of the six-month period ended 31 December 2017.
- Cash and cash equivalents as at 30 June 2019 stood at €396.3 million, compared to €229.5 million at 31 December 2018.

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 75 to 78 of the Annual Report for the year ended 31 December 2018, 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;
- 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 2019, and these risks are expected to continue to remain relevant during the second half of 2019.

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 12 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 2019.

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

	Note	30 June 2019 Unaudited €'000	30 June 2018 Unaudited €'000
Revenue	7	**103,792**	78,097
Operating expenses	8	**(35,790)**	(26,398)
Net operating income		**68,002**	51,699
Administrative expenses		**(6,984)**	(6,456)
Acquisition costs		**(15)**	(952)
Fair value gain on investment property	4.1	**49,049**	38,558
Gain on acquisition of subsidiaries		**–**	251
Share-based payment expense	21	**(390)**	(97)
Depreciation on other long-term assets		**(159)**	(179)
Other expenses	9	**(6,548)**	(1,494)
Other income		**615**	215
Foreign exchange loss		**(553)**	(883)
Gain from fair value of financial instruments	14	**1,569**	1,653
		36,584	30,616
Profit before net financing cost		**104,586**	82,315
Net financing cost			
Finance cost	10	**(22,629)**	(20,505)
Finance income		**1,691**	1,425
		(20,938)	(19,080)
Share of profit of equity-accounted investments in joint ventures	24	**4,384**	717
Profit before tax		**88,032**	63,952
Income tax expense	11	**(12,150)**	(7,573)
Profit for the period		**75,882**	56,379
Other comprehensive income		**–**	–
Profit attributable to:		**75,882**	56,379
– Equity holders of the Company		**69,902**	49,766
– Non-controlling interests		**5,980**	6,613
		Cents	Cents
Earnings per share			
– Basic	12	**43.98**	37.63
– Diluted	12	**43.82**	37.57
EPRA earnings per share			
– Basic	12	**23.47**	20.44
– Diluted	12	**23.39**	20.41

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	30 June 2019 Unaudited €'000	31 December 2018 Audited €'000
ASSETS			
Non-current assets			
Investment property- *freehold*	3	**2,639,345**	2,390,994
Investment property – *leasehold*	5	**31,079**	–
Goodwill		**12,349**	12,349
Advances for investment property		**5,396**	4,209
Investments in joint ventures	24	**48,183**	38,316
Equity investments	15	**9,483**	8,837
Other long-term assets		**1,520**	1,035
Prepayments		**1,409**	1,472
Financial assets at fair value through profit or loss	14	**2,854**	2,829
		2,751,618	2,460,041
Current assets			
Financial assets at fair value through profit or loss	14	**20,402**	12,878
Trade and other receivables		**22,595**	25,281
Contract assets		**4,622**	3,937
Guarantees retained by tenants		**12**	11
Income tax receivable		**422**	395
Prepayments		**2,890**	4,929
Cash and cash equivalents	16	**396,271**	229,527
		447,214	276,958
Total assets		**3,198,832**	2,736,999
EQUITY AND LIABILITIES			
Issued share capital	18	**1,414,464**	897,314
Treasury shares	21	**(3,581)**	(842)
Share-based payment reserve	21	**31,778**	2,117
Retained earnings		**171,341**	186,326
Equity attributable to ordinary equity holders of the parent		**1,614,002**	1,084,915
Non-controlling interests	26	**1,186**	212,407
Total equity		**1,615,188**	1,297,322
Non-current liabilities			
Interest-bearing loans and borrowings	13	**1,260,710**	1,235,106
Deferred tax liability	11	**116,428**	106,978
Lease liabilities	5	**28,990**	–
Guarantees retained from contractors		**621**	693
Deposits from tenants		**12,133**	13,754
Provision for tenant lease incentives		**602**	780
Trade and other payables		**1,557**	694
		1,421,041	1,358,005
Current liabilities			
Interest-bearing loans and borrowings	13	**82,048**	23,965
Guarantees retained from contractors		**3,611**	3,353
Trade and other payables		**64,110**	32,956
Contract liability		**1,501**	1,401
Other current financial liabilities	17	**1,906**	2,084
Current portion of lease liabilities	5	**2,089**	–
Deposits from tenants		**4,777**	2,241
Provision for tenant lease incentives		**1,538**	1,211
Dividends payable		**26**	10,731
Income tax payable		**997**	3,730
		162,603	81,672
Total equity and liabilities		**3,198,832**	2,736,999

These condensed consolidated financial statements were approved by the Board of Directors on 18 September 2019 and were signed on its behalf by:

Geoff Miller
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

globalworth

	Note	Equity attributable to equity holders of the Company					Non-controlling interests	Total Equity
		Issued share capital	Treasury shares	Share-based payment reserve	Retained earnings	Total		
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
As at 1 January 2018 (Audited)		894,509	(270)	2,240	172,405	1,068,884	67,572	1,136,456
Shares issued to the executive directors for vested warrants		153	–	(3)	–	150	–	150
Transaction costs on issuance of shares		(40)	–	–	–	(40)	–	(40)
Shares issued to the executive directors and other senior management employees		1,874	–	(1,874)	–	–	–	–
Interim dividends paid by the company		–	–	–	(64,870)	(64,870)	–	(64,870)
Interim dividends declared by the subsidiary to non-controlling interest holders		–	–	–	–	–	(14,229)	(14,229)
Shares issued under the subsidiaries' employees share award plan		818	(818)	–	–	–	–	–
Share based payment expense		–	–	2,000	–	2,000	–	2,000
Shares vested under the subsidiaries' employees share award plan		–	246	(246)	–	–	–	–
Acquisition of non-controlling interest for cash		–	–	–	279	279	(9,319)	(9,040)
Change in non-controlling interest arising from shares issue in subsidiary		–	–	–	(1,102)	(1,102)	1,102	–
Shares issue in subsidiary		–	–	–	(649)	(649)	147,627	146,978
Profit for the year		–	–	–	80,263	80,263	19,654	99,917
As at 31 December 2018 (Audited)		897,314	(842)	2,117	186,326	1,084,915	212,407	1,297,322
Issuance of shares subscribed in cash	18	**347,634**	**–**	**–**	**–**	**347,634**	**–**	**347,634**
Transaction costs on issuance of shares	18	**(9,879)**	**–**	**–**	**–**	**(9,879)**	**–**	**(9,879)**
Shares issued to the Executive Directors and other senior management employees	21.2	**–**	**–**	**84**	**–**	**84**	**–**	**84**
Interim dividends	19	**–**	**–**	**–**	**(35,776)**	**(35,776)**	**–**	**(35,776)**
Share based payment expense under the subsidiaries' employees share award plan	21.4	**–**	**–**	**390**	**–**	**390**	**–**	**390**
Shares purchased by the Company	21.5	**–**	**(2,739)**	**–**	**–**	**(2,739)**	**–**	**(2,739)**
Shares issued for share swap with non-controlling interest	18	**179,395**	**–**	**–**	**5,840**	**185,235**	**(185,235)**	**–**
Acquisition of non-controlling interest		**–**	**–**		**49**	**49**	**(31,966)**	**(31,917)**
Long term plan termination reserve	21.3	**–**	**–**	**29,187**	**(55,000)**	**(25,813)**	**–**	**(25,813)**
Profit 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 CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

	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 2018 (Audited)		894,509	(270)	2,240	172,405	1,068,884	67,572	1,136,456
Shares issued to the Executive Directors for vested warrants		153	–	(3)	–	150	–	150
Transaction costs on issuance of shares		(18)	–	–	–	(18)	–	(18)
Shares issued to the Executive Directors and other senior management employees		892	–	(892)	–	–	–	–
Interim dividend		–	–	–	(29,102)	(29,102)	(3,498)	(32,600)
Shares issued under the subsidiary's employees share award plan		818	(818)	–	–	–	–	–
Share based payment expense under the subsidiaries' employees share award plan		–	–	97	–	97	–	97
Shares granted to Executive Directors and other senior management employees		–	–	341	–	341	–	341
Change in non-controlling interest on shares issue in subsidiary		–	–	–	(1,102)	(1,102)	1,102	–
Shares issue in subsidiary		–	–	–	(572)	(572)	147,662	147,090
Profit for the period		–	–	–	49,766	49,766	6,613	56,379
As at 30 June 2018 (Unaudited)		896,354	(1,088)	1,783	191,395	1,088,444	219,451	1,307,895

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

	Note	30 June 2019 Unaudited €'000	30 June 2018 Unaudited €'000
Profit before tax		**88,032**	63,952
Adjustments to reconcile profit before tax to net cash flows			
Fair value gain on investment property	4.1	**(49,049)**	(38,558)
Bargain purchase gain on acquisition of subsidiaries	23	**–**	(251)
Loss on sale of investment property		**1,367**	1,148
Share-based payment expense	21.4	**390**	97
Depreciation on other long-term assets		**159**	179
Net movement in allowance for doubtful debts		**(102)**	233
Foreign exchange loss		**157**	883
Gain from fair valuation of financial instrument	14	**(1,569)**	(1,653)
Share of profit of equity-accounted joint ventures	24	**(4,384)**	(717)
Net financing costs		**20,938**	17,427
Operating profit before changes in working capital		**55,939**	42,740
Decrease/(increase) in trade and other receivables		**5,530**	(10,444)
(Decrease)/increase in trade and other payables		**(2,869)**	271
Interest paid		**(35,216)**	(19,345)
Interest received		**1,596**	132
Income tax paid		**(5,410)**	(2,207)
Cash flows from operating activities		**19,570**	11,147
Investing activities			
Expenditure on investment property completed and under development		**(35,081)**	(35,457)
Payment for land acquisitions		**(925)**	–
Payments for acquisition of investment property	23	**(73,992)**	(204,997)
Proceeds from non-controlling interest holders in subsidiary's share capital		**–**	147,090
Proceeds from sale of investment property		**4,034**	4,481
Investment in available for sale financial assets		**(5,980)**	–
Investment in unquoted equity shares	15	**(646)**	(8,639)
Investment in and loans given to joint ventures	24	**(9,958)**	(15,061)
Repayment of loans from joint ventures		**4,389**	–
Payment for purchase of other long-term assets		**(647)**	(329)
Cash flows used in investing activities		**(118,806)**	(112,912)
Financing activities			
Proceeds from issuance of share capital	18	**347,634**	150
Payment of transaction costs on issuance of shares	18	**(9,879)**	(18)
Purchase of own shares	21.5	**(2,739)**	–
Payments for the acquisition of non-controlling interest		**(31,917)**	–
Proceeds from interest-bearing loans and borrowings	13	**64,545**	612,608
Repayments of interest-bearing loans and borrowings	13	**(52,668)**	(234,689)
Payment of interim dividend to equity holders of the Company	19	**(35,750)**	(29,102)
Payment for right of use lease liability obligations	5	**(1,371)**	–
Payment of interim dividend to non-controlling interests in the subsidiary		**(10,705)**	(2,326)
Payment of bank loan arrangement fees and other financing costs		**(1,566)**	(8,266)
Change in long term restricted cash reserve	16	**2,250**	2,958
Cash flows from financing activities		**267,834**	341,315
Net increase in cash and cash equivalents		**168,598**	239,550
Cash and cash equivalents at the beginning of the period	16	**227,277**	273,272
Effect of exchange rate fluctuations on cash held		**396**	–
Cash and cash equivalents as per statement of financial position*	16	**396,271**	512,822

* Cash and cash equivalents at 30 June 2019 include € nil restricted cash reserve (30 June 2018: €2.3 million).

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 one note are included with that note. Accounting policies relating to non-material items are not included in these condensed consolidated financial statements.

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 Ground Floor, Dorey Court, admiral Park, St Peter Port, Guernsey GY1 2HT, 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.

Directors

The Directors of the Company are:
- Ioannis Papalekas, Chief Executive Officer
- Dimitris Raptis, Deputy Chief Executive Officer and Chief Investment Officer
- Geoff Miller, Non-executive, Chairman of the Board and member of the Risk Committee
- Eli Alroy, Non-executive, Chairman of Investment Committee and Senior Independent Director
- John Whittle, Non-executive, Chairman of the Audit Committee and member of the Risk Committee
- Peter Fechter, Non-executive, member of the Remuneration Committee
- Andreea Petreanu, Non-executive, member of the Audit Committee and Chair of the Risk Committee
- Richard van Vliet Non-executive, member of the Audit Committee and Risk Committee
- Norbert Sasse, Non-executive
- George Muchanya, Non-executive
- Bruce Buck, Non-executive, Chairman of the Remuneration Committee

On 11 March 2019 and 13 May 2019, Alexis Atteslis and Akbar Rafiq, Non-executive Directors, stepped down from the Board of Directors of the Company, respectively.

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 2019 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 freehold and leasehold, 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. The significant accounting policies adopted are set out in the relevant notes to the financial statements and consistently applied throughout the periods presented except for the new and amended IFRSs, which were adopted on 1 January 2019 (see note 29 for more details).

The financial statements are prepared on a going concern basis as explained the financial review section of the Interim Report.

Accounting policies

These condensed 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 2018, except for the adoption of IFRS 16, 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 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 2018. On 1 January 2019, the Group adopted certain new accounting policies where necessary to comply with amendments to IFRS. IFRS 16 "Leases" had a significant impact on the consolidated financial statements of the Group as disclosed below.

IFRS 16 leases and impact on the consolidated financial statements

IFRS 16 supersedes IAS 17 Leases and related interpretations and is effective for periods beginning on or after 1 January 2019. The new standard brings most leases on-balance sheet under a single model, eliminating the distinction in the accounting treatment between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained for the lessor.

1. Basis of Preparation continued

The impact on the financial statements following the adoption of IFRS 16 is disclosed in note 5 (Group as lessee) and note 7 (Group as lessor).

Basis of Consolidation

These condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries ('the Group') as of and for the six-month period ended 30 June 2019. Subsidiaries are fully consolidated (refer to note 25) 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 interests represent 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.

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.

The preparation of financial statements in conformity with IAS 34 requires management to make certain judgements, estimates and assumptions that effect reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosures of contingent liabilities.

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

- Investment Property – freehold, see note 3 and Fair value measurement and related estimates and judgements, see note 4;
- Investment Property – leasehold, see note 5
- 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;
- Subsidiaries' acquisitions, see note 23;
- Investment in Joint ventures, see note 24; and
- Investment in Subsidiaries, see note 25.

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 freehold and leasehold, 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 Management Review section of the Interim Report.

3. Investment Property – freehold

	Note	Completed investment property €'000	Investment Property under development €'000	Land bank for further development €'000	Total €'000
1 January 2018 (Audited)		1,712,364	54,350	25,700	1,792,414
Acquisition of investment property		507,474	–	–	507,474
Land acquisition		–	–	15,500	15,500
Transfer to investment property under development		–	14,351	(14,351)	–
Subsequent expenditure and net lease incentive movement		24,972	23,599	1,522	50,093
Other operating lease commitment		(378)	–	–	(378)
Capitalised borrowing costs		–	411	–	411
Transfer to completed investment property		55,700	(55,700)	–	–
Disposal during the year		(8,608)	–	–	(8,608)
Fair value movement on investment property		23,170	7,689	3,229	34,088
31 December 2018 (Audited)		2,314,694	44,700	31,600	2,390,994
Acquisition of investment property	23	**159,194**	**–**	**–**	**159,194**
Land acquisition		**–**	**–**	**925**	**925**
Subsequent expenditure and net lease incentive movement		**19,792**	**21,363**	**1,688**	**42,843**
Other operating lease commitment		**149**	**–**	**–**	**149**
Capitalised borrowing costs		**–**	**332**	**–**	**332**
Transfer to completed investment property		**9,100**	**(9,100)**	**–**	**–**
Disposal during the period		**(4,746)**	**–**	**–**	**(4,746)**
Fair value movement on investment property		**40,137**	**7,465**	**2,052**	**49,654**
30 June 2019 (Unaudited)		**2,538,320**	**64,760**	**36,265**	**2,639,345**

3.1 Other operating lease commitment

Other operating lease commitment of €2.14 million (2018: €1.93 million) as of 30 June 2019 (a similar corresponding amount was recorded in trade and other payables as payables for tenant lease incentives) represents the Group's estimated net cost for undertaking existing operating leases in properties owned by third parties, as well as for the commitment to undertake additional operating lease expense, under certain conditions, related to one of the Group's tenants. The net cost is estimated by deducting from the operating lease expenses the revenues from sub-letting the respective properties to third parties selected by the Group, for the unexpired portion of their leases.

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.

Our Property Valuation Approach and Process

The Group reviews the valuations performed by the independent valuers for financial reporting purposes. For each independent valuation performed, The Group's 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.

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 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, are described below. The Group has based its assumptions and estimates on the parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market movements or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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	
Class of property	30 June 2019 €'000	31 December 2018 €'000	Valuation technique	Country	Input	30 June 2019	31 December 2018
Completed investment property	**1,416,210**	1,216,790	Discounted cash flows	Poland	Rental value (sqm)	**€10.0–€24**	€11.5–€22
					Discount rate	**4.62%–10.35%**	4.84%–10.32%
					Exit yield	**5.18%–8.75%**	5.37%–8.75%
	1,106,439	1,029,390	Discounted cash flows	Romania	Rental value	**€2.87–€44.64**	€2.82–€44.64
					Discount rate	**7.50%–9.25%**	7.50%–9.50%
					Exit yield	**6.25%–8.25%**	6.25%–8.50%
	2,522,649	2,246,180					
	63,631	68,514	Sales comparison	Romania	Sales value (sqm)	**€1,832**	€1,867
	2,586,280	2,314,694					
Investment property under development	**16,800**	44,700	Residual method	Romania	Rental value	**€12.00–€15.00**	€4.00–€15.00
					Discount rate	**7.75%**	–
					Exit yield	**6.75%-7.00%**	7.00%–8.50%
					Capex (€m)	**€63.68**	€78.26
Land bank – for development	**15,365**	6,400	Sales comparison	Romania	Sales value (sqm)	**€24.00-1,450**	€24.00
	20,900	25,200	Residual method	Romania	Rental value	**€16.50–€20.00**	€14.00–€20.00
					Exit yield	**7.00%**	7.00%–7.25%
TOTAL	**2,639,345**	2,390,994					

4. Fair Value Measurement and Related Estimates and Judgements continued

Sensitivity Analysis on Significant Inputs

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	**2019**	**Poland**	**36,510**	**(36,270)**	**(61,340)**	**66,720**	**–**	**–**	**–**	**–**	**–**	**–**
	2019	**Romania**	**27,360**	**(27,740)**	**(25,740)**	**27,460**	**–**	**–**	**2,000**	**(2,000)**	**(12,240)**	**9,060**
	2018	Poland	30,680	(30,380)	(50,280)	54,550	–	–	–	–	–	–
	2018	Romania	29,300	(29,300)	(28,000)	30,000	–	–	1,685	(1,687)	(9,700)	6,500
– Under development	**2019**	**Poland**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2019	**Romania**	**2,440**	**(2,660)**	**(3,760)**	**3,740**	**(2,860)**	**2,740**	**–**	**–**	**(1,260)**	**1,140**
	2018	Poland	–	–	–	–	–	–	–	–	–	–
	2018	Romania	4,900	(4,800)	(4,200)	4,500	(3,500)	3,600	–	–	(200)	–
– Further development	**2019**	**Poland**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2019	**Romania**	**1,100**	**(1,200)**	**(1,600)**	**1,700**	**(1,800)**	**1,800**	**1,435**	**(1,265)**	**–**	**–**
	2018	Poland	–	–	–	–	–	–	–	–	–	–
	2018	Romania	1,800	(1,900)	(2,400)	2,500	(2,600)	2,600	1,100	(1,000)	–	–

1. The rental value per month per sqm sensitivity analysis for one industrial property was based on €0.5 (2018: €0.25).
2. The sales price per sqm sensitivity analysis for one industrial property was based on €1.5 (2018: €1.5).
3. The vacancy in perpetuity sensitivity analysis is not followed for the Polish properties portfolio as it is not considered a significant valuation variable.

Other Disclosures Related to Investment Property

Interest-bearing loans and borrowings are secured on investment property, see note 13 for details. Further information about individual properties is disclosed in the Portfolio Review section in the interim report.

All classes of property portfolio were categorised as Level 3 under fair value hierarchy. The fair value movement on investment property recognised, as gain/(loss), in the income statement includes an amount of €49.0 million (2018: €38.5 million) Level 3 of the fair value hierarchy.

4.1 Fair value gain on investment property

	Note	30 June 2019 €'000	30 June 2018 €'000
Fair value movement on investment property – freehold	3	**49,654**	38,558
Fair value movement on investment property – leasehold	5	**(605)**	–
		49,049	38,558

5. Investment property – leasehold

Policy

Lessee's accounting

IFRS 16 removes the current dual accounting model for lessees which distinguishes between on-balance sheet finance lease and off-balance sheet operating lease. Instead, there is a single, on balance sheet accounting model that is similar to finance lease accounting under IAS 17. Lessees are permitted to make an accounting policy election not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases). Lessees also are permitted to make an election on a lease by-lease basis, to apply a method similar to operating lease accounting under IAS 17 to leases for which the underlying asset is of low value (i.e. low-value assets).

The application of IFRS 16 resulted in changes to the accounting treatment of the operating leases where the Group acts as a lessee such as right of perpetual usufruct of the land (the "RPU"), office rentals, car parking and office equipment. The Group applies the recognition exemptions permitted by the standard and, hence, does not apply the standard to leases of a low value, such as office rentals, car parking and office equipment.

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

IFRS 16 requires a lessee to either present in the statement of financial position, or disclose in the notes, the right-of-use assets separately from other assets and lease liabilities separately from other liabilities. 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 – leasehold". 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".

As permitted by the transition provisions of IFRS 16, the Group has elected the simplified approach for the recognition of the right of perpetual usufruct of the land and the comparative figures have not been restated. The cumulative effect of the initial application of IFRS 16 as an adjustment to the carrying amounts of lease assets are recognised against the carrying amounts of lease liabilities as at 1 January 2019. Neither the right-to-use the asset nor the lease liability regarding the RPU were recognised on the Group's balance sheet as of 31 December 2018 under IAS 17.

Cash payments for the principal portion of the lease liability were classified within financing activities and short-term lease payments, payments for leases of low-value assets, included in the measurement of the lease liability, were classified within operating activities.

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

Investment property – leasehold is a right of perpetual usufruct of the land (the "RPU"). It is a contract with a term from 40 up to 99 years. Thus, the values of both right-to-use asset and lease liability were calculated at the date of initial application of IFRS 16, 1 January 2019. The value of right-to-use assets was estimated as the Net Present Value ("NPV") of future annual fees with the following assumptions:

- Initial application date: 1 January 2019;
- End date: RPU end date for each land right individually;
- Discount rate: 5.77%;
- Total annual RPU charge is reinvoiced to tenants as a part of the service charge reconciliation.

Assets	1 January 2019 IAS 17 €'000	Right to use asset Effect of IFRS 16 transition €'000	1 January 2019 (restated) IFRS 16 €'000
Investment property – *freehold*	2,390,994	–	2,390,994
Investment property – *leasehold*	–	25,844	25,844
TOTAL	2,390,994	25,844	2,416,838

Liabilities	€'000	€'000	€'000
Total current liabilities	81,672	1,513	83,185
Total non-current liabilities	1,358,005	24,331	1,382,336
TOTAL	1,439,677	25,844	1,465,521

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

Subsequent application

During the period, the Group recognised additional right of perpetual usufruct of land related to a new property acquisition, as disclosed in note 23, for an amount of €5.7 million and the Group paid €1.3 million in cash for lease instalments during the six-month period ended 30 June 2019.

	30 June 2019	1 January 2019 IFRS 16
	€'000	€'000
Assets		
Investment property – leasehold	**31,079**	25,844
Liabilities	**31,079**	25,844
Current portion of lease liability	**2,089**	1,513
Lease liabilities – non-current	**28,990**	24,331

Judgements

To arrive at the carrying amount of the investment property using the fair value model, the recognised right-to-use asset representing the same amount as lease liability will be added back to a valuation obtained for a property (that is net of all payments expected to be made under the RPU). Any change in the carrying amount of investment property was charged to profit and loss for an amount of €0.6 million and presented under the line "Fair value gain on investment property". Similarly, the amortised cost valuation effect of the lease liability was presented in the statement of comprehensive income under the line "Finance income".

6. Commitments

Commitments for Investment Property

As at 30 June 2019 the Group had agreed construction contracts with third parties and is consequently committed to future capital expenditure in respect of completed investment property of €5.5 million (2018: €3.7 million), investment property under development of €56.5 million (2018: €34.6 million) and had committed with tenants to incur incentives (such as fit-out works, leasing fees and other lease incentives) of €22.7 million (2018: €7.3 million). The Group's Joint venture (Elgan Offices SRL) was committed to the construction of investment property for the amount of €0.5 million at 30 June 2019 (2018: €2.1 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 (2018: one year or more) and rentals are subject to annual upward revisions based on the consumer price index.

Future aggregate minimum rentals

The future aggregate minimum rentals receivable under non-cancellable operating leases for investment properties **–** freehold are as follows:

	30 June 2019	31 December 2018
	€'000	€'000
Not later than 1 year	**157,915**	148,865
Later than 1 year and not later than 5 years	**419,544**	393,813
Later than 5 years	**152,056**	130,825
	729,515	673,503

The amount of future minimum lease payments expected to be paid under non-cancellable operating leases for investment properties **–** leasehold, where the Group is the lessee, are summarised as follows:

	30 June 2019	31 December 2018
	€'000	€'000
Not later than 1 year	**2,089**	1,513
Later than 1 year and not later than 5 years	**6,427**	5,270
Later than 5 years	**22,563**	19,061
	31,079	25,844

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

Policy

Rental Income

Under IFRS 16, the accounting for the lessor, the owner of an asset that is leased under an agreement to a lessee, remains substantially unchanged compared to the prior lease standard (IAS 17). Lessors continue to account for the leases as operating or finance leases under the new standard which is in-line with its predecessor, IAS 17.

For investment properties held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16 (in prior year's comparable period: under IAS 17). Rental income is measured at the fair value of the consideration received or receivable, except for contingent rental income which is recognised when it arises. The value of lease agent commission, rent-free periods, fit-out incentives and all similar lease incentives is spread on a straight-line basis over the term of the lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. If the annual lease rent increases as a result of a price index to cover inflationary cost, then the policy is not to spread the amounts but to recognise them when the increase takes place (applied prospectively when the right to receive it arises). The amounts received from tenants to terminate non-cancellable operating leases are recognised in the statement of comprehensive income when the right to receive them arises.

	30 June 2019 €'000	30 June 2018 €'000
Contracted Rent	**78,780**	56,558
Adjustment for lease incentives	**(6,985)**	(3,255)
Rental income	**71,795**	53,303
Revenue from contracts with customers		
Service charge income	**30,037**	21,599
Fit-out services income	**1,563**	2,731
Asset management fees	**75**	150
Marketing and other income	**322**	314
	31,997	24,794
	103,792	78,097

The total contingent rents and surrender premia recognised as rental income during the period amount to €0.3 million (2018: €0.2 million) and €0.05 million (2018: €0.2 million), respectively.

Principal rather than agent

The Group arranges for third parties to provide certain services to the tenants either as part of service charges or fit-out services. Under IAS 18, the Group concluded it was the principal because it is primarily responsible for fulfilling the promise to perform the specific services and the Group bears all risks (e.g. credit risk, inventory risk on these transactions as it is obliged to pay the service provider even if the customer defaults on a payment). IFRS 15 requires assessment of whether the Group controls a specified good or service before it is transferred to the customer. The Group has determined that it controls the service before it is provided to the tenant and, hence, it is the principal rather than the agent in these contracts. As a result, similar to the prior year's comparable period, the Group has concluded that it is acting as a principal in all of the above-mentioned revenue arrangements.

8. Operating Expenses

	30 June 2019 €'000	30 June 2018 €'000
Property management, utilities and insurance	**33,826**	23,532
Property maintenance costs and other non-recoverable costs	**381**	520
Property expenses arising from investment property that generate rental income	**34,207**	24,052
Property expenses arising from investment property that did not generate rental income	**57**	–
Fit-out services costs	**1,526**	2,346
	35,790	26,398

9. Other expenses

Other expenses for the six-month period ended 30 June 2019 includes the repayment 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.

10. Finance Cost

	30 June 2019 €'000	30 June 2018 €'000
Interest on secured loans	**2,896**	3,251
Interest on fixed rate bonds	**15,691**	11,616
Debt cost amortisation and other finance costs	**3,721**	5,137
Other financial expenses	**45**	163
Bank charges	**276**	338
	22,629	20,505

10.1 Debt cost amortisation and other finance costs	30 June 2019 €'000	30 June 2018 €'000
Debt issue cost amortisation – secured bank loans	**288**	2,730
Debt issue cost amortisation – fixed rate bonds	**2,326**	1,549
Debt close-out costs	**1,107**	858
	3,721	5,137

11. Taxation

	30 June 2019 €'000	30 June 2018 €'000
Current income tax expense	**2,700**	2,683
Deferred income tax expense	**9,450**	4,890
	12,150	7,573

Current income tax expense

The Corporate income tax rate "CIT" applicable to the Company in Guernsey is nil. The subsidiaries in Romania, the Netherlands, Poland, Luxembourg and Cyprus are subject to income taxes in respect of local sources of income. The current income tax charge of €2.7 million (2018: €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% (2018: 15%) from 1 January 2019), Luxembourg at 26.01% (15% tax rate for small entities if taxable profit does not exceed €25,000), Romania at16%, the Netherlands at 25% (20% for tax on profits up to €0.2 million) and Cyprus at 12.5%.

11. Taxation *continued*

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 (€2.35 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.

The Group's subsidiaries registered in Luxembourg, Cyprus and the Netherlands need to comply with the tax regulations in their respective countries; however, the Group does not expect to generate any taxable income, other than dividend and interest income (excluding Luxembourg), these being the most significant future sources of income of the Group companies registered in these countries. Dividend income is tax exempt under certain conditions in Cyprus, the Netherlands and Luxembourg; interest income, however, is subject to corporate income tax at the rate of 12.5% in Cyprus and ranges from 20% to 25%, depending on total taxable profit (20% for tax on profits up to €0.2 million), in the Netherlands.

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

Uncertainties exist, particularly in Romania and Poland where the Group has significant 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 2017.

Deferred income tax expense

Deferred Tax Liability	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	30 June 2019	31 December 2018	30 June 2019	30 June 2018
	€'000	€'000	€'000	€'000
Acquired under business combinations in 2017	**–**	–	**–**	(27,464)
Deferred tax asset	**–**	–	**–**	5,087
Deferred tax liability	**–**	–	**–**	(32,551)
Valuation of investment property at fair value	**141,163**	128,639	**12,524**	40,547
Deductible temporary differences	**(14,898)**	(11,227)	**(3,671)**	(7,976)
Discounting of tenant deposits and long-term deferred costs	**70**	54	**16**	(43)
Share issue cost recognised in equity	**(7)**	(7)	**–**	–
Valuation of financial instruments at fair value	**1,097**	532	**565**	424
Recognised unused tax losses	**(10,997)**	(11,013)	**16**	(598)
	116,428	106,978	**9,450**	4,890

The Group has unused assessed tax losses carried forward of €86.7 million (31 December 2018: €80.3 million) in Romania and €41.7 million (2018 €24 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.

As of the statement of financial position date the Group had recognised deferred tax assets of €11.0 million (2018: €11.0 million) in Romania and Poland, out of the total available deferred tax assets of €21.8 million (2018: €17.2 million), calculated at the corporate income tax rates of 16% in Romania and 19% (9% for small entities) in Poland, respectively.

Expiry year	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Available deferred tax assets (€m)	1.4	2.7	3.1	4.1	3.5	5.5	0.1	1.4	**21.8**

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 ('000)	% of period	Weighted average ('000)
1 January 2018	**At the beginning of the year**		**132,183**		**132,183**
January 2018	Shares issued under the Executive share option plan (vested and exercised)		30	99	30
April 2018	Shares issued for the Executive Directors and other senior management employees		98	48	47
30 June 2018	**Shares in issue at period end (basic)**		**132,311**		**132,260**
Jan-June 2018	Effect of dilutive shares		215	93	200
30 June 2018	**Shares in issue at period end (diluted)**		**132,526**		**132,460**
1 January 2019	**At the beginning of the year**		**132,458**		**132,458**
January -April 2019	Shares issued for share swap	18	19,933	49	9,767
April 2019	Shares issued for cash	18	38,202	44	16,809
April 2019	Shares purchased by the Company	21	(300)	34	(102)
30 June 2019	**Shares in issue at period end (basic)**		**190,293**		**158,932**
January -June 2019	Effect of dilutive shares	21.3	3,504	17	578
30 June 2019	**Shares in issue at period end (diluted)**		**193,797**		**159,510**

Subsequent to 30 June 2019, 3,101,000 shares were issued.

	30 June 2019 €'000	30 June 2018 €'000
Profit attributable to equity holders of the Company for the basic and diluted earnings per share	**69,902**	49,766
IFRS earnings per share	**cents**	cents
– Basic	**43.98**	37.63
– Diluted	**43.82**	37.57

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 2019 €'000**	30 June 2018 €'000
Earnings attributable to equity holders of the Company (IFRS)		**69,902**	49,766
Changes in fair value of financial instruments and associated close-out costs		**929**	589
Fair value gain on investment property	**4.1**	**(49,654)**	(38,558)
Losses on disposal of investment properties		**1,367**	1,148
Changes in value of financial assets at fair value through profit or loss	**14**	**(1,569)**	(1,653)
Acquisition costs		**15**	952
Gain on acquisition of subsidiaries		**–**	(251)
Tax credit relating to losses on disposals		**(10)**	(13)
Deferred tax charge in respect of above adjustments		**12,841**	13,928
Adjustments in respect of joint ventures and other items		**793**	(1,062)
Non-controlling interests in respect of the above		**2,690**	2,187
EPRA earnings		**37,304**	27,033
EPRA earnings per share		**cents**	cents
– Basic		**23.47**	20.44
– Diluted		**23.39**	20.41

EPRA earnings and EPRA earnings per share as of 30 June 2018 have been revised in order to deduct changes in value of financial assets at fair value through profit or loss and related deferred tax after consultation with EPRA. Such gain mainly represents developers profit on ROFO assets which are disclosed in note 14.

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 2019 €'000	31 December 2018 €'000
Current		
Current portion of secured loans and accrued interest	**77,411**	3,039
Accrued interest on unsecured fixed rate bonds	**4,637**	20,926
Sub-total	**82,048**	23,965
Non-current		
Secured loans	**179,104**	155,642
Unsecured fixed rate bond	**1,081,606**	1,079,464
Sub-total	**1,260,710**	1,235,106
TOTAL	**1,342,758**	1,259,071

13.1 Key terms and conditions of outstanding debt:

				30 June 2019		31 December 2018	
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	June 2022	**17,291**	**17,291**	17,946	17,946
Loan 17	RON	ROBOR 1 month + margin	April 2019	**–**	**–**	85	85
Loan 25	EUR	Fixed rate bond	June 2022	**550,433**	**540,928**	558,404	548,120
Loan 32	PLN	NBP rate less social indicator	June 2034	**–**	**–**	3,434	2,535
Loan 33	PLN	WIBOR 1 month + margin	February 2019	**–**	**–**	187	187
Loan 34	EUR	EURIBOR 1 month + margin	August 2026	**–**	**–**	36,840	36,782
Loan 37	EUR	Fixed rate bond	March 2025	**554,204**	**545,315**	562,522	552,271
Loan 38[1]	EUR	Fixed rate & Floating rate EURIBOR 3 months + margin	May 2025	**100,100**	**99,175**	100,299	99,306
Loan 40	EUR	EURIBOR 3 month + margin	April 2025	**–**	**–**	2,011	1,839
Loan 41	EUR	EURIBOR 3 month + margin	March 2029	**65,236**	**64,431**	–	–
Loan 42	EUR	EURIBOR 3 month + margin	November 2019	**75,766**	**75,618**	–	–
Total				**1,363,030**	**1,342,758**	1,281,728	1,259,071

[1]Loan 38 was drawdown in two tranches – 95% of the facility carries a fixed interest rate and 5% carries a floating interest rate.

13.2 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 a €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 used the date from 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%.

13.3 Secured facilities

Repayments

On 28 February 2019 the Group fully repaid the outstanding balance of loan 33 in Poland on its due date.

On 21 June 2019 the Group repaid loan facilities 32 and 34 with total outstanding balances of €40.3 million (including accrued interest) from existing cash resources. The loan was obtained under the JESSICA initiative during 2014 prior to the acquisition date of the related subsidiary by the Group. The facility was secured on the Mixed-use investment properties in Poland.

On 25 June 2019 the Group repaid an amount of €2 million (loan 40) from existing cash resources. The loan was part of €30 million loan facility from Erste Group Bank AG (part of Erste Bank Group). The facility was secured on the Timisoara Airport Park investment property (Industrial) in Romania. Similarly, the Group also paid the last outstanding instalments of Loan 17 during April 2019 on its due date.

13. Interest-Bearing Loans and Borrowings continued

New facilities

On 11 March 2019, the Group drew down the €65 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 (Office) investment property in Romania. The proceeds from the loan were used to fund the acquisition of new investment properties and general corporate purposes.

As disclosed in note 23, as part of the acquisition of Warsaw Trade Tower 2 sp. z o.o. the Group consolidated existing short-term facility (loan 42) with a total outstanding balance of €85.5 million. The facility carries a variable interest rate and is secured with the mortgage on the investment property Warsaw Trade Tower building (Office) in Poland. Subsequent to the acquisition date, on 11 April 2019, the Group prepaid €9.5 million from the outstanding facility.

Financial covenants

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 48%–83% (2018: 60%–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 values ranging from 110% – 120% (2018: 120%). DSCR is the preceding 12-months historical ratio and projected future 12-months period ratio depending on the respective credit facility; and

- Minimum interest cover ratio ("ICR") both historic and projected with minimum values 350% (2018: 300%-350%), which was applicable to only one property as at 30 June 2019 as compared to two properties at 31 December 2018.

  Historic ICR is calculated, for the secured property under the bank loan, 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, for the secured property under the bank loan, 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 €586.3 million at 30 June 2019 (2018: €631.1 million) and also carry pledges on rent receivable balances of €2.9 million (2018: €4.02 million), VAT receivable balances of nil (2018: €0.9 million) and a moveable charge on the respective bank accounts (see note 16).

Other Disclosures

The Group is in compliance with all financial covenants and there were no payment defaults during the period ended 30 June 2019 (2018: same). As of 30 June 2019, the Group had no undrawn borrowing facilities (2018: €30.84 million).

14. Financial assets at fair value through profit or loss

Project name	Interest rate	Maturity date	31 December 2018	Additions	Valuation Gain	30 June 2019
			€'000	**€'000**	**€'000**	**€'000**
Short term:						
Beethovena I	fixed	December 2019	3,608	–	351	**3,959**
Browary Stage J	fixed	September 2019	9,270	5,980	1,193	**16,443**
Sub-total			**12,878**	**5,980**	**1,544**	**20,402**
Long term:						
Beethovena II	fixed	December 2020	2,829	–	25	**2,854**
TOTAL			**15,707**	**5,980**	**1,569**	**23,256**

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 e.g. percentage of completion ('PoC'), leasing progress. 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 2019, a gain of €1.6 million (30 June 2018: €1.7 million) from the fair valuation of the above financial instruments was recognised in the statement of comprehensive income.

Globalworth Poland Real Estate N.V. ("GPRE"), a subsidiary of the Group with 99.84% ownership at 30 June 2019, 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 2019, the investment made by the Group under the ROFO Agreement amounts to €15.9 million (2018: €9.9 million).

15. Equity investments

	30 June 2019 €'000	31 December 2018 €'000
Mindspace Ltd	**8,837**	8,837
Early Game Venture Fund I Coöperatief U.A	**234**	–
Gapminder Fund Coöperatief U.A	**412**	–
Equity investments (unquoted)	**9,483**	8,837

In the prior year, the Group entered into an agreement with Mindspace Ltd, receiving a 4.99% stake in Mindspace Ltd in return for investing €8.6 million (US$10 million) in the company's in Preferred A-2 class shares.

During the six-month period ended 30 June 2019, Globalworth Tech Limited, a partly owned subsidiary of the Group, participated in several equity calls for total investment of €0.2 million in Early Game Venture Fund I Coöperatief U.A. Early Game is a venture fund which invests in tech start-ups in Romania through the Competitiveness Operational Program (2014-2020) and is co-funded by the European Regional Development Fund (see further details in the Interim Report under the section "Investment in Technology Funds and Other Technology Initiatives").

Similarly, in April 2019, Globalworth Tech Limited invested in total investment of €0.4 million in Gapminder Fund Coöperatief U.A. Gapminder is a venture fund which invests in tech start-ups in Romania through the Entrepreneurship Accelerator and Seed Fund Financial Instrument in Romania and is co-funded by the European Investment Fund (see further details in the Interim Report in the section "Management Review").

Judgements and estimates

At initial recognition the Group, at its sole irrevocable option under IFRS 9, designated the unquoted equity investment as financial assets at fair value through other comprehensive income. Under this option, dividend income will be recognised in the profit or loss and the changes in the fair value of equity investment from its initial carrying value will be recognised in the other comprehensive income. Subsequently if the equity investment will be derecognised or impaired then the impact of derecognition or impairment will remain in the other comprehensive income and will not be reclassified to profit and loss. At 30 June 2019, no fair value gain or loss was recognised in the other comprehensive income as there was no significant change in the net assets of the investees since the acquisition date and there were no indicators for the impairment.

16. Cash and Cash Equivalents

	30 June 2019 €'000	31 December 2018 €'000
Cash at bank and in hand	**208,107**	99,087
Short-term deposits	**188,164**	128,190
Cash and cash equivalents as per statement of cash flows	**396,271**	227,277
Guarantee deposits – cash reserve	**–**	2,250
Cash and cash equivalents as per statement of financial position	**396,271**	229,527

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 ranging from minus 0.61% to 0.35% (2018: minus 0.62% to nil) for EUR deposits, from nil to 1.16% (2018: nil to 0.97%) for PLN deposits per annum and from 1.14% to 3.23% (2018: nil to 3.16%) for RON overnight deposits. Cash at bank and in hand includes restricted cash balances of €1.8 million (2018: €10.5 million) and short-term deposits include restricted deposits of €3.5 million (2018: €3.0 million).

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.

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 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 2019				31 December 2018			
	Denominated in				Denominated in			
Amounts in €'000 equivalent value	**RON**	**PLN**	**GBP**	**USD**	RON	PLN	GBP	USD
ASSETS								
Cash and cash equivalents	**20,228**	**20,346**	**80**	**2**	15,658	18,952	69	2
Trade and other receivables	**9,637**	**10,442**	**–**	**–**	14,160	7,543	–	–
Contract assets	**4,482**	**140**			3,937	–	–	–
Income tax receivable	**197**	**224**	**–**	**–**	202	193	–	–
Total	**34,544**	**31,152**	**80**	**2**	33,957	26,688	69	2
LIABILITIES								
Interest-bearing loans and borrowings	**–**	**–**	**–**	**–**	85	2,722	–	–
Trade and other payables	**14,147**	**16,015**	**–**	**–**	10,644	9,117	–	–
Lease liability	**–**	**31,079**	**–**	**–**	–	–	–	–
Income tax payable	**121**	**410**	**–**	**–**	474	3,146	–	–
Guarantees from subcontractors	**–**	**2,156**	**–**	**–**	–	1,754	–	–
Deposits from tenants	**2,928**	**6,852**	**–**	**–**	2,981	4,126	–	–
Total	**17,196**	**56,512**	**–**	**–**	14,184	20,865	–	–
Net exposure	**17,348**	**(25,360)**	**80**	**2**	19,773	5,823	69	2

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 assets is not a financial asset. However, as the foreign currency loss/gain generated by the translation into Euro of the lease liability will be netted off entirely against the gain/loss from the translation into Euro of Investment property – leasehold assets in the statement of comprehensive income, the table in the next page does not present the effect of the potential foreign currency exposure on the lease liability.

17. Financial Risk Management – Objective and Policies continued

All amounts in €'000	30 June 2019 Profit or (loss)	30 June 2019 Equity	31 December 2018 Profit or (loss)	31 December 2018 Equity
RON	**(867)**	**(867)**	(989)	(989)
PLN	**(286)**	**(286)**	(291)	(291)
GBP	**(4)**	**(4)**	(3)	(3)

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.

ii) 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 2019, 12.1% (2018: 5.1%) of the total outstanding borrowings carried variable interest rates (including the 1 month and 3-month EURIBOR as bases) which expose the Group to cash flow interest rate risk. In order to minimise this risk, the Group hedged 11.0% (2018: 27.9%) of such variable interest rate borrowings with fixed-variable interest rate swap and 20% (2018: nil) of such variable interest-bearing loans hedged with interest rate cap instruments. Based on the Group's debt balances at 30 June 2019, an increase or decrease of 25 basis points in the EURIBOR or ROBOR will result in an increase or decrease (net of tax) in the result for the year of €1.8 million (2019: €0.9 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.

The Group has Euro denominated long-term borrowings, Loan 25, 37 and a significant part of Loan 38 (2018: Loan 25, 37 and a significant part of Loan 38), at fixed rates which constitute 87.9% (2018: 94.9%) of the total debt. The facilities are payable in June 2022, March 2025 and May 2025 respectively. 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 2019, the fair value was higher by €87 million (2018: lower with €8.3 million) than the carrying value as disclosed below in fair value hierarchy table.

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 2019 €'000	31 December 2018 €'000
Financial assets measured at fair value through profit or loss	14	**23,256**	15,707
Loan receivable from joint venture	24	**32,022**	32,997
Trade receivables – net of provision		**14,557**	14,050
Contract assets		**4,622**	3,937
Other receivables		**610**	3,184
Guarantees retained by tenants		**12**	11
VAT and other taxes receivable		**7,266**	7,653
Income tax receivable		**422**	395
Cash and cash equivalents	16	**396,271**	229,527
		479,038	307,461

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.

Trade Receivables – Net of Provision

There is no significant concentration of credit risk with respect to 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 Leasing review of Interim Report. For related parties, including the joint ventures, it is assessed that there is no significant risk of non-recovery.

17. Financial Risk Management – Objective and Policies continued

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 lifetime ECL allowance and specific loss allowance recorded in the current year are classified as other expenses as the amounts were not material.

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 2019 €'000	31 December 2018 €'000
Opening balance	**4,546**	3,321
Provision for specific doubtful debts	**199**	612
Provision for impairment based on the simplified approach under IFRS 9	**–**	500
Reversal of provision for doubtful debts	**(301)**	(25)
Utilised	**(448)**	(278)
Acquired through asset acquisitions	**–**	416
Closing balance	**3,996**	4,546

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	TOTAL
30 June 2019 (€'000)	**6,354**	**6,094**	**252**	**1,857**	**14,557**
31 December 2018 (€'000)	4,828	7,682	1,153	387	14,050

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.

Other Receivables
This balance relates to sundry debtors of €0.3 million (2018: €0.7 million) and consideration receivable from Sellers of €0.3 million (2018: €2.5 million). 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+ (2018: A+) and short term credit rating of A-1 (2018: A-1) and in Romania in local branches of reputable international banks with credit rating of BBB (2018: BBB) and in Poland surplus funds from operating activities are deposited only for short-term periods, 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)	**2019**	**1,342,758**	**1,168,618**	**–**	**261,152**	**1,429,770**
	2018	1,259,071	1,071,147	–	179,606	1,250,753
Other current financial liabilities	**2019**	**1,906**	**–**	**1,906**	**–**	**1,906**
	2018	2,084	–	2,084	–	2,084
Financial asset at fair value through profit or loss	**2019**	**23,256**	**–**	**–**	**23,256**	**23,256**
	2018	15,706	–	–	15,706	15,706
Lease liabilities (note 5)	**2019**	**31,079**	**–**	**–**	**31,079**	**31,079**
	2018	–	–	–	–	–

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.

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.

All amounts in €'000 30 June 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	**1,743**	**112,402**	**678,825**	**738,362**	**1,531,332**	**(188,574)**	**1,342,758**
Lease liability	**217**	**1,872**	**7,448**	**129,706**	**139,243**	**(108,164)**	**31,079**
Trade payables and guarantee retained contracts (excluding advances from customers)	**58,080**	**5,342**	**648**	**–**	**64,070**	**–**	**64,070**
Other payables	**244**	**–**	**–**	**–**	**244**	**–**	**244**
Provision for tenant lease incentives	**–**	**1,657**	**699**	**–**	**2,356**	**(216)**	**2,140**
Deposits from tenants	**2,495**	**2,287**	**9,777**	**2,819**	**17,378**	**(468)**	**16,910**
Income tax payable	**997**	**–**	**–**	**–**	**997**	**–**	**997**
Total	**63,776**	**123,560**	**697,397**	**870,887**	**1,755,620**	**(297,422)**	**1,458,198**

All amounts in €'000 31 December 2018	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	1,699	37,188	714,121	708,661	1,461,669	(202,598)	1,259,071
Lease liability	–	–	–	–	–	–	–
Trade payables and guarantee retained from contracts (excluding advances from customers)	25,410	4,310	1,373	26	31,119	–	31,119
Other payables	1,688	–	–	–	1,688	–	1,688
Provision for tenant lease incentives	–	1,300	900	–	2,200	(209)	1,991
Deposits from tenants	499	1,761	11,205	3,063	16,528	(533)	15,995
Income tax payable	3,730	–	–	–	3,730	–	3,730
Total	33,026	44,559	727,599	711,750	1,516,934	(203,340)	1,313,594

17. Financial Risk Management – Objective and Policies continued

The tables in the previous page present 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.

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 €1.9 million (2018: €2.1 million) at the end of June 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 €17.49 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 year was a financial income of €0.18 million (2018: €0.27 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. Issued Share Capital

		30 June 2019		31 December 2018	
	Note	€'000	Number ('000)	€'000	Number ('000)
Opening balance		**897,314**	**132,599**	894,509	132,288
Shares issued to the executive directors and other senior management employees – transferred		**–**	**–**	1,874	143
Shares issued to the Executive Directors and other senior management employees – not transferred		**–**	**–**	–	47
Shares issued for cash	18.1	**347,634**	**38,202**	–	–
Shares issued in exchange for GPRE shares	18.2	**179,395**	**19,933**	–	–
Transaction costs on the issuance of shares		**(9,879)**	**–**	(40)	–
Shares issued under the Executive share option plan		**–**	**–**	153	30
Treasury shares		**–**	**–**	818	91
Closing Balance		**1,414,464**	**190,734**	897,314	132,599

18.1 Shares issued for cash

On 12 April 2019, the Company issued an additional 38.2 million Ordinary shares ("placing shares") at a price of €9.10 per share, raising total gross proceeds of €347.6 million, following the completion of the fundraising which was announced on 10 April 2019. The purpose of fund raising was to facilitate acquisition opportunities in both Poland and Romania as well as for general corporate purposes and will also assist the Company in managing its gearing strategy to a long-term target LTV of less than 40%.

18.2 Shares issued in exchange for GPRE shares

On 28 January 2019, the Company issued 3.1 million new shares in agreement with certain minority shareholders of GPRE, its Polish subsidiary, to acquire 17.8 million shares in GPRE. The newly issued shares of the Company were priced at €7.925 per share, the market price at the date of issuance, raising the share capital by an amount of €24.8 million.

On 10 April 2019, Growthpoint, a common shareholder of the Company and GPRE in conjunction with a placing agreement agreed to receive 16.8 million shares of the Company in exchange for 95.5 million GPRE shares under the placing agreement ("GPRE exchange"). The GPRE Exchange was conditional upon the completion of the Placing, as per note 18.1 above, so that Growthpoint will not, at any time, together with any persons acting in concert with it, carry 30% or more of the voting rights of the Company or be subject to the obligation under the UK City Code on Takeovers and Mergers to make a mandatory offer to all remaining shareholders of the Company to acquire their shares. The newly issued shares of the Company were priced at €9.20 per share, the market price at the date of issuance (i.e. 15 April 2019), raising the share capital by an amount of €154.5 million.

The Group recognised an amount of €9.9 million as transaction costs for the above transactions. The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

Under Guernsey Company Law there is no distinction between distributable and non-distributable reserves, requiring instead that a company passes a solvency test in order to be able to make distributions to shareholders. Similarly, the share premium for the issuance of shares, as outlined above, above their par value per share was recognised directly under share capital and no separate share premium reserve account was recognised.

19. Dividends

	30 June 2019 €'000	30 June 2018 €'000
Declared and paid during the period		
Interim cash dividend: 27 cents per share (2018: 22 cents per share)	**35,776**	29,102

On 14 January 2019, 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 2018 of €0.27 per ordinary share, which was paid on 8 February 2019 to the eligible shareholders.

20. 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 2019 €'000	31 December 2018 €'000
Net assets attributable to equity holders of the Company		**1,614,002**	1,084,915
Number of ordinary shares used for the calculation of:		**Number ('000)**	Number ('000)
NAV and diluted NAV per share	12	**190,293**	132,458
EPRA NAV per share	12	**193,797**	132,699
		€	€
NAV per share		**8.48**	8.19
Diluted NAV per share		**8.33**	8.18

EPRA Net Asset Value ('EPRA NAV') Per Share	Note	30 June 2019 €'000	31 December 2018 €'000
Net assets attributable to equity holders of the Company		**1,614,002**	1,084,915
Exclude:			
Deferred tax liability on investment property	11	**141,163**	128,639
Fair value of interest rate swap instrument	16	**1,906**	2,084
Goodwill as a result of deferred tax		**(5,697)**	(5,697)
Adjustment in respect of the joint venture for above items		**2,962**	1,341
Minority interest effect on above adjustments		**(69)**	(11,111)
EPRA NAV attributable to equity holders of the Company		**1,754,267**	1,200,171
		€	€
EPRA NAV per share		**9.05**	9.04

21. Share-Based Payment Reserve

Share-based payments reserve	Note	30 June 2019 €'000	Treasury shares Number ('000)	31 December 2018 €'000	Treasury shares Number ('000)
Executive share option plan	21.1	**158**	**–**	158	–
Shares granted to Executive Directors and other senior management employees – not transferred	21.2	**1,612**	**(47)**	1,528	(47)
Performance Incentive Scheme	21.3	**29,187**	**–**	–	–
Subsidiaries' Employees Share Award Plan	21.4	**821**	**(94)**	431	(94)
		31,778	**(141)**	2,117	(141)

Share-based payments expense		30 June 2019 €'000	30 June 2018 €'000
Subsidiaries' Employees Share Award Plan	21.4	**390**	97

21. Share-Based Payment Reserve continued

21.1 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 2019		31 December 2018	
	Cost €'000	**Number ('000)**	Cost €'000	Number ('000)
At the beginning of the period / year	**158**	**2,850**	161	2,880
Share-based payment expense during the period/year	**–**	**–**	–	–
Warrants vested and exercised during the period/year	**–**	**–**	(3)	(30)
Closing balance	**158**	**2,850**	158	2,850
Weighted average remaining contractual life (years)		**4.08**		4.58
Warrants vested and exercisable as at the reporting date		**20**		20
Warrants exercised subsequent to the reporting period end		**–**		–

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.

21.2 Shares granted to Executive Directors and other senior management employees

	30 June 2019 €'000	31 December 2018 €'000
At the beginning of the year	**1,528**	1,911
Shares granted to Executive Directors and other senior management employees	**84**	1,491
Shares issued to the Executive Directors and other senior management employees	**–**	(1,874)
Closing balance	**1,612**	1,528

21.3 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") for Globalworth Investment Advisers Ltd ("GIAL" or the "Investment Manager") a wholly owned subsidiary of the Group. Following the recommendation of the Remuneration Committee, the Board of the Company has approved that the fair termination value of the Plan is €55 million. The settlement of the termination amount of €55 million was agreed to be made partly in cash and partly with the transfer of shares in the Company.

Consequently, as of 30 June 2019 a provision has been made for the estimated cash element of the termination amount payable of c.€25.8 million and recorded in the statement of financial position under the line item "Trade and other payables". An estimated c.3.2 million shares are required in order to satisfy the balance of the termination amount payable of c.€29.2 million that has been credited to the share-based payment reserve under equity. On 5 July 2019 c.2.76 million shares have been issued and c.0.17 million treasury shares have been utilised in this respect. For the calculation of earnings per share under IAS 32, the c.3.2 million shares were counted as dilutive shares as of 30 June 2019. The entire termination amount of €55 million has been charged against retained earnings in accordance with the related provisions of IFRS 2 (Share-based Payment).

21.4 Subsidiaries' Employees Share Award Plan

	30 June 2019 €'000	31 December 2018 €'000
Opening balance	**431**	168
Share-based payment expense during the period/year	**390**	509
Shares vested and exercised during the period/year	**–**	(246)
Closing balance	**821**	431
Weighted average remaining unvested period (years)	**0.1**	0.5
Weighted average price per share – vested and exercised share	**–**	€7.55
Weighted average price per share – unvested shares	**€8.95**	€8.95

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.

21.5 Treasury shares

	30 June 2019		31 December 2018	
	Amount €'000	**Number ('000)**	Amount €'000	Number ('000)
Opening balance	**(842)**	**(94)**	(270)	(36)
Shares purchased by the Company	**(2,739)**	**(300)**	–	–
Shares issued under subsidiaries' employee share award plan	**–**	**–**	(818)	(91)
Shares vested and exercised under subsidiaries' employee share award plan	**–**	**–**	246	33
Closing balance	**(3,581)**	**(394)**	(842)	(94)

On 25 April 2019, the Group purchased 300,000 of its own ordinary shares of no par value at €9.13 per share (including related costs) in order to meet obligations arising under share award plans in place for the Group.

22. 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, which 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 value) as certified by external valuers. Since, the fair value of lease liability equals with fair value of the investment property – leasehold at 30 June 2019 under the applicable accounting policy as per IFRS 16 therefore both asset and liability are excluded from below calculation. As at 30 June 2019 the LTV ratio was 36.5% (2018: 43.9%).

	Note	**30 June 2019 €'000**	31 December 2018 €'000
Interest-bearing loans and borrowings (face value)	13.1	**1,363,030**	1,281,728
Less:			
Cash and cash equivalents	16	**396,271**	229,527
Group Interest-bearing loans and borrowings (net of cash)		**966,759**	1,052,201
Add:			
50% Share of Joint Ventures interest-bearing loans and borrowings		**16,833**	14,348
50% Share of Joint Ventures cash and cash equivalents		**(857)**	(1,930)
Combined Interest-bearing loans and borrowings (net of cash)		**982,735**	1,064,619
Investment property	3	**2,639,345**	2,390,994
Less:			
Other operating lease commitment		**1,770**	1,514
Group open market value as of financial position date		**2,637,575**	2,389,480
Add:			
50% Share of Joint Ventures open market value as of financial position date	24	**53,503**	36,300
Open market value as of financial position date		**2,691,078**	2,425,780
Loan-to-value ratio ("LTV")		**36.5%**	43.9%

SECTION VI: INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND RELATED DISCLOSURE

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

23. Subsidiaries acquisitions

Judgements and assumptions used for Business combinations and asset acquisitions

At the time of acquisition, the Group considers whether each acquisition represents an acquisition of a business or an acquisition of an asset. Where an integrated set of activities are acquired in addition to the property more specifically the consideration is made of the extent to which significant processes are acquired, the transaction is accounted for as a business combination. Moreover, the Group considers when two or more transactions are linked (by common counterparties, contractual clauses, funding etc.) whether they are part of a single business combination.

When the acquisition of a subsidiary or a property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost to acquire the entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at acquisition date and no goodwill or deferred tax is recognised.

Asset acquisitions through a shares deal

On 3 April 2019 the Group acquired 100% of the issued shares in Warsaw Trade Tower 2 Sp. z o.o. the owner of an office building called Warsaw Trade Tower (WTT) located in the Wola district of Warsaw, Poland, through its subsidiary in Poland which is indirectly owned by GPRE.

The agreed price was calculated on the basis of a transaction value of € 132.9 million, less customary adjustments of €8.2 million and the outstanding balance of the existing bank financing that was taken over of € 85.2 million, plus €1.4 million working capital. Acquisition costs related to the transaction amounted to €1.0 million which were capitalised as part of the initial carrying value of the investment property on acquisition date. The transaction was financed from the existing Group cash resources.

Asset acquisitions

On 26 March 2019, Efimero Sp. z o.o., a subsidiary of the Group purchased the Rondo Business Park office building, located in the northern part of Krakow, Poland for a net consideration of €33.5 million. The transaction was financed from existing Group cash resources.

During the period ended 30 June 2019, the above two acquisitions resulted in an increase in investment property of €159.2 million. As part of these acquisitions, the Group also recognised €5.7 million representing the right of perpetual usufruct of land related lease liabilities on the respective acquisition dates as per the related provisions of IFRS 16.

24. Investment in 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 Park"), an unlisted company in Romania, owning land for further development in Romania. As at 30 June 2019, 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 Romania. As at 30 June 2019, the land was classified as industrial segment for the Group.

Investments	30 June 2019 €'000	31 December 2018 €'000
Opening balance	**5,319**	2,218
Cost of investment in Joint venture at acquisition date	**6,458**	–
Additions in investment (share capital increase by the joint venture)	**–**	6
Share of profit during the period/year	**4,384**	3,095
Sub-total	**16,161**	5,319
Loans receivable from joint ventures		
Opening balance	**32,997**	19,721
Loan provided to the joint ventures	**3,500**	26,202
Loan repayments from the joint ventures	**(4,389)**	(12,875)
Interest repayment from the joint ventures	**(628)**	(1,470)
Interest income for the period/year	**542**	1,419
Sub-total	**32,022**	32,997
TOTAL	**48,183**	38,316

24. Investment in Joint ventures continued

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 28.

	30 June 2019 €'000 Renault Bucharest Connected & GW West	30 June 2019 €'000 Constanta Business Park	30 June 2019 €'000 Chitila Logistics Park	30 June 2019 €'000 Combined	31 December 2018 €'000 Renault Bucharest Connected
Completed investment property	77,700	–	–	**77,700**	72,600
Land bank – for further development	3,600	20,240	5,465	**29,305**	-
Other non-current assets	547	–	–	**547**	1,097
Current assets	3,809	5	281	**4,095**	9,010
Total assets	**85,656**	**20,245**	**5,746**	**111,647**	82,707
Loans payable to the Group	29,458	–	2,564	**32,022**	32,997
Bank loans (at amortised cost)	33,446	–	–	**33,446**	28,479
Other non-current liabilities	4,133	2,519	2,656	**9,308**	4,279
Current liabilities	4,459	65	10	**4,534**	4,138
Total liabilities	**71,496**	**2,584**	**5,230**	**79,310**	69,893
Net equity	**14,160**	**17,661**	**516**	**32,337**	12,814

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 2019 €'000 Renault Bucharest Connected & GW West	30 June 2019 €'000 Constanta Business Park	30 June 2019 €'000 Chitila Logistics Park	30 June 2019 €'000 Combined	30 June 2018 €'000 Renault Bucharest Connected
Revenue	2,842	–	–	**2,842**	45
Operating expenses	(855)	–	–	**(855)**	(55)
Administrative expenses	(26)	–	(10)	**(36)**	(68)
Fair value gain on investment property	1,030	7,740	608	**9,378**	2,528
Foreign exchange loss	(89)	-	(2)	**(91)**	(14)
Profit before net financing cost	**2,902**	**7,740**	**596**	**11,238**	2,436
Net finance cost	(838)	–	–	**(838)**	(44)
Income tax expense	(702)	(1,238)	(94)	**(2,034)**	(418)
Profit for the period	**1,362**	**6,502**	**502**	**8,366**	1,974

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

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24. Investment in Joint ventures continued

The following table presents a reconciliation between the profit for the periods ended 30 June 2019 and 2018 with the share of profit calculated under the equity method, for presentation in the consolidated financial statements of the Group.

	30 June 2019 €'000 Renault Bucharest Connected & GW West	30 June 2019 €'000 Constanta Business Park	30 June 2019 €'000 Chitila Logistics Park	30 June 2019 €'000 Combined	30 June 2018 €'000 Renault Bucharest Connected
Profit for the period	1,362	6,502	502	**8,366**	1,974
Group 50% share of profit for the year	681	3,251	251	**4,183**	987
Adjustments for transaction with the Group	206	–	(5)	**201**	(270)
Share of profit of equity-accounted investments in joint-ventures	**887**	**3,251**	**246**	**4,384**	717

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.

As at 30 June 2019, 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 2019 (2018: €nil), except construction commitments as disclosed in note 6.

25. 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 2019 and 31 December 2018, are disclosed in the table below.

As of 30 June 2019, the Group consolidated following subsidiaries, being holding companies as principal activities.

Subsidiary	30 June 2019	31 December 2018	Place of incorporation
	Shareholding interest	Shareholding interest	
Globalworth Investment Advisers Limited, Globalworth Finance Guernsey Limited	**100**	100	Guernsey, Channel Islands
Globalworth Holding B.V.	**100**	100	Netherlands
Globalworth Poland Real Estate N.V. (GPRE Group or GPRE)	**99.84**	69.70	Netherlands
Elgan Automotive Kft.	**100**	100	Hungary
Globalworth Tech Limited	**80**	80	Cyprus
Globalworth Holdings Cyprus 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, Minory Investments Limited	**100**	100	Cyprus
IB 14 Fundusz Inwestycyjny Zamkniety Aktywow Niepublicznych, Akka RE Sp. z o.o., Charlie RE Sp. z o.o., December RE Sp. z o.o., Nordic Park Offices Sp. z o.o., Lamantia Sp. z o.o., Dom Handlowy Renoma Sp. z o.o., Wagstaff Investments 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., Elissea Investments Sp. z o.o., West Link Sp. z o.o. West Gate Wroclaw Sp. z o.o., Gold Project Sp. z o.o. Light Project Sp. z o.o.	**99.84**	69.70	Poland
Griffin Premium RE Lux S.a.r.l.	**99.84**	69.70	Luxembourg

25. Investment in Subsidiaries continued

As of 30 June 2019, 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, and Fundatia Globalworth with corporate social responsibility activities.

Subsidiary	30 June 2019 Shareholding interest	31 December 2018 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, 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 Spółka z ograniczona odpowiedzialnoscia Sp. k., Dom Handlowy Renoma Spolka z ograniczona odpowiedzialnoscia Sp. k., Lamantia Spolka z ograniczona odpowiedzialnoscia Sp. k., Nordic Park Investments Sp. z o.o. (formerly Nordic Park Offices Spolka z ograniczona odpowiedzialnoscia Sp. k.), Warta Tower Sp. z o.o., Quattro Business Park Sp. z o.o., West Gate Investments Sp. z o.o. (formerly West Gate Wroclaw Spolka z ograniczona odpowiedzialnoscia Sp. k.), Gold Project Spolka z ograniczona odpowiedzialnoscia Sp. j. Spektrum Tower Sp. z o.o., Efimero Sp. z o.o., Warsaw Trade Tower 2 Sp. z o.o.	**99.84**	69.70	Poland
Artigo Sp. z o.o., Ingadi Sp. z o.o., Imbali Sp. z o.o.	**100**	–	Poland

Mergers during the period

During the six-month period ended 30 June 2019 the following subsidiaries, controlled through Globalworth Poland Real Estate N.V., absorbed their immediate parent companies through legal mergers:

- A4 Business Park Sp. z o.o. absorbed Wetherall Investments Sp. z o.o. and Iris Capital Sp. z o.o.
- Warta Tower Sp. z o.o. absorbed Warta LP Sp. z o.o. and Warta Tower Investments Sp. z o.o.
- Tryton Business Park Sp. z o.o. absorbed Emfold Investments Sp. z o.o. and Ormonde Sp. z o.o.

Liquidations during the period

Charlie SCSp and December SCSp, incorporated in Luxembourg and controlled through Globalworth Poland Real Estate N.V., were liquidated during the period ended 30 June 2019.

25. Investment in Subsidiaries continued

Acquisitions during the period

On 26 March 2019 the Group acquired 100% of the equity stake in Efimero Sp. z o.o., owner of an office building called Rondo Business Park, which is located in the northern part of Krakow. The subsidiary is controlled through Globalworth Poland Real Estate N.V., which is 99.84% owned indirectly by the Company at 30 June 2019.

Similarly, on 3 April 2019, the Group acquired 100% of the equity stake in Warsaw Trade Tower 2 Sp. z o.o., owner of an office building called Warsaw Trade Tower (WTT) located in Warsaw. The subsidiary is controlled through Globalworth Poland Real Estate N.V.

Globalworth Holdings Cyprus Limited purchased a 100% equity stake in Artigo Sp. z o.o., Ingadi Sp. z o.o., and Imbali Sp. z o.o.. These wholly owned subsidiaries were dormant companies and had no significant assets at acquisition date. At 30 June 2019 these subsidiaries held no real estate assets.

26. Subsidiary with significant minority interest

Material subsidiary

GPRE group represents a material subsidiary not fully owned by the Group, where the Group had non-controlling interest at 30.3% as at 31 December 2018, which was reduced to 0.16% until 30 June 2019 as a result of the transactions disclosed below. As of 30 June 2019, the Group owned 99.84% (2018: 69.70%) of GPRE.

Share exchange with non-controlling interest holders

As disclosed in note 18.2, on 28 January 2019 the Group purchased 13.29% of non-controlling interest representing 17.8 million shares in exchange for 3.1 million shares of the Company, which were valued at €24.8 million at the market price on issue date.

Similarly, on 12 April 2019, as disclosed in note 18.2, the Group purchased a further 71.23% of non-controlling interest, representing 95.5 million shares in exchange for 16.8 million shares of the Company, which were valued at €154.5 million at the market price on issue date.

From the above transactions, the Group recorded a gain of €5.8 million directly in retained earnings, being a transaction with its shareholders.

Share purchased for cash

During the six-month period ended 30 June 2019, the Company purchased 20.1 million shares in GPRE in cash for an amount of €31.9 million, representing a 23.8% non-controlling interest from the non-controlling interest as at 31 December 2018.

GPRE's summary consolidated financial statements

The summary of key statements from GPRE's consolidated financial statements as of and for the six-month period ended 30 June 2019 is presented below. The amounts are presented before inter-company eliminations.

Summarised statement of cash flows	**30 June 2019 €'000**	30 June 2018 €'000
Operating	28,597	11,643
Investing	(87,717)	(209,795)
Financing	34,444	336,295
Net (decrease) / increase in cash and cash equivalents	(24,676)	138,143

Summarised statement of comprehensive income	**30 June 2019 €'000**	30 June 2018 €'000
Revenue	**57,348**	35,038
Operating expenses	**(17,817)**	(10,258)
Administrative expenses	**(2,331)**	(1,810)
Other net income	**24,893**	18,711
Net finance cost	**(10,278)**	(17,040)
Income tax expense	**(7,142)**	(1,548)
Profit for the period	**44,673**	23,093
Profit attributable to equity holders of the Company	**38,691**	16,480
Profit attributable to non-controlling interest	**5,982**	6,613

26. Subsidiary with significant minority interest continued

GPRE's summary consolidated financial statements

Summarised statement of financial position	30 June 2019 €'000	31 December 2018 €'000
Total assets	**1,528,072**	1,319,051
Total liabilities	**783,000**	618,641
EQUITY	**745,072**	700,410
Attributable to:		
Equity holders of the Company	**743,886**	488,003
Non-controlling interests	**1,186**	212,407

Subsidiary with non-controlling shareholders

Globalworth Tech Ltd. was incorporated in Cyprus in 2018, being a holding company which is 80% owned by the Group and 20% by Mr. Ioannis Papalekas. The total cost of investment was €1,000.

SECTION VII: OTHER DISCLOSURES

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 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.

27. 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 executive management, which collectively comprise the Executive Directors of the Group. The information provided is Net Operating Income ('NOI') (gross rental income less property expenses) and property valuation gains/losses. The individual properties are aggregated into segments with similar economic characteristics, such as the nature of the property and the occupier market it serves. Management considers that this is best achieved by aggregating into the office, mixed use and other segments however residential segment is disclosed separately as it meets 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 used and the Other segment (acquires, develops, leases and manages industrial spaces and corporate holding 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:

	2019						2018					
	Office €'000	High Street Mixed use €'000	Residential €'000	Other €'000	Inter-segment eliminations €'000	Total €'000	Office €'000	High Street Mixed use €'000	Residential €'000	Other €'000	inter-segment eliminations €'000	total €'000
Rental income - Total	**58,023**	**8,356**	**1,098**	**4,514**	**(196)**	**71,795**	38,754	9,267	1,103	4,348	(169)	53,303
Romania	**25,772**	**–**	**1,098**	**4,514**	**(159)**	**31,225**	22,987	–	1,103	4,348	(169)	28,269
Poland	**32,251**	**8,356**	**–**	**–**	**(37)**	**40,570**	15,767	9,267	–	–	–	25,034
Revenue from contract with customers - Total	**25,087**	**3,876**	**349**	**3,170**	**(485)**	**31,997**	18,112	4,461	405	2,309	(493)	24,794
Romania	**12,185**	**–**	**349**	**3,170**	**(485)**	**15,219**	12,569	–	405	2,309	(493)	14,790
Poland	**12,902**	**3,876**	**–**	**–**	**–**	**16,778**	5,543	4,461	–	–	–	10,004
Revenue-total	**83,110**	**12,232**	**1,447**	**7,684**	**(681)**	**103,792**	56,866	13,728	1,508	6,657	(662)	78,097
Operating expenses	**(28,352)**	**(4,162)**	**(542)**	**(2,893)**	**159**	**(35,790)**	(18,934)	(4,582)	(644)	(2,390)	152	(26,398)
Segment NOI	**54,758**	**8,070**	**905**	**4,791**	**(522)**	**68,002**	37,932	9,146	864	4,267	(510)	51,699
NOI - Romania	**23,275**	**–**	**905**	**4,791**	**(500)**	**28,471**	22,298	–	864	4,267	(510)	26,919
NOI – Poland	**31,483**	**8,070**	**–**	**–**	**(22)**	**39,531**	15,634	9,146	–	–	–	24,780
Administrative expenses	**(5,070)**	**(1,077)**	**(291)**	**(3,449)**	**2,903**	**(6,984)**	(2,871)	(200)	(310)	(3,559)	484	(6,456)
Acquisition costs	**–**	**–**	**–**	**(15)**	**–**	**(15)**	(784)	–	–	(168)	–	(952)
Change in fair value of investment property	**54,546**	**(9,178)**	**(660)**	**4,341**	**–**	**49,049**	32,188	6,639	(190)	(79)	–	38,558
Depreciation on other long-term assets	**(123)**	**(2)**	**(33)**	**(1)**	**–**	**(159)**	(142)	(7)	(30)	–	–	(179)
Gain on acquisition of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	251	–	–	–	–	251
Other expenses	**(4,641)**	**(49)**	***(1,313)**	**(545)**	**–**	**(6,548)**	(197)	(140)	*(1,156)	(1)	–	(1,494)
Other income	**232**	**7**	**11**	**415**	**(50)**	**615**	162	53	–	–	–	215
Foreign exchange loss	**(518)**	**7**	**(4)**	**(38)**	**–**	**(553)**	(652)	(203)	–	(28)	–	(883)
Finance cost	**(21,486)**	**(673)**	**(2)**	**(468)**	**–**	**(22,629)**	(17,743)	(2,149)	(1)	(612)	–	(20,505)
Finance income	**1,548**	**54**	**33**	**56**	**–**	**1,691**	1,113	27	8	277	–	1,425
Segment result	**79,246**	**(2,841)**	**(1,354)**	**5,087**	**2,331**	**82,469**	49,257	13,166	(815)	97	(26)	61,679
Share-based payment expense	**–**	**–**	**–**	**(390)**	**–**	**(390)**	–	–	–	(97)	–	(97)
Gain from fair valuation of financial instruments	**1,569**	**–**	**–**	**–**	**–**	**1,569**	1,653	–	–	–	–	1,653
Share of profit of joint ventures	**886**	**–**	**–**	**3,498**	**–**	**4,384**	717	–	–	–	–	717
Profit before tax	**81,701**	**(2,841)**	**(1,354)**	**8,195**	**2,331**	**88,032**	51,627	13,166	(815)	–	(26)	63,952

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

SECTION VII: OTHER DISCLOSURES

27. Segmental Information continued

Revenues are derived from a large number of tenants and no tenant contributes more than 10% of the Group's rental revenues for the half year ended 30 June 2019 (2018: €nil).

	30 June 2019						31 December 2018					
Segments	**Office €'000**	**High street Mixed use €'000**	**Residential €'000**	**Other €'000**	**Inter segment eliminations €'000**	**Total €'000**	Office €'000	High street Mixed use €'000	Residential €'000	Other €'000	inter segment eliminations €'000	total €'000
Segment non-current assets	**2,223,926**	**309,103**	**71,325**	**152,462**	**(5,198)**	**2,751,618**	1,966,202	306,466	76,432	114,729	(3,788)	2,460,041
Romania	**1,076,937**	**–**	**71,325**	**152,462**	**(195)**	**1,300,529**	1,048,944	–	76,432	114,729	(167)	1,239,938
Poland	**1,146,989**	**309,103**	**–**	**–**	**(5,003)**	**1,451,089**	917,258	306,466	–	–	(3,621)	1,220,103
Total assets	**2,457,471**	**317,355**	**73,786**	**359,380**	**(9,160)**	**3,198,832**	2,048,863	332,080	78,530	281,764	(4,238)	2,736,999
Total liabilities	**1,448,355**	**20,723**	**25,131**	**88,845**	**590**	**1,583,644**	1,282,366	52,921	26,844	81,195	(3,649)	1,439,677
Additions to non-current assets – Romania	**21,409**	**–**	**199**	**6,059**	**–**	**27,667**	50,163	–	1,047	3,477	–	54,687
– Poland	**14,955**	**1,478**	**–**	**–**	**–**	**16,433**	7,856	3,461	–	–	–	11,317

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.

SECTION VII: OTHER DISCLOSURES

28. Transactions with Related Parties

The Group's related parties are Joint ventures and the Company's Executive and Non-Executive Directors, key other 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 2019 €'000**	30 June 2018 €'000	**30 June 2019 €'000**	31 December 2018 €'000
Mindspace Ltd.*	Trade and other receivables	**–**	–	**216**	267
	Revenue	**1,630**	332	**–**	–
	Deposits from tenant	**–**	–	**(1,144)**	(1,142)
	Lease incentive cost**	**–**	–	**4,292**	2,868
	Trade and other payables	**–**	–	**(221)**	(175)
Elgan Offices SRL (50% Joint Venture)	Shareholder loan receivable	**–**	–	**29,458**	32,997
	Finance income	**525**	705	**–**	–
	Advances received for services	**–**	–	**(60)**	–
	Management fees	**75**	150	**–**	–
	Office rent	**12**	12	**–**	–
Global Logistics Chitila SRL (50% Joint Venture)	Shareholder loan receivable	**–**	–	**2,564**	–
	Finance income	**17**	–	**–**	–
	Trade and other receivables	**–**	–	**6**	–
	Office rent	**51**	–	**–**	–
Mr. Adrian Danoiu (Chief Operating Officer)	Advances received for sale of commercial property	**–**	–	**–**	(70)
	Trade and other receivables	**–**	–	**65**	–
	Revenue from sale of commercial property	**135**	–	**–**	–
Mr. Ioannis Papalekas (Chief Executive Officer)	Donation made to Fundatia Globalworth	**75**	–	**–**	–
Mr. Dimitris Raptis (Deputy Chief Executive Officer & Chief Investment Officer)	Other income from sale of fully depreciated car	**10**	–	**–**	–

* A key Executive of Mindspace Ltd. is a close family member of a non-Executive Director of the Company. The transactions disclosed in above table were entered between the subsidiaries of Mindspace Limited (namely Mindspace Co-working SRL and Mindspace Poland S.A.) and certain subsidiaries of the Company.

** Lease incentive cost granted in the period was capitalised in the value of Investment Property.

During the period ended 30 June 2019, the Group recorded in the statement of comprehensive income €1.2 million (2018: €1.1 million) Directors' emoluments for the Executive and non-Executive members of the Board of Directors.

29. New and Amended Standards

Starting from 1 January 2019 the Group adopted the following new and amended standards and interpretations. The new standards and amendments had no significant impact (the impact from the adoption of IFRS 16 is disclosed in note 1, 5 and 7 separately) on the Group's financial position and performance.

Narrow scope amendments and new Standards	Effective date
IFRS 16 Leases	**Jan-19**
IFRS 9 Amendments: Prepayment Features with Negative Compensation	**Jan-19**
IAS 19: Plan Amendment, Curtailment or Settlement	**Jan-19**
IAS 28 Amendments: Long-term Interests in Associates and Joint Ventures	**Jan-19**
Annual Improvements to IFRS Standards 2015-2017 Cycle	**Jan-19**
IFRIC 23 Uncertainty over Income Tax Treatments	**Jan-19**

29. 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	Effective date
IFRS 17 Insurance Contracts	**Jan-21**

Narrow scope amendments and new Standards	Effective date (EU endorsement)
Amendments to References to the Conceptual Framework in IFRS standards	**Not yet endorsed by EU**
Amendment to IFRS 3 Business Combinations	**Not yet endorsed by EU**
Amendment to IAS 1 and IAS 8: Definition of Material	**Not yet endorsed by EU**

30. 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.

31. Subsequent Events

On 19 July 2019, the Group concluded an agreement based on which it purchased the legal rights to the office building Retro Office House and Silesia Star in Wroclaw and Katowice, respectively. The transaction value amounted to €113.2 million, less customary adjustments. The acquisition was funded from the Group's existing cash resources. The annual contracted rental income of the properties, generated by the occupancy ratios of 100%, amount to €3.9 million and €4.8 million, respectively. The acquisitions were judged as asset acquisitions on the acquisition date as per the criteria outlined in note 23.

On 23 July 2019, the Company announced that its Board of Directors has approved the payment of an interim dividend in respect of the year ending 31 December 2019 of €0.30 per ordinary share, which was paid on 16 August 2019 to the eligible shareholders.

COMBINED STANDING PORTFOLIO SNAPSHOT BY LOCATION AND TYPE (30 JUNE 2019)

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)	Logistics / L.I. (€/sqm/m)	Commercial (€/sqm/m)
Office Portfolio											
Bucharest New CBD	7	10	740.3	281.7	91.5%	48.2	5.4	51.9	14.2	--	14.2
Bucharest Other	4	6	267.9	116.3	90.4%	18.4	6.8	20.9	13.7	--	13.6
Romania: Office	**11**	**16**	**1,008.2**	**398.0**	**91.2%**	**66.6**	**5.8**	**72.8**	**14.1**	**--**	**14.1**
Warsaw	8	9	580.9	188.5	91.9%	38.2	3.9	42.2	16.8	--	16.7
Krakow	3	10	255.9	110.5	96.7%	18.6	3.1	19.3	13.2	--	13.2
Wroclaw	2	2	81.7	32.1	99.8%	5.5	5.9	5.5	13.1	--	13.0
Lodz	1	2	73.5	35.5	98.9%	5.3	4.2	5.4	11.6	--	11.8
Katowice	1	3	68.5	30.6	100.0%	5.2	3.2	5.2	13.6	--	13.3
Gdansk	1	1	58.0	25.6	100.0%	4.0	2.8	4.0	12.3	--	12.2
Poland: Office	**16**	**27**	**1,118.5**	**422.9**	**95.4%**	**76.7**	**3.8**	**81.5**	**14.6**	**--**	**14.5**
Total Office	**27**	**43**	**2,126.7**	**820.8**	**93.3%**	**143.3**	**4.7**	**154.3**	**14.4**	**--**	**14.3**
Mixed-Use Portfolio											
Warsaw	1	5	126.5	22.3	96.8%	7.1	5.3	7.3	22.4	--	24.8
Wroclaw	1	1	115.2	40.9	88.4%	6.7	3.6	7.5	12.4	--	14.1
Katowice	1	1	56.1	24.2	94.6%	3.8	3.9	4.0	13.6	--	13.0
Total Mixed-Use	**3**	**7**	**297.7**	**87.4**	**92.3%**	**17.6**	**4.4**	**18.8**	**17.2**	**--**	**16.7**

COMBINED STANDING PORTFOLIO SNAPSHOT BY LOCATION AND TYPE (30 JUNE 2019)

Logistics / Light-Industrial											
Timisoara	2	5	65.8	121.1	95.1%	5.2	8.0	5.5	6.2	3.5	3.7
Pitesti	1	1	48.3	68.4	100.0%	4.3	6.0	4.3	5.2	5.2	5.2
Constanta	--	--	--	--	--	--	--	--	--	--	--
Bucharest	--	--	--	--	--	--	--	--	--	--	--
Total Logistics / Light-Ind.	**3**	**6**	**114.1**	**189.5**	**96.9**	**9.5**	**7.1**	**9.7**	**6.0**	**4.1**	**4.3**
Other Portfolio											
Bucharest New CBD Upground Complex - Residential	1	1	64.0	34.9	nm	1.2	0.9	1.2	--	--	--
Bucharest New CBD Upground Complex - Commercial	--	--	10.3	6.1	97.7%	0.8	8.5	0.8	--	--	9.4
Total Other	**1**	**1**	**74.3**	**41.0**	**nm**	**2.0**	**3.8**	**2.0**	**--**	**--**	**9.4**
Total Standing Commercial	**33**	**56**	**2,548.8**	**1,103.9**	**93.9%**	**171.1**	**4.8**	**183.6**	**14.4**	**4.1**	**12.7**
Of which Romania	*14*	*22*	*1,132.6*	*593.7*	*93.1%*	*76.8*	*6.0*	*83.3*	*13.8*	*4.1*	*10.7*
Of which Poland	*19*	*34*	*1,416.2*	*510.3*	*94.9%*	*94.3*	*3.9*	*100.3*	*14.8*	*--*	*14.8*

Note: Contracted Headline Rent / Sqm or Unit for Commercial spaces, includes Office, Logistics / Light-Industrial, Retail and Storage spaces.

COMBINED PORTFOLIO SNAPSHOT BY LOCATION AND TYPE (30 JUNE 2019)

	Standing		GAV (€m)				GLA (k sqm)				Contracted Rent + ERV on Vacancy (€m)					
	Investments (#)	Properties (#)	Standing Properties	Under Con/ction	Land & Future Dev/ments	Total Portfolio	Standing Properties	Under Con/ction	Land & Future Dev/ments	Total Portfolio	Standing Properties	Under Con/ction	ERV of Available Space: Standing	ERV of Available Space: U/C & Fut. Dev.	Total: Standing & U/C	Total: Fut. Dev.
Office Portfolio																
Bucharest New CBD	7	10	740.3	64.7	5.9	810.9	281.7	63.9	16.2	361.8	48.2	3.1	3.7	8.2 / 3.0	63.2	3.0
Bucharest Other	4	6	267.9	--	24.5	292.4	116.3	--	59.8	176.2	18.4	--	2.4	-- / 10.6	20.9	10.6
Romania: Office	**11**	**16**	**1,008.2**	**64.7**	**30.4**	**1,103.3**	**398.0**	**63.9**	**76.0**	**537.9**	**66.6**	**3.1**	**6.2**	**8.2 / 13.6**	**84.1**	**13.6**
Warsaw	8	9	580.9	--	--	580.9	188.5	--	--	188.5	38.2	--	4.0	-- / --	42.2	--
Krakow	3	10	255.9	--	--	255.9	110.5	--	--	110.5	18.6	--	0.7	-- / --	19.3	--
Wroclaw	2	2	81.7	--	--	81.7	32.1	--	--	32.1	5.5	--	0.0	-- / --	5.5	--
Lodz	1	2	73.5	--	--	73.5	35.5	--	--	35.5	5.3	--	0.1	-- / --	5.4	--
Katowice	1	3	68.5	--	--	68.5	30.6	--	--	30.6	5.2	--	0.0	-- / --	5.2	--
Gdansk	1	1	58.0	--	--	58.0	25.6	--	--	25.6	4.0	--	0.0	-- / --	4.0	--
Poland: Office	**16**	**27**	**1,118.5**	**--**	**--**	**1,118.5**	**422.9**	**--**	**--**	**422.9**	**76.7**	**--**	**4.8**	**-- / --**	**81.5**	**--**
Total Office	**27**	**43**	**2,126.7**	**64.7**	**30.4**	**2,221.8**	**820.8**	**63.9**	**76.0**	**960.8**	**143.3**	**3.1**	**11.0**	**8.2 / 13.6**	**165.6**	**13.6**
Mixed-Use Portfolio																
Warsaw	1	5	126.5	--	--	126.5	22.3	--	--	22.3	7.1	--	0.2	-- / --	7.3	--
Wroclaw	1	1	115.2	--	--	115.2	40.9	--	--	40.9	6.7	--	0.8	-- / --	7.5	--
Katowice	1	1	56.1	--	--	56.1	24.2	--	--	24.2	3.8	--	0.3	-- / --	4.0	--
Total Mixed-Use	**3**	**7**	**297.7**	**--**	**--**	**297.7**	**87.4**	**--**	**--**	**87.4**	**17.6**	**--**	1.2	-- / --	**18.8**	**--**
Logistics / Light-Industrial																
Timisoara	2	5	65.8	--	10.9	76.7	121.1	--	184.1	305.3	5.2	--	0.2	-- / 7.5	5.4	7.5

COMBINED PORTFOLIO SNAPSHOT BY LOCATION AND TYPE (30 JUNE 2019)

globalworth

	Standing		GAV (€m)				GLA (k sqm)				Contracted Rent + ERV on Vacancy (€m)					
	Investments	Properties	Standing	Under	Land & Future	Total	Standing	Under	Land & Future	Total	Standing	Under	ERV of Available Space		Total	
	(#)	(#)	Properties	Con/ction	Dev/ments	Portfolio	Properties	Con/ction	Dev/ments	Portfolio	Properties	Con/ction	Standing	U/C & Fut. Dev.	Standing & U/C	Fut. Dev.
Pitesti	1	1	48.3	--	--	48.3	68.4	--	--	68.4	4.3	--	--	-- / --	4.3	--
Constanta	--	--	--	--	20.2	20.2	--	--	570.9	570.9	--	--	--	-- / 27.6	--	27.6
Bucharest	--	--	--	--	5.5	5.5	--	--	76.6	76.6	--	--	--	-- / 3.4	--	3.4
Total Logistics / Light-Ind.	**3**	**6**	**114.1**	**--**	**36.6**	**150.7**	**189.5**	**--**	**831.7**	**1,021.2**	**9.5**	**--**	**0.2**	**-- / 38.5**	**9.7**	**38.5**
Other Portfolio																
Bucharest New CBD Upground Complex – Residential	1	1	64.0	--	--	64.0	34.9	--	--	34.9	1.2	--	--	-- / --	1.2	--
Bucharest New CBD Upground Complex – Commercial	--	--	10.3	--	--	10.3	6.1	--	--	6.1	0.8	--	0.0	-- / --	0.8	--
Total Other	**1**	**1**	**74.3**	**--**	**--**	**74.3**	**41.0**	**--**	**--**	**41.0**	**2.0**	**--**	**0.0**	**-- / --**	**2.0**	**--**
Total Commercial Portfolio	**33**	**56**	**2,548.8**	**64.7**	**67.0**	**2,680.6**	**1,103.9**	**63.9**	**907.7**	**2,075.5**	**171.1**	**3.1**	**12.5**	**8.2 / 52.1**	**194.9**	**52.1**
Of which Romania	*14*	*22*	*1,132.6*	*64.7*	*67.0*	*1,264.3*	*593.7*	*63.9*	*907.7*	*1,565.3*	*76.8*	*3.1*	*6.5*	*8.2 / 52.1*	*94.5*	*52.1*
Of which Poland	*19*	*34*	*1,416.2*	*--*	*--*	*1,416.2*	*510.3*	*--*	*--*	*510.3*	*94.3*	*--*	*6.1*	*-- / --*	*100.3*	*--*

PORTFOLIO SNAPSHOT BY VALUE, CONTRACTED RENT AND OWNERSHIP (30 JUNE 2019)

Portfolio Analysis by Value and Property Type

	Combined Portfolio (CP) (€m)	% of total	JV included in CP (€m)	Consolidated Portfolio (€m)	Adj. for JV ownership (€m)	Group Share (€m)	% of total
Romania							
Office	1,073.0	39.1%	(77.7)	995.3	38.9	1,034.1	**38.4%**
Light Industrial / Logistics	114.1	4.2%	-	114.1	-	114.1	**4.2%**
Residential & Other	141.3	5.1%	(29.3)	112.0	14.7	126.6	**4.7%**
Total Romania	**1,328.3**	**48.4%**	**(107.0)**	**1,221.3**	**53.5**	**1,274.8**	**47.4%**
Poland							
Office	1,118.5	40.8%	-	1,118.5	-	1,118.5	**41.6%**
Mixed-Use	297.7	10.8%	-	297.7	-	297.7	**11.1%**
Total Poland	**1,416.2**	**51.6%**	**-**	**1,416.2**	**-**	**1,416.2**	**52.6%**
Total Portfolio	**2,744.5**	**100.0%**	**(107.0)**	**2,637.5**	**53.5**	**2,691.0**	**100.0%**

Portfolio Analysis by Value and Location

	Combined Portfolio (CP) (€m)	% of total	JV included in CP (€m)	Consolidated Portfolio (€m)	Adj. for JV ownership (€m)	Group Share (€m)	% of total
Romania							
Bucharest	1,183.1	43.1%	(86.8)	1,096.3	43.4	1,139.7	42.4%
Timisoara	76.7	2.8%	-	76.7	-	76.7	2.9%
Pitesti	48.3	1.8%	-	48.3	-	48.3	1.8%
Constanta	20.2	0.7%	(20.2)	-	10.1	10.1	0.4%
Total Romania	**1,328.3**	**48.4%**	**(107.0)**	**1,221.3**	**53.5**	**1,274.8**	**47.4%**
Poland							
Wroclaw	196.9	7.2%	-	196.9	-	196.9	7.3%
Warsaw	707.4	25.8%	-	707.4	-	707.4	26.3%
Katowice	124.6	4.5%	-	124.6	-	124.6	4.6%
Lodz	73.5	2.7%	-	73.5	-	73.5	2.7%
Krakow	255.9	9.3%	-	255.9	-	255.9	9.5%
Gdansk	58.0	2.1%	-	58.0	-	58.0	2.2%
Total Poland	**1,416.2**	**51.6%**	**-**	**1,416.2**	**-**	**1,416.2**	**52.6%**
Total Portfolio	**2,744.5**	**100.0%**	**(107.0)**	**2,637.5**	**53.5**	**2,691.0**	**100.0%**

PORTFOLIO SNAPSHOT BY VALUE, CONTRACTED RENT AND OWNERSHIP (30 JUNE 2019)

Portfolio Analysis by Commercial Contracted Rent and Property Type

Romania	Combined Portfolio (CP) (€m)	% of total	JV included in CP (€m)	Consolidated Portfolio (€m)	Adj. for JV ownership (€m)	Group Share (€m)	% of total
Office	69.7	39.7%	(5.7)	64.0	2.8	66.8	38.7%
Light Industrial / Logistics	9.5	5.4%	-	9.5	-	9.5	5.5%
Residential & Other	2.0	1.1%	-	2.0	-	2.0	1.1%
Total Romania	**81.1**	**46.2%**	**(5.7)**	**75.4**	**2.8**	**78.3**	**45.4%**
Poland							
Office	76.7	43.8%	-	76.7	-	76.7	44.5%
Mixed-Use	17.6	10.0%	-	17.6	-	17.6	10.2%
Total Poland	**94.3**	**53.8%**	-	**94.3**	**-**	**94.3**	**54.6%**
Total Portfolio	**175.4**	**100.0%**	**(5.7)**	**169.7**	**2.8**	**172.5**	**100.0%**

Portfolio Analysis by Contracted Rent and Location

Romania	Combined Portfolio (CP) (€m)	% of total	JV included in CP (€m)	Consolidated Portfolio (€m)	Adj. for JV ownership (€m)	Group Share (€m)	% of total
Bucharest	71.6	40.9%	(5.7)	66.0	2.8	68.8	39.9%
Timisoara	5.2	3.0%	-	5.2	-	5.2	3.0%
Pitesti	4.3	2.3%	-	4.3	-	4.3	2.5%
Constanta	-	0.0%	-	-	-	-	0.0%
Total Romania	**81.1**	**46.2%**	**(5.7)**	**75.4**	**2.8**	**78.3**	**45.4%**
Poland							
Wroclaw	12.2	7.0%	-	12.2	-	12.2	7.1%
Warsaw	45.3	25.8%	-	45.3	-	45.3	26.3%
Katowice	9.0	5.1%	-	9.0	-	9.0	5.2%
Lodz	5.3	3.0%	-	5.3	-	5.3	3.1%
Krakow	18.6	10.6%	-	18.6	-	18.6	10.8%
Gdansk	4.0	2.3%	-	4.0	-	4.0	2.3%
Total Poland	**94.3**	**53.8%**	**-**	**94.3**	**-**	**94.3**	**54.6%**
Total Portfolio	**175.4**	**100.0%**	**(5.7)**	**169.7**	**2.8**	**172.5**	**100.0%**

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 2019, plus those properties held as Joint Ventures (currently Renault Bucharest Connected, and lands relating to Globalworth West, Chitila Logistics Park 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 2019 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.

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 NAV Per Share
EPRA NAV divided by the basic/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.

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.

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

GLOSSARY

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.

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

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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